HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—THIRTY-THIRD PARLIAMENT

36 Elizabeth II

VOLUME IX, 1987

COMPRISING THE PERIOD FROM THE TWENTY-SEVENTH DAY OF OCTOBER, 1987
TO THE ELEVENTH DAY OF DECEMBER, 1987

INDEX ISSUED IN A SEPARATE VOLUME

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

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

HOUSE OF COMMONS

Tuesday, October 27, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 30 petitions, Nos. 332-3110 to 332-3117 inclusive, 332-3119 to 332-3123 inclusive, 332-3128 to 332-3130 inclusive, 332-3132, 332-3140 to 332-3143 inclusive, 332-3191 to 332-3193 inclusive, 332-3201, 332-3205, 332-3206 and 332-3214 to 332-3216 inclusive.

I would point out to those who signed Petition No. 332-3214, tabled by the Hon. Member for York West (Mr. Marchi), that it was certified on August 18 but not presented until October 1. However, the Government has responded within the required 45 days.

FAMILY REUNIFICATION—PHILIPPINES

Mr. Alex Kindy (Calgary East): Mr. Speaker, it is an honour for me to present a petition signed by 280 constituents who ask that the Government pass a special Bill permitting family reunification for people who are in the Philippines right now. The situation there is volatile, with great insecurity and the danger of a Communist takeover, and they pray the Government will pass a special Bill.

[*Translation*]

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have the honour of tabling several petitions from rural communities in New Brunswick, expressing concern about the fact that Canada Post wants to close down post offices in their areas. The petitions are from all over New Brunswick and bear several hundred signatures.

Your petitioners humbly inform the House that Canada Post's new corporate plan has created two classes of citizens by installing its super boxes in urban and rural areas; that closing rural post offices deprives Canadians of a unique federal presence and reduces postal services that are vital to rural areas; and that rate increases, especially for second class mail, jeopardize the distribution by mail of many newspapers, weeklies, regional papers, magazines and religious publications.

Wherefore your petitioners humbly pray that Parliament reject Canada Post's plan and urge the Corporation to deliver the mail to all Canadian taxpayers, without exception.

OPPOSITION TO TAX ON FOOD

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour and the privilege of tabling a petition signed by the residents of Ottawa and Willowdale, Ontario. Your petitioners object to the fact that this Government has either levied or increased a total of twenty-five taxes since September 1984. They object particularly to the proposed tax reform that includes the possibility of imposing a tax on food. They believe this decision would be particularly devastating for the elderly, the unemployed, youth and low-income families.

Wherefore your petitioners humbly pray that Parliament reject any measure that would have the effect of putting a sales tax on food.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would ask that all questions on the Order Paper be allowed to stand.

Mr. Speaker: Shall all questions on the Order Paper stand?

Some Hon. Members: Agreed.

• (1110)

MOTION TO ADJOURN UNDER S. O. 29

CONSIDERATION OF CANADA-U.S. TRADE AGREEMENT BY STANDING COMMITTEE

Hon. Herb Gray (Windsor West): Mr. Speaker, pursuant to Standing Order 29 I ask leave to propose a motion to adjourn the House for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the decision of the Standing Committee on External Affairs and International Trade to undertake a precipitate study of the Canada-U.S. trade agreement in the absence of a complete text of that agreement and on a timetable that will not permit either adequate committee study or informed comment from Canadians before the committee prepares its report, thereby breaking the commitment of the Prime Minister (Mr. Mulroney) that the complete text of the agreement would be referred to committee for full and detailed analysis.

The House of Commons and its committees should not be made a party to what could amount to a sham or charade whereby there is the appearance of the study of the Government's trade deal with the United States when neither the House nor its committees are doing that at all. Let us have the full text of the agreement and then let Parliament and its committees study this matter.

Mr. Lewis: What a charade of that Standing Order.

Mr. Speaker: The Hon. Member presented me, as he was bound to do, with sufficient notice. The Chair has had a chance to consider the matter. While the subject matter is of importance to all Hon. Members, it is a matter within the committee. I do not think that at this early stage it would be appropriate for the Chair to adjourn the House for a debate. However, I do thank the Hon. Member for bringing the matter to the attention of the Chair and the Chamber.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT—AGRICULTURE

Mr. Vic Althouse (Humboldt—Lake Centre) moved:

That this House condemn the government for negotiating a trade agreement with the United States that has failed to stop the predatory practices of the U.S. Export Enhancement Program, and that will;

(a) lead to the elimination of our two-price system for wheat;

(b) undermine the powers of the Canadian Wheat Board;

(c) reduce the growth of supply management marketing boards;

(d) reduce the growth opportunities for Canadian fruit and vegetable producers;

(e) adversely affect the Canadian wine and grape industry;

(f) provide little benefit for red meat producers; and

(g) provide no new benefit for farmers purchasing farm equipment or other farm inputs.

He said: Mr. Speaker, I rise today to discuss the agricultural aspects of the proposed agreement between Canada and the United States which purports to deal with free trade but is probably more correctly called a trade agreement between the two countries.

I do not think there is any doubt that this is not a good deal for agriculture or for Canadian farmers. The circumstances under which the deal was consummated left doubt as to whether the outcome would be in the best interests of Canada. The deal was arrived at in haste late at night under a deadline imposed by the American Congress.

This is an international agreement and there is great difficulty in arriving at international understandings between our countries because of the different democratic systems which we employ. The United States has a republican system and we have a parliamentary system. Under their system anything the President or his administration signs must get the approval of the House of Representatives and the Senate. In our system anything that the Prime Minister and his Ministers sign by way of international agreement becomes law virtually automatically because of the requirement for a majority in the House. Therefore, the bargaining positions of the two sides are different.

In international negotiations the Americans often use the ploy of having the executive branch of the administration sign agreements which they are fully cognizant that the Senate or House of Representatives will not accept. That does not appear to be the case with this particular agreement and that is why I, a person who finds this agreement less than good for Canada, have some difficulty knowing what I should do about it.

I realize that the Americans already perceive that they have gained a victory with this agreement. This has permeated the Senate and the House of Representatives to the point where they appear to be quite willing to endorse this agreement which is a victory for the United States. They are getting more than they are giving up. They have gained something from Canada and it is, therefore, a good deal for them.

As an opposition politician I am cognizant of the fact that any further opposition to the deal in Canada will only build on the perception across the border that this is indeed a bad deal for Canada. The obverse of that is that it is a good deal for the Americans. I face that dilemma but, being a Canadian and a representative of Canadians, I think it is my duty to speak out when faced with such a patently obvious bad deal for the interests of Canadians.

Some Hon. Members: Hear, hear!

Mr. Althouse: The Government has clearly broken its trust with rural Canadians. During the negotiations the Government was as clear as possible in the House and in releases across the

country that there would be no discussions on agriculture. The Government began by saying that agriculture was not on the table and then amended that by saying that the marketing boards and structures were not on the table. When we look at the tentative agreement which was presented in this House some days ago we see that neither was the case.

We learned last week that the American interpretation of what the agreement says is somewhat in conflict with that of everyone else. In spite of the clause which appears to represent a commitment by both parties not to engage in subsidization of exports to third countries to which the other party to the agreement sells, Canada's sales to the U.S.S.R., China, and India were put in jeopardy last week by the offer by the United States of a continuation of their Export Enhancement Program into those markets.

• (1120)

This is something that seemed to be very clearly contrary to the agreement that had been signed just two weeks before. That has not yet been cleared up and it is one of the issues we wish to highlight in the debate on this motion today.

There is also a question as to whether the over-all agreement will be more helpful to our country or to the Americans.

This morning I wish to briefly refer to a study by the Economic Council of Canada before I deal with the points in my motion. The Economic Council uses the econometric models and shows that some 355,000 jobs may be saved according to their perception of the free trade arrangement with the Americans. I want to caution the House about this particular study because the same econometric model was used by the same people to produce the results by the University of Maryland study which, with the exception of a couple of assumptions, showed quite clearly that the Americans would gain from a free trade agreement, particularly those aspects involving agricultural products. The Americans would gain more access to Canada's markets for fruits and vegetables and those products now under marketing boards such as chickens, eggs and dairy products. I remind the House that the Americans already show a trade surplus with Canada in those particular goods in agricultural trade. The University of Maryland study shows that this surplus in trade would be augmented and strengthened.

The Economic Council study was based on some different assumptions and even contains some figures that would indicate to the layman that there would be some 7,500 to 7,800 fewer jobs lost in agriculture than would be the case without the agreement. The drafter of the report told me that this does not really mean there will be jobs created but that jobs would not be lost quite as quickly. Therefore, when the Government tells us that 355,000 jobs will be created, it is not what the Economic Council intended and is not the way the report should be interpreted. It simply means that 355,000 jobs may not be lost as quickly as before the agreement.

I questioned this study because it appeared to the layman that 7,500 to 7,800 jobs would be created in agriculture as a result of this agreement, which is a complete reversal of the trend of annual job losses in agriculture that has been in effect since the 1930s. The technicians who prepared this report assured me that those losses would continue and this agreement would not reverse that trend. This figure represented an estimate of a possible decrease in the number of jobs lost.

The assumptions made in that report were not the same assumptions with which we are now dealing. Therefore, as far as agriculture is concerned, that report is of no use to the debate at all. I simply wanted to refer to it in order to make that point very clear at the beginning.

Mr. Gormley: Logical gymnastics.

Mr. Althouse: It is not logical gymnastics. It is simply putting facts on the table. If people wish to refer to the Economic Council report they should do so on the basis upon which it was presented and on the basis of the assumptions that the report used, none of which fit the proposed agreement that is before us. I invite the Member to check it out.

Mr. Gormley: Sour grapes, Vic!

Mr. Althouse: The Member mentions sour grapes. I will get to the sour grapes in a moment.

Mr. Riis: Tell that to the grape growers.

Mr. Althouse: Indeed, it leaves a sour taste in the mouths of the grape growers who are on the Hill today advocating the removal of the aspects of the trade agreement that affect their industry which will, in effect, wipe them out over the next seven years.

Let me review the points I have listed in my motion. We believe the proposed agreement will lead to the elimination of our two-price system for wheat. This is not only my assessment of the agreement, it is also the assessment of Grant Devine, Premier of Saskatchewan, who is an avowed free trader and supporter of the agreement. Even he realizes that the agreement will do away with the two-price system for wheat for which Canadian farmers have fought long and hard.

The agreement undermines to some extent the powers of the Canadian Wheat Board by removing the import licensing provisions which the Board now has for oats and barley and which it used to have for the importation of wheat and wheat products before the Government took office. The removal of those powers undermines the authority of the agency to establish prices for those three grains in Canada.

The agreement reduces the growth of supply management marketing boards. It is in this area where I believe those farmers who produce under supply management marketing boards feel most betrayed. The Government has essentially decided that the amount we now produce in Canada under those marketing boards, including the poultry boards, egg

board and the Dairy Commission, will in effect be frozen at these levels over time.

There seems to be an assumption in the agreement that Canada will not be able to expand efficiently and competitively in these particular areas of production and therefore the import quota levels have been permitted to rise each year according to this agreement.

The agreement provides for an initial poultry import quota increase from 6.3 per cent of Canadian consumption to 7.5 per cent of Canadian consumption in the coming year; an increase in the turkey import quota from 2 per cent last year to 3.5 per cent of the domestic consumption in the coming year. There is an increase in the shelled egg import quota from 0.675 per cent to 1.647 per cent, which is almost triple. There is a similar increase of almost quadruple for processed eggs, as well as a slight increase with respect to powdered eggs.

Furthermore, there seems to be a tacit understanding that there will be additional quotas issued above those levels if they are applied for by importers, and that those additional import levels will become written into the agreement for the coming years. This is a clear signal to Canadian poultry and egg producers that they will have a fairly static market. The poultry market is growing much faster than average, but it will be filled to a large extent with processed products from the United States.

Mr. Belsher: You are reading between the lines.

• (1130)

Mr. Althouse: Perhaps I am reading between the lines, but it seems to be fairly clear. I have checked it with people from Agriculture Canada who have not been able to dispute that assessment. They say there will be some possible renegotiation, but at the moment that seems to be the way the negotiations stand.

The importation of fruits and vegetables and the growth opportunities there I think are even more frozen in time for Canadian producers than is the case under the supply management marketing boards. We retain an ability to provide seasonal import tariffs for 10 to 20 years. However, there are two very firm restrictions on the application of those tariffs. We can only apply those tariffs if the price has fallen below 90 per cent of a five year average formula—and this is the one that I think is the most detrimental to the growth of the fruits and vegetables industry in Canada—and the requirement that our acreage in a particular fruit or vegetable has not increased.

What the Government has in effect done is frozen the current acreage for fruit and vegetable production at its current level. It has not taken into account the possibility of a growth in demand through a growth in population. We are frozen at about 25 million people over the next 20 years. What we have in effect signalled to the producers of those products is, zap, you are frozen, and most of the increase in demand will be filled by U.S. products at a cheaper rate.

It is a vision of no growth in fruits and vegetables. It is a vision of no growth in eggs, in poultry products, as well as in dairy products. The mechanism being used in dairy products is a proposal to do away with any tariffs. This will mean a tendency for processed products such as yogurt, ice cream and some of the cheeses, to come in at the expense of potential Canadian production.

We have set up a system that assumes Canada will continue to be exporters of raw product. We will continue to provide the Americans with red meat and relatively unprocessed products. I remind the House that we have had access to each others markets in red meat on a virtually free trade basis for almost 50 years. That will continue. The way some companies have adapted to gain and maintain access to the U.S. market is something of which I think the House should take recognition.

One of the main plants in Saskatchewan has been exporting pork into the California market. That has always appeared to make sense on the surface. The distance from Saskatchewan to California is closer, or at least no farther, than the distance from Iowa. There are no major pork production units between those production points and the point of consumption. Yet pork producers have often run into difficulties at the border with inspections and sort of non-tariff barriers to the free flow of pork.

One of the ways we have adapted, which gets us around that, is to kill the hogs in Saskatchewan, hang them as sides, run them down to California and have the processing done there close to the final point of consumption. If there is a problem at the border, the workers in the plant, who are American workers, complain to their Congressmen that they are no longer able to get raw product from Canada and they are in danger of losing their jobs. The wholesalers who have been handling this meat go through a similar kind of process and so we have American jobs being potentially hurt and Americans complaining about it. However, what we end up with is only the opportunity to ship virtually raw product into the United States with very little processing—or jobs—in this country.

What we have done with this particular agreement is exchanged access to the American markets for an ability to send in more raw material. This means that in exchange we will import more U.S. processed product, whether it is food in the form of processed poultry, in the form of TV dinners or as yogurt or ice cream. In simple terms, we have made a simple exchange. We have decided to export jobs as far as agriculture is concerned.

Rather than become self-sufficient for our own needs and create the necessary employment and economic activity that goes with it, we have agreed to send raw products south and to bring back on occasion the processed product with the additional costs that go with it to the additional benefit of the American economy.

We have not dealt clearly with all the aspects that affect agriculture in this brief presentation, nor have the questions

and answers provided in the House given us a full understanding of the deal. I think it is relatively clear that we have given away some of our sovereignty with this agreement by providing full investment freedom to the purchase of resource lands. It appears we have also done the same thing for farm and recreation lands. I simply pose a simple question at the end of my remarks; if giving away control over who invests in these fundamental lands which make up our country is not giving away sovereignty, what is?

Mr. Wise: Madam Speaker, I have a question for the spokesperson for the New Democratic Party on agricultural policy. It behooves me to say that 50 per cent of farm income comes from export sales. If we exclude grains and oilseeds from those sales, we find that two-thirds, or roughly 60 per cent of agricultural commodities which we produce here in Canada is sold into the export market, but sold exclusively into the export market.

If we think about that for a moment, we must ask how in the world the Hon. Member can stand in his place and say this is not a good deal for Canadian agriculture? I really do not know who he speaks for. I think we should be referring to the industry spokespeople. They are not ministers of agriculture. They are not opposition critics. These are people who have made their living day after day in the agricultural industry. The spokesperson for the Canadian Cattlemen's Association, a big industry in Canada, is supportive of the U.S.-Canada bilateral trade arrangement. The spokesperson for the pork industry says it is supportive of the Canada-U.S. trade arrangement. The spokesperson for the dairy industry of Canada is supportive of the Canada-U.S. trade arrangement.

The spokesperson for the Canadian Chicken Marketing Agency, and he should be very familiar to my colleagues in the New Democratic Party, is very supportive as well. The spokesperson for the Canadian Broiler Hatching Egg Marketing Agency is very supportive. The spokesperson for the Canadian Horticultural Council, speaking on behalf of that industry, is very supportive as well. The list goes on.

I sat here and listened to the spokesperson from the New Democratic Party say this is not a good agreement for Canadian agriculture when in fact, if we look at what the spokespeople for the industry itself are saying, the industry is taking a very positive position. So I simply ask the Hon. Member who in the world he is speaking for?

Mr. Althouse: Madam Speaker, I speak for the farmers in my riding. I speak for the farmers across the country.

Mr. Gormley: You haven't gone back to your riding for years. What a joke.

Mr. Althouse: I was there last Thursday, Friday and Saturday, Sir.

An Hon. Member: And it was three years before that.

Mr. Althouse: And many times before. I am just giving the most recent. The Hon. Member says three years.

Mr. Broadbent: He was here before you were, and he will be here after you are gone, fellow.

Mr. Mayer: There is another farmer, the hon. farmer from Oshawa.

The Acting Speaker (Mrs. Champagne): Order. This debate having just started, I am sure all Hon. Members will have a chance to put forward their opinion. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) has the floor.

Mr. Althouse: I think the Minister of Agriculture (Mr. Wise) will know and agree that there are flaws in this agreement, that it does in fact encourage the export of products rather than the home processing of products.

• (1140)

I said in my speech that it does not change greatly the relations between our two countries with regard to red meat. We did not really need to state anything in this agreement with regard to red meat. We have had access to each other's markets for a long time. It has occasionally been interrupted by individual states, and this agreement does nothing about that. It has occasionally been disrupted by so-called health considerations, and this agreement does not really attempt to do anything about that. In fact, it recognizes that there will be occasions when our health requirements, on either side of the border, will affect trade.

I will admit, and I may not have mentioned it in my speech, that it has changed the tariffs between our two countries with regard to live cattle. It has taken that last one cent which was no real impediment to trade in any case on a $1.50 feeder calf— another cent does not make much difference. So that section of it was simply a regurgitation of what had been in the agreement before.

But the sections dealing with those products that are produced in Canada under supply management have created a field-day for American imports.

Mr. Mayer: He does not understand the agreement.

Mr. Althouse: The import licences have been increased, as I read the agreement. It has been agreed that the import licences will be increased.

Mr. Mayer: They are maintained at exactly the same level as they were over the last five years.

Mr. Althouse: As I understand the process of those import licences, the incentive will be for the processors and wholesalers who now hold those import licences to bring in the most highly processed product they can. It is now conducted on the basis of pounds. If one brings in a TV dinner that is all set to go which might retail for $2.95 or something like that, then one is making the best use of one's import licence. It will not

result in increased processing in Canada, processing that would result in jobs. This will result in jobs in the United States. The processing and production will be done in the United States. I doubt very much if the benefit of those imports will be passed on to consumers since these people are now holding the import licence and, in effect, the import quota. It will be a great opportunity to convert those imports into profits. I see very little chance of that being passed on to consumers by way of lower prices.

Mr. Rodriguez: Madam Speaker, a little while ago the Minister rhymed off a litany of all those people who were supporting the Prime Minister's (Mr. Mulroney) free trade deal. I noticed he did not touch on the wine producers or the grape growers. I want to ask the Hon. Member if he would comment on the consideration of the Government in this free trade agreement of actually labelling those in the wine industry and the grape growing industry as losers. That is what it is doing. It is blithely writing them off as losers and forgetting the implication and the depth of that industry, as well as the importance of it to Canada. I wonder if the Hon. Member would comment on that point.

Mr. Althouse: Madam Speaker, I think it has been fairly clear to grape growers that this particular agreement is not going to be something that will leave their industry untouched. In fact, many of them believe that this will be the end of their industry and that the crop that they are now taking off will probably be the last for many of them.

There is a great deal of change-over that will have to be undertaken if Canada's grape and wine industry is to be competitive. The immediate effect will not hit until the seven-year phasing-in period. Whether more northerly produced grapes will be able to produce wine that will be competitive with those produced in southern California or Europe is a moot point. My understanding of the way grapes develop is that they need heat and sunshine in order to produce the necessary level of sweetness to produce the best kinds of wines. Our climate does not always measure up to that requirement. As a result, I think it is fairly clear that the Canadian grape and wine industry will be pretty nearly devastated by this agreement over the course of the seven-year implementation period. Consumers will most likely be consuming American wine which is produced in very large wineries.

My information notes tell me that the Gallo Brothers winery will produce most of what the Canadian market needs in about seven or eight days' production. So the chances of that happening are very high indeed.

Mr. Belsher: I have listened with interest to the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). While I have always admired his critiques from the point of view of his agricultural portfolio, I nonetheless find some passing interest in the fact that a few weeks ago he was saying that it was the marketing boards that would be destroyed. Now he has it that the marketing boards are not going to grow quite so much. He has been able to adapt to the reality that the marketing system has been protected in this agreement. That is something that is very vital. The marketing system has been preserved. That comes through loud and clear.

The Hon. Member mentions scare tactics about TV dinners being the things that will start to roll across. That is precisely what will not be allowed to happen as a result of the agreement. I do not know how he can turn around and make these misrepresentations to the Canadian people as to what will happen. He is starting to read between the lines, and again his doom and gloom comes through loud and clear.

The Hon. Member made specific reference to the dairy industry. When I read the agreement I see that the very items that he does mention can be put on the global import control list. Will that not give us the protection that the Hon. Member is so quick to say is not there? Why does he turn around and make misrepresentations on dairy products, the subject about which he is speaking this morning?

The Acting Speaker (Mrs. Champagne): May I ask the Hon. Member, since the time has elapsed, to please give a short answer if at all possible.

Mr. Althouse: I will be very brief, Madam Speaker, in light of the time. The import control list is still an activity that we think we can maintain. However, using the import control list does not comply with the over-all sense of the agreement. We will not be able to continue to use export control lists of any kind if we are going to live up to some of the earlier phraseology in the agreement. I think it runs contrary to the spirit of the agreement. So I have assumed that we are intending to live up to the high-flown phrases at the beginning of the agreement and that eventually the use of the import control list will be phased out.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Algoma (Mr. Foster).

Mr. Maurice Foster (Algoma): Madam Speaker, I am delighted to have a chance to speak in the debate today dealing with free trade in agriculture. I think we approach this debate from the point of view of a complete reversal of what the Prime Minister (Mr. Mulroney) and most of his senior Ministers told the people during the 1984 general election campaign.

At that time, in responding to a question from a reporter from *Maclean's* magazine, the Prime Minister said:

> Canadians rejected free trade with the U.S. in 1911, they would do so again in 1983. Canada must increase its share of total world trade—

If we look at the words of the Minister of Finance (Mr. Wilson), who rushed off to Washington after the agreement had collapsed, at the behest of the Prime Minister, and who was running in the same leadership race at that time, we will see that he said:

> Bilateral trade is simplistic and naive, it would only serve to further diminish our ability to compete internationally.

• (1150)

The Secretary of State for External Affairs (Mr. Clark), who had the senior responsibility with regard to the trade agreement with the United States, when questioned on his views on free trade stated:

> Unrestrained trade with the U.S. raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear.

At the same time the Secretary of State (Mr. Crombie) when he was asked to comment on free trade stated, "It's silly".

When comparing the Tory view of free trade in 1983 and 1984 with what they are doing now to the country with this agreement with the United States, it is unbelievable. There is no question that there was never any mandate.

In the actual negotiations period it was repeatedly suggested that agriculture would not be on the table. The Secretary of State for External Affairs commented to that effect in January, 1985 or 1986. Yet today we have a free trade agreement that touches most areas of agriculture.

If we look at it in balance, what did we get and what did we give, obviously we gave a lot; in some sectors, completely everything, in other sectors, nibbling away at the powers of the various agencies and the policies of the Government of Canada. What did we get in return? We did not get very much. We certainly do not have unrestricted access to the United States market. We still have dumping duties and countervail duties by the United States. We have a binational disputes handling mechanism. Every legal authority that I have read has stated there is effectively no change in the powers and the prerogatives of the United States Government to impose countervail duties or dumping duties as it has done on many Canadian products for many years. We do not gain the binational panel.

A few months ago we had a briefing from one of the senior trade negotiators. He said there was going to be a binational panel up front where either country could take complaints for resolution by an independent tribunal. In fact, pork producers, potato producers, or producers of any other commodity that has a dumping duty or countervail duty imposed upon it, still has to go through the whole process of the countervail duty, the analysis by the Commerce Department in the United States, and the final disposition by the International Trade Commission of a countervail duty. Those producers are no longer able to take the dispute to the International Trade Court of the United States for adjudication. They are no longer able to go to a GATT panel. There would be this binational panel. Most legal authorities say that the access by Canada would not be appreciably changed. Clearly, the impact will be severe in many sectors of agriculture.

Our international relationships are even more interesting. If we look at what was negotiated in the agreement, it is clear that we did not get an exemption by the United States from its export enhancement program where it is spending several billion dollars to take away markets that Canada has had in the past. It agreed to take our export interest into account, but that is all.

If one reads the statements made by United States senior officials during the last few weeks, in fact it takes us into little account because the officials in the United States Agriculture Department have made it clear that they will be using the export enhancement program in a ruthless manner. This not only takes away traditional markets of Canada, but any market. This trade agreement only requires them to take it into account. They have already indicated that they will not take it into any serious account.

Clearly the two-price wheat system will be destroyed. The Minister for grains and oilseeds denied that in the House a few weeks ago. The Minister for International Trade (Miss Carney) suggested that it would be destroyed. We have to go to the Saskatchewan Legislature, where the Premier of Saskatchewan, a bosom buddy of the Prime Minister and fellow Tory, has stated that the two-price wheat system will be destroyed and that the federal Government will be providing full compensation. It was nice to hear from the Saskatchewan Premier and Minister of Agriculture that the Government of Canada will pony up $280 million to compensate Canadian grain producers for their loss of the two-price wheat system. But it would be nice to hear it from the Prime Minister here, or from the Minister for grains and oilseeds, and not have the shilly-shallying around which has been going on.

In other areas of the agreement the Government is sending a signal to the world that the Western Grain Transportation Act is a subsidy. Obviously, other countries will take that into account, because in the agreement they have agreed to remove the Western Grain Transportation Act assistance from the grain which goes into the Pacific northwest. That would happen immediately in January of 1989. Whatever tariffs are there would be phased out over a several-year period. This will cut us out of that market. We have some 300,000 tonnes of grain a year going into that market, from the information that I have been provided by the wheat pools.

The $280 million which is going into the farmers' pockets now with the two-price wheat system, not only benefits western farmers but farmers in Ontario. The Ontario Wheat Marketing Board has made it clear that the cost to it is in the range of $30 million. It is very upset at the loss of those revenues at a time when other revenues are down in any event.

With regard to the Canadian Wheat Board, we are told that within a very few years, certainly as soon as the funding is reduced for the American Farm Bill, that wheat will be able to come across the border without licence from the Canadian Wheat Board, except a cursory provision of licences for end-uses such as milling, feed-lot operations, malting, and so on. It seems clear to me that the powers and the prerogatives of the Canadian Wheat Board will be lost.

I put the question to you, Madam Speaker, if a farmer across the border in Montana delivers wheat or grains to a

milling operation in Lethbridge and does not have to comply with the quota or negotiate a price below the Canadian Wheat Board price, how long will the Canadian farmer living outside of Lethbridge be able to put up with that situation? The Montana farmer can deliver as much wheat or other grains, oats, barley, as he wishes into that milling operation in Lethbridge, whereas the Canadian farmer living a few miles from the milling operation through his Wheat Board quota book can only deliver up to his quota level and, of course, at the Canadian Wheat Board price. I just do not think that that situation will last very long. In fact, there will be an incredible demand on the part of the Canadian farmer to deliver to the milling operation on the same basis as the Montana farmer.

• (1200)

I submit that the strength, resilience, and ability of the Canadian Wheat Board to maintain the marketing arrangements which we have had for some 40 years or 50 years will be markedly reduced by the agreement. Clearly there are many aspects to the agreement which will be extremely harmful. In my opinion none is worse than what will happen to the fruit, vegetable, and wine industries. There has been a deal made by the President of the United States and the Prime Minister to destroy the Canadian grape industry. No other sector of the agricultural economy has been dealt such a blow. All we have to do is read the recent reports by Canadian Grape Growers and the Canadian wine industry which indicate that next year they will be cutting back on the purchase of Canadian grapes. I am told that the industry provides employment in the order of some 12,000 to 15,000 part and full-time jobs in Ontario and some 5,000 to 6,000 in British Columbia.

Similarly, seasonal tariffs in the tender fruit industry will be wiped out, unless the industry retracts, regresses, and is not growing. Even if it is growing, it will only have a snap-back provision which will be quite ineffective in protecting the industry. It is not that these growers are not dynamic, effective producers; it is just that their crops come into play a few weeks later than those of California and other tender-fruit-growing areas which, as a result, get the peak of the market at the first of the season. However, as it goes down, Canadian commodities come on the market. The tariff on processed fruits will be removed, and we will see industries in southwestern Ontario moving to the United States because at present they live with the protection of tariff arrangements.

The poultry industry will be severely affected. In fact, the 12.5 per cent duty on poultry meat will be removed, so TV dinners, chicken pot pies, and the like will move into the Canadian market. The quota for poultry meat will be increased by some 20 per cent. Likewise, producers will be allowed some four million additional dozens of eggs. Pressure will be put on the industry as a result of the wide-open arrangements for foreign investment in Canada to which the Government agreed in the agreement.

We will see a takeover of Canadian processing and manufacturing industries such as we have never seen before. I predict that the poultry and feather industries will be adversely affected.

I thought it was very instructive that yesterday in the House the Minister for International Trade made remarks about the case before the GATT dealing with wine pricing by suggesting that in fact Canadian producers had discriminatory pricing or some unfair advantage. It seems to me that that prejudices the hearing before the GATT. Of course, placing all that in the agreement adversely affects these negotiations.

I would like to refer to another aspect of the trade agreement. I would not want to call it a free trade agreement. What is free about it? Wine producers and grape growers will be wiped out. The breweries are not affected, so it depended upon who the Government decided to wipe out in the agreement. I think this aspect is of great concern to Canadian hog, beef, and other commodity producers. The Government portrays this agreement as a tremendous opportunity to bust into United States markets. However, two or three studies which have been carried out by the Government indicate that if the agreement is ratified the Canadian dollar will appreciate to some 90 cents or 95 cents compared with the American dollar. If that in fact happens, the impact for many of our producers would be extremely negative. The impact of the loss of the 25 per cent or 35 per cent exchange rate will have an extremely adverse effect upon primary producers. Certainly that would be the case in the Canadian hog industry.

Apparently negotiators of the agreement with the United States tried but were unsuccessful in their attempt, if they attempted, to negotiate away the 4.3 cents per pound export countervail duty which the United States has had on Canadian hogs. If we had an agreement through which we were trying to make a free trade area of Canada and the United States, surely we would have tried to negotiate away that countervail duty. In fact, we did not. Canadian hog and other producers are still subjected to the countervail duty. The countervail duty could be imposed on pork. It could be increased on hogs. It could be imposed on potatoes and on other commodities. The agreement and the binational commission which has been established do not in fact prevent that from happening with resulting long negotiations.

I think the agreement is very unequal. Canada gives up in many sectors. Canada does not get a binational commission up front which deals with disputes. Canada gets the same old International Trade Commission, the Department of Commerce and the rigmarole involved there; a binational commission which will not deliver, in the opinion of very knowledgeable people, any significant improvement in our access to United States markets or to freedom from countervail and dumping duties. In general it opens up our markets and detracts from our opportunities to provide the basic production of food in Canada.

Mr. Wise: Madam Speaker, I have a question for the agriculture spokesperson of the Official Opposition. If not all Members of the House, certainly a majority of them, would

want to join with me in presenting the Hon. Member with a special award. I would suggest it should be an award for doom and gloom.

• (1210)

I was amazed listening to the Hon. Member, because it was evident from his speech that he has no confidence in the ability of Canadian farmers. He has absolutely no confidence in the people in the Canadian agri-food industry to rise to the occasion and take advantage of probably one of the greatest opportunities and challenges that have faced them since Confederation.

I am not sure where the Hon. Member gets his figures when he indicates that there will be a 20 per cent increase of poultry products and a 25 per cent increase of something else. If I refer to the agreement itself—

Mr. Riis: We haven't seen the agreement yet—

Mr. Wise: —and look at the actual amount of increase in chicken parts and products, it is not 20 per cent, but 1.2 per cent. These increases simply reflect the exact amount of imports that have come into the country anyhow over the last five years.

If we look at the turkey parts and processed products, the increase is not 20 per cent, but 1.5 per cent. If we look at shelled eggs, there is a total increase of 0.9 per cent. If we look at processed eggs, liquid and frozen, the increase is 0.299 per cent. If we look at powdered eggs, the increase is 0.02 per cent.

Does the Hon. Member not realize that the agreement was reached, not unilaterally by the Government but by consultation and negotiations within the SAGIT committee? Our Government made a firm commitment to maintain supply management intact. People play around a little bit with the tariff list. If people understood the Canada-U.S. trade agreement and the rules of GATT we could move those semi-processed products and so on from the tariff list to the import-export list to protect part of the underpinnings and the day-to-day operations of the supply management board. We did not do it unilaterally, we did it by agreement with the United States, consistent with Article 11 of GATT.

The SAGIT committee recommended this action in support of the continuing financial viability of the Canadian Food Processing Industry, which is the largest single employer in Canada. It does not make much sense to maintain supply management if you place in jeopardy the financial viability of the food processors. If the food processor goes down the tube then where in the world will Canadian producers sell their primary products?

This was a sensible arrangement arrived at through negotiations and consensus within the SAGIT committee. We have full and complete control over the additional product if required. Of course, the local agency has the opportunity to supply its product. That has always been the case. It cannot supply the product in a three week period. It varies product to product. Often times the national agency will say "Look, issue the import permit". Nothing has really changed.

Under this agreement, does the Hon. Member not realize that not one extra chicken piece or part will come into Canada than has already come in over the last five years? Does the Hon. Member not realize that and understand why we did that? Does the Hon. Member not understand Article 11 of GATT?

Mr. Foster: Madam Speaker, we have great confidence in Canadian producers, farmers and food processors but we have no confidence in this agreement. It really moves to sell out Canadian producers.

I note in the agreement that Canada will now not go to GATT as an independent country fighting for Canadians but will go there as an adjunct to the United States. As the Prime Minister has done in every single international negotiation since 1984, it will be a "me, too" with President Reagan. That is exactly the way the Government will behave in the multilateral trade negotiations and at the GATT.

I am glad the Minister mentioned Section 11. I defy him to table in this House the documents which the Minister for International Trade tabled in Geneva last week. It is totally unacceptable that we have a Government that tables in GATT its proposals for the negotiations but refuses to table them for Canadians. The United States has tabled its documents in the United States so that the legislatures know what is going on, but this Government tables documents secretly.

Mr. Wise: What did you do? You did not table documents in two rounds of GATT.

Mr. Foster: The Minister of State (Grains and Oil Seeds) (Mr. Mayer), if he read the agreement, would find that his Government said, "Our position at GATT and at the MTN will be a me too position".

Mr. Wise: False.

Mr. Foster: We are not going there as an independent country. Read the agreement. The Member has not read the agreement. The Minister mentioned section 11 of GATT. Where will Canada be at the end of the day on those negotiations? The Minister knows that the United States of America is going to GATT saying, "We want section 11 removed" which provides for marketing boards, for supply management and border controls. We also know that a lot of the Cairns Group about which the Minister speaks often wanted the same thing. That group wants to get rid of the power of supply management, border controls and marketing boards which have worked extremely well for Canada. I want to know what those secret documents say and what Canada's position will be in that regard. Nobody knows.

Let me deal with the question of the poultry imports. Clearly Canada's poultry industry will be put under a great deal of pressure.

Mr. Wise: No way.

Mr. Foster: The 12.5 per cent duty will come off poultry meat and off prepared foods, TV dinners and chicken pot pies. That stuff will roll into the country with markedly reduced tariffs.

Mr. Wise: False.

Mr. Foster: Just read the agreement.

Mr. Mayer: It is false.

Mr. Nelson: We have not seen any agreement yet.

Mr. Foster: The Minister was talking about percentages. The poultry quota has been increased from some 31 to 37 million kilos a year. I said that poultry meat coming into this country would be increased by 20 per cent. The quota for eggs will be increased by four million dozen eggs. The Minister can play around with figures but those are facts. He knows that.

The Minister talked a great deal about supply management. If he wants to be completely forthcoming with the House, with Members of Parliament and Canadians who are under supply management and are benefiting from it, he should table the documents tabled at GATT to show what Canada's position will be at the end of the day with regard to supply management and section 11 of GATT. It is extremely important to Canadians.

We know where the leader is and who the leader is by this agreement. It says that the Government of Canada and the United States will co-operate in these GATT negotiations to remove all subsidies for agricultural commodities. We want to know what kind of a commitment the Government of Canada is making. Is it saying yes to the Americans in Washington who want to get rid of supply management and border controls or not? That is what we want to know.

• (1220)

Hon. John Wise (Minister of Agriculture): Madam Speaker, I appreciate this opportunity to discuss the very important issue before us today. It also gives us a golden opportunity to send a message of accuracy, clarity and realism to the agri-food industry.

I am firmly convinced, and there is no question in my mind at all, that this Government has achieved a very positive deal for Canadian agriculture. The United States is our number one export market. Secure access to that market for our agricultural products is a key to the prosperity of Canadian agriculture. I do not care how you want to cut the cake, that is a fact which cannot be ignored. By negotiating improved access to our biggest market, this Government demonstrated its understanding of the importance of agriculture to our economy.

Canadian agriculture generated more than $20 billion in cash receipts last year. It accounts, directly and indirectly, for the jobs of 1.6 million Canadians. While only about 4 per cent of Canadians produce food, one in four, or roughly 25 per cent, are employed directly or indirectly in the Canadian food chain. As well, the industry is responsible for 10 per cent of all economic activity in Canada.

I remind the House that most sectors of our farm economy simply could not survive without trade. Nearly half of our farm cash receipts are earned from export sales. Again, our most important customer by far is the U.S. Sales of farm products to the U.S. account for about one-third of total agri-food exports.

This House will recall that during the past two years Canadian farmers have been increasingly concerned about growing protectionism in the U.S. A lot of people seem to ignore that fact. If you are under the illusion that we are going to enjoy the same type of atmosphere and attitude in the decade ahead that we have enjoyed over the last two decades with the U.S., then you are simply ignoring the facts.

A series of actions taken in the U.S. have been aimed at our exports. One involved restricting entry of hogs and pork to the U.S. It was obvious to the Government of Canada when we entered into these negotiations two years ago that we could no longer afford the luxury of maintaining the status quo in our trade relationship with the U.S., be it in agriculture or anything else. Without this trade deal Canada faced the dismal prospect of deteriorating trade opportunities with our largest trading partner. We now have a proposed deal and it is a good deal for Canadian agriculture.

Canada has obtained future duty-free and more secure access to the U.S. market for all agricultural exports, including meat and livestock, grains and oilseeds, potatoes and other commodities. This Government has delivered on the commitment it made to the farm community since day one. We said our agricultural marketing systems would be retained and that the underpinnings of supply management would remain secure. I was questioned day after day about whether we would keep our commitment. We did.

What did I mean when I referred to underpinnings? Very simple. They come in two parts. One part, of course, is the import-export control list. The other part is the tariff list. However, supply management systems have been maintained and the day-to-day underpinnings required for operation of supply management boards have been maintained. Supply management systems for poultry and eggs have been retained as well. Marginal increases in the level of global import quotas for those commodities have been agreed to. Yet this reflects only the actual average level of imports during the past five years. We have reserved the right to add new poultry products to the import-export list if required.

We have had the critics and the doom and gloomers in this House, and of course there is always a few of them across the country. I hope they take the time and trouble to examine what we have agreed to and how it will positively affect the agri-food industry in the future. This is the position of the

Canadian Broiler Hatching Egg Marketing Agency, a national agency which we put in place. The chairman said:

> We would like to applaud the Canadian government for the manner in which the Agreement has dealt with supply-managed commodities. The Canadian government has, from the very beginning, maintained that producers in Canada would be able to choose the manner in which they market their products.

Who else with greater credibility could I ask? Let the industry spokesmen speak for the industry. Let us listen to what they are saying.

In addition to retaining marketing boards already in place, there is nothing in this agreement to prevent the creation of others in the future. People say yes, but if you protect the existing supply management system then you will give up the right of Canadian farmers to decide what system of marketing best suits their needs. Shortly after we entered into these negotiations I had the opportunity to speak to the annual meeting of the Canadian Federation of Agriculture. I said then that we would not only protect the underpinnings of supply management, we would reserve the right of the Canadian Government to decide, in co-operation with the farmers, what system of marketing best suits their needs. That is exactly what we have done.

The Government of Canada's commitment to our dairy industry, $300 million annually, $1.5 billion over the next five years, has been maintained. When I announced the dairy policy in January of 1986, I told the dairy farmers of Canada that the industry had nothing to fear from the bilateral trade negotiations with the U.S. The supply management system in our industry works well. If it works well, do not touch it. What did the president of the Dairy Farmers of Canada have to say about the agreement? He said:

> The dairy farmers organization supports the proposed free-trade deal with the United States because it guarantees the Canadian government the right to include any dairy products on an import control list.

That is not the Minister of Agriculture, it is the current president of the Dairy Farmers of Canada. Who else would I go to for a more accurate non-partisan assessment of this arrangement?

In negotiating this deal we also said we would take into account the sensitivity of our fresh fruit and vegetable industry to imports from the U.S. We have maintained the right, and this is important, to reimpose tariffs temporarily, when prices are depressed, for a 20-year period. I should say "impose" because we have not imposed any seasonal tariffs since the last time we were in Government in 1979, because the law officers of the Crown have ruled those regulations *ultra vires*.

In addition, this agreement does not prevent Canada from proceeding with amendments to the Canada Agricultural Products Standards Act which would provide us with legal authority—and that is what we must have because we have not had it for five or six years—to prevent imports on a consignment sales basis and to control imports in non-standard bulk containers.

I have in the past referred to the very positive words of the executive vice-president of the Canadian Horticultural Council. Where else would I go to get an accurate and credible assessment of the agreement? The deal is important to the horticultural industry because we will have greater access to the U.S. market.

• (1230)

You should look at the U.S. tariff lists on some commodities. Under the existing trading arrangement between Canada and the United States, we have no access to mushroom markets and there is great potential in that for us. There is a tariff of 30 or 40 per cent on that product. In addition to the levels of tariffs, they have quantitative restrictions which make it impossible.

The previous Government sat around and did not impose any of these seasonal tariffs simply because they had been ruled *ultra vires*. That Government did nothing about bringing in amendments to the CAPS Act. We did not have the legal authority to impose Sections 56, 57 and 61(1).

Very soon we will be introducing amendments to the CAPS Act which will give us the legal authority to put in place regulations similar to and perhaps even more effective than Sections 56, 57, and 61(1) of the old Honey Act that have not been used for the last five or six years. That will be a better deal.

The new trade dispute settling mechanism will guarantee impartial application of anti-dumping, countervail, and other trade remedy laws. New rules will also minimize the trade impact of technical regulations. Also, export subsidies on agricultural trade between our two countries will be prohibited.

Agreements on import regulations and tariffs will enhance agricultural trade between our two countries. Most tariffs are to be phased out in equal steps over a period of ten years beginning when the agreement comes into effect on January 1, 1989. Let me quote the President of the Western Canadian Wheat Growers' Association who said:

> I think Canada now has a better chance of retaining current access and getting further access.

That is a very positive statement with regard to the people he represents and their ability to take advantage of that challenge and opportunity.

He continued:

> It's better than no agreement at all. A dispute-settling mechanism that involves both countries is likely to be fairer and it is especially encouraging that the two countries have agreed to jointly work out new rules.

With regard to bilateral grain trade, Canada's requirement for import permits for wheat, oats, and barley will be eliminated only when support levels in both countries are equivalent for each commodity. However, end-use certificates will be required and these will ensure that U.S. grain does not enter

the Canadian grain handling system or jeopardize our quality standards.

The new trade deal protects many aspects of Canadian agriculture. For example, the import control list regulates most dairy and poultry products coming into Canada and the United States. Although yoghurt, ice-cream and further-processed chicken and turkey products are not now under import quota, there is nothing in the proposed agreement to prevent Canada from adding these products to the import control list. We do not do that unilaterally. We do not violate the Canada-U.S. trade arrangement or Article 11 of the GATT rule.

The Hon. Member for Algoma (Mr. Foster) had some very inaccurate and negative things to say about the position we are taking on GATT. The Member is misinformed. We did not table a position identical to that tabled by the United States.

Mr. Foster: Prove it.

Mr. Wise: That is why I said to him, Madam Speaker, through you, that that was false information. If he would take the time to read the statement made by the Minister of International Trade (Miss Carney) in the House of Commons he would see five paragraphs dealing specifically with the position we are taking on GATT with regard to supply management. Unlike the Americans, we are going to GATT with supply management as an example of responsible marketing, not only domestically but, more specifically, in the export market.

Canada's dairy program has been studied by 26 countries and is being implemented by 21 of them. One can search long and hard but will not find anything in the world that will come close to Canada's dairy program. There is nothing in the world so responsible in balancing supply and demand in the domestic market.

Dairy farmers have to deal with feed conditions, weather conditions, and many other factors that are beyond their control. They are not running an assembly line. One does not go to the barn and turn the cows off and on with a flick of the toggle switch. You do not turn them up 50 or 60 pounds and turn them down with a little knob. The dairy farmers managed to balance supply with demand, despite all of these things over which they have no control, within one-half of one per cent.

Dairy farmers met with me a year and a half ago and said that producing extra milk for the export market was sheer nonsense, that it was costing them $15 million a year out of their own pockets and was costing the federal Government anywhere from $15 million to $30 million. It made no sense, so we agreed to reduce the amount that they produced for the export market.

One would search long and hard for an example of responsibility and not find a better one in this world. Those commodities that are not supply managed had better study the market opportunities and pay a little more attention to management of supply.

The Member criticizes the Government for not tabling all of the details of GATT. The Member's Party was in government for the last two rounds of GATT. I ask him to check the record of how they handled the situation. The Canadian tradition existed then, as it does now, that you do not table the details of those agreements in the House of Commons. The Minister makes a statement in the House, as our Minister did last week, with respect to that. We followed the historic Canadian tradition of tabling the details in GATT and having the Minister make a statement in the House of Commons.

Canada retains the necessary latitude to prevent our supply management programs from being undermined by increased imports. I attended 190 events outside of Ottawa last year. At such events there is typically a brief speech by the Minister. I suppose some in the audience may have thought I could have been briefer. However, almost invariably the first question to be asked at a public meeting is with regard to supply management. People were concerned that we would not be able to negotiate that with the United States and asked what we would do in GATT. The supply management people led the public debate on that issue.

At the same time, Canadian farmers and food processors will have new marketing opportunities in the United States. No one from across the way talks about that. For example, some soft, ripened specialty cheeses produced in Canada are outside of the U.S. quota system. As the specialty cheese industry develops in Canada these high quality, competitive markets could find larger markets in the U.S.

• (1240)

I have only scratched the surface, Madam Speaker, but you have given me an indication that my time has expired.

In conclusion, I ask Hon. Members not to ignore the facts. Leave the partisan politics aside and listen to what the people in the industry are saying.

Let me deal with the grape industry. I never said that it was a winner in these negotiations. It is one industry that has attracted the attention of the Americans simply because of the provincial pricing mark-ups and pricing policies. There is no way you can ignore that. They are extremely discriminatory. It not only attracts the attention of the Americans, that issue is under challenge by GATT. The GATT panel will soon rule on that question and it is not appropriate for me to make any further comment than to say one of these days GATT will rule on that issue. I know those people in the industry. I work with them every day and we have all kinds of members from the peninsula, from the Okanagan in British Columbia and other grape-growing areas. We have been buying grapes from the peninsula since we assumed Government and we have an agri-food agreement with the Province of British Columbia where we have been removing red grapes and so on.

Let us not ignore the facts. While it may be premature, it appears at the moment that it is an industry in agriculture that has attracted the attention of the Americans as a result of the pricing mechanism of the provinces. It appears, at the moment, that there is no doubt it could well be a sector of our agriculture industry that did not fare very favourably under the Canada-U.S. agreement. We will not walk away from them today. We have not walked away from them since day one. We are quite prepared to sit down with the provinces and the industry to try to map out some kind of strategy to assist them.

Mr. Riis: Madam Speaker, I am pleased to hear that the Minister of Agriculture (Mr. Wise) recognized the position in which the Canadian wine industries and the grape-growers in particular have been put and that there is some difficulty there. He will be well aware that there are over 16,000 people involved in that industry.

Mr. Wise: Well—

Mr. Riis: Full and part-time jobs because there is a great deal of part-time work. Let us say that there is 12,000 full time and another 4,000 part-time jobs, plus many more as a result of the multiplier effect.

He will also know that the farm gate receipts for the 1986 grape crop in Canada was in excess of some $40 million. There is also a multiplier effect that is significant when it comes to this industry. We are probably talking about at least one-third of $1 billion in terms of money generated because of those farm gate receipts.

Mr. Wise: I do not know about that.

Mr. Riis: The multiplier is nine to ten. If there is some dispute about that by my hon. friends opposite, perhaps they can explain what multiplier effect they would use. I use nine or ten, which is provided by Agriculture Canada and the industry.

I believe it is fair to say that the grape growers of this country believe that their industry will be wiped out if this deal is signed, to say nothing of the soft tree fruit industry and others which we will deal with later.

Does the Minister agree that this agreement will be detrimental to that industry and will essentially devastate the majority of it? What does he plan to do about that, or is he prepared to throw these 16,000 people on the scrap heap as the price the Government is prepared to pay? I am sure that is not his belief because he is an honourable gentleman.

What does he plan to do with these thousands of Canadians who in some cases have spent generations developing this industry?

Mr. Wise: Madam Speaker, I quarrel with the Hon. Member's mathematical calculations. However, setting that aside, I think he asks a legitimate question. That is why I spent the last minute or two of my speech dealing with that question. Politicians, regardless of where they sit, like to deal with positive issues, but I turned that aside and dealt with this question.

As I indicated, at the early stages it appears that the wine industry may be in some difficulty. I have stated publicly before, and will say it again, that we as a federal Government always take our obligations and responsibilities seriously. We will follow that same pattern with the wine industry. We are quite prepared to sit down tomorrow with the provinces, since it is really the provincial pricing mechanism and mark-ups that have caused the problems. Today, the Hon. Member's challenge is as a result of the Canada-U.S. agreement. Who knows what might occur when the GATT panel rules.

Agriculture is a joint responsibility under the Constitution. It is shared with the provinces. The federal Government would like to include the producers of all commodities in that partnership. That is how we have operated since day one and the way we will continue to operate with that policy.

If the provincial governments want to sit down tomorrow, I am available. However, the people in the industry should also be at the table. It is the people in the industry who will be able to assess the impact.

There has been some positive response from the wine industry. For instance, they will have greater access to the U.S. market, and with proper types of grapes and proper types of wine, access to the U.S. market may provide some opportunities.

I am sure there will be some opportunities, but the Hon. Member calculates a worst case scenario. It is somewhere in between there at the moment. We are quite prepared to sit down with the provinces and the industry to map out some reasonable strategy to deal with this problem.

Mr. Althouse: Madam Speaker, the Minister of Agriculture (Mr. Wise) indicated that it was time people began to analyse this deal, not on the basis of politics but on the basis of fairness. I ask him to do that with regard to the five-year averaging formula that is used in the poultry section of this agreement. It has been agreed to go from import quotas of 6.3 per cent to 7.5 per cent, based on five-year averaging.

He should know that those quotas are on an increase scale. While I do not have the proper mathematical formula, I estimate that if those quotas are filled each year between the next six and ten years, our consumption on the basis of these quotas will be at and above 10 per cent. According to this agreement, will we not in fact become dependent on U.S. products because of the economics of production on each side of the border? Will we not become more dependent on imported U.S. products coming in through our processors and wholesalers who now hold those licenses, rather than taking advantage of the increased consumption in this country with our own domestic producers and processing jobs taking up that slack? Does this agreement not open us to increasing imports

of poultry meat? The turkey agreement is similar but I am just referring to poultry at this point.

• (1250)

Mr. Wise: Madam Speaker, I answered that question on a couple of occasions. I put that question to a senior official at the trade office. If I can recall, he indicated to me it was not a rolling average, not a moving average. I will give an undertaking to the Hon. Member that I will double-check that today or tomorrow. If I am wrong, I will communicate that to the Hon. Member.

However, we must remember a couple of things. The new percentages are up slightly, 1.5 per cent the highest and .012 per cent the lowest. That is very small. What those increases do is simply reflect the amount of product that has been imported from the United States into Canada over the last five years, not unilaterally at all. If the food processing industry is short of product, does the Hon. Member want to lose a market opportunity? Does he want to shut down a product line? Does he want to lay people off? I do not think so.

If the Canadian system cannot at that given time supply the product, the processor applies for an import permit to keep the product line operating, to keep people employed. They go to the national agency and ask, "Can you people supply this product to the processor?" That is not a combative meeting. They search the market-place. If they can supply it from Canadian sources, they put it into that processing. If they cannot supply it, they tell us to issue the permit. We always check with the agency to see if they have any problems if we issue an export certificate, which is not issued by myself but by the Minister for International Trade. But she picks up the phone and she talks to me. We communicate with one another.

Why was that done for the past five years? It was done to keep the Canadian food processors in business. Everyone benefits. That is exactly what the system is going to do in the future.

With respect to an increase in the market, if the Canadian industry can supply it, it will be supplied by the Canadian industry. That has always been the case and will continue to be the case. However, there will be times when the Canadian industry is not in a position to supply the product. We have full control over that under Article 11 of the GATT because that is one of the underpinnings which is necessary for the day-to-day operations of supply management.

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I listened with interest to my hon. friend, the Minister of Agriculture (Mr. Wise). While I believe he is basically an honourable Member and an honourable man in that he believes strongly in agriculture, I believe he has been betrayed by his Cabinet colleagues, and what I have to say is not a reflection on him as a person.

I think the Hon. Minister should have called his speech on the free trade deal with the United States, "The moment that the Government of Canada abandoned the family farm in Canada". That would have been a more appropriate title for his speech, because what we have found by listening to the Minister of Agriculture is that the Government of Canada had decided to abandon farm families, the family farm, family enterprises, family processors and rural Canada. That is what this Government has just declared to the people of Canada.

Let me say, Madam Speaker, that it seems to me we have come to a very critical question. Has the Government decided to support the family farm or is it prepared to abandon the family farm and turn it over to corporate enterprise or, more appropriately, to the United States? We now know that the Government has decided to abandon the family farm and the rural communities that built Canada and has given them to the United States. I want to take the next few minutes to explain why I feel this ultimal betrayal has taken place.

First, we find that the Government has decided to hold hearings across Canada on this deal. Presumably we will go across the country holding hearings in a variety of communities, but based on what? We have not seen the deal yet? We have not seen the free trade deal with the United States. We will not see it this week or next week. We will not see it until the end of November or the first part of December. Yet the committee is expected to hold hearings across Canada based on what? There is no document.

That is like asking the House of Commons to debate a Bill that is not on our desk, to debate legislation the Government has failed to introduce. How can we do this? Yet the Government's decision is to hold hearings on the most serious economic matter facing this country, by the Prime Minister's own words, the biggest trade deal in Canadian history, and no one will have seen the deal. No one will have seen the deal that presumably our negotiators initialed early in October. If that is not the con job of the century, if that is not the sideshow of the decade, to have our parliamentarians going out to hear key witnesses on an agreement no one has read or seen, then what is?

Let us identify this scam that is underway. This is the style Canadians have become used to. It is Mr. Mulroney's style.

Some Hon. Members: Order.

Mr. Riis: It is his style to make the decision at the eleventh hour, at one minute before midnight, when we do not have adequate facts before us, but push Canadians up against a wall to sign the agreement. By the Prime Minister's own admission, this is the biggest trade deal in Canadian history. To ask Canadians to discuss this in an intelligent way without having seen the deal is an absolutely remarkable request. It is an absurd process. Yet that is what we are expected to do and we are expected to take this whole thing seriously.

I ask my colleagues opposite, and I ask the Minister of Agriculture and the Minister responsible for wheat and oilseeds, do we really believe that we can have an intelligent conversation, an intelligent set of hearings, talking to experts

who will be touched by this particular deal, before they have seen it? What are we going to talk about? What are the experts going to react to? That is the folly of this, the unbelievable nature of this process.

I am obviously very exercised about this deal. I am very exercised about how this deal is being handled. I think what we have seen, as I said at the outset, is that the Government has decided not only to open Canada for business but to have a special fire sale on agriculture. It has decided to sell out this critical sector of our economy.

I say "critical" because I believe that Canadians have a very strong attitude towards maintaining our farm community. I believe Canadians are prepared to invest money to maintain a viable and strong farm community. That is why we have seen our farm community built on supply management programs. We have seen our farm community built as a result of marketing boards. We have seen our farm community strengthened because of border controls on cheap imports coming in from other countries. That is what built this country and that is what built our agricultural fabric from Newfoundland to the West Coast of British Columbia. That is what the Government is now abandoning. The Government is now saying it is prepared to turn its back on rural Canada.

As the Minister of Agriculture just said, the best example is what is happening to the grape growers of Canada. There are going to be thousands of thousands of people who for generations have dedicated not only their lives but the lives of their families to developing that sector of the agricultural community who are about to be abandoned. I think the Minister of Agriculture had the courage, and I respect him for it, to essentially admit that, yes, this has been one of the prices we have decided to pay in order to obtain this free trade deal with the United States.

I see, you rising, Madam Speaker, to indicate that it is one o'clock.

The Acting Speaker (Mrs. Champagne): It being one o'clock, I do now leave the Chair until 2 o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2.05 p.m.

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Speaker: I would like to draw the attention of all Members to the fact that we had a fire in the equipment on the sixth floor. Nothing serious. It was simply a malfunction in one of the elevators.

• (1405)

[*English*]

There was a malfunction in a piece of apparatus for one of the elevators. An extremely alert employee noticed the smoke and identified it. The fire alarm was put in action. Fire Department personal was here within a few minutes. They have located the problem. There is nothing to be alarmed about. We have received word that everybody can come back into the building and we can continue.

I wish to say to Hon. Members that we are indebted, first, to a very alert employee. We are also indebted—I was with them on the roof—to a very competent group of people from the Fire Department in whom we should have every confidence. I wish to express regard for the alert employee, and for the members of the Fire Department who not only got here immediately but also obviously knew what they were doing. I think that that should be recorded.

Some Hon. Members: Hear, hear!

Mr. Speaker: In view of the left-over confusion, I suggest that we wait five or six minutes, and if it is the disposition of Hon. Members perhaps we can commence Statements by Members at 2.15 p.m., and then we will carry on as normal.

Some Hon. Members: Agreed.

Mr. Speaker: I might also state that I and other Members of the Board of Internal Economy, who are your servants, have felt for some time justified in approving the expenditure of a great deal of money to try to make this place more fireproof. I hope that we have your support.

SITTING SUSPENDED

At 2.10 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 2.15 p.m.

ROUTINE PROCEEDINGS

[*English*]

AUDITOR GENERAL'S REPORT

TABLING OF ANNUAL REPORT

Mr. Speaker: Order, please. I have the honour to lay upon the Table the Report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1987.

[*Translation*]

I may remind Hon. Members that this document is deemed permanently referred to the Standing Committee on Public Accounts.

S. O. 21

STATEMENT PURSUANT TO S. O. 21

[*Translation*]

DAY CARE

URGENT NEED FOR GOVERNMENT TO TAKE ACTION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, once again, Canadians have reason to complain about the Conservative Government's failure to act. This time, people have had to bear the brunt of the Government's inaction with respect to day-care centres. And this at a time when the Government is acting too quickly to endorse agreements like the Free Trade Agreement.

Mr. Speaker, the Government ought to realize that time is of the essence as far as day-care centres are concerned and that it must act quickly. In fact, since the Mulroney-Reagan Agreement was signed, many people have been concerned about the impact the Agreement will have and about any negative effects on a national day-care system.

If we open our borders to American services, what guarantee do we have that they will not open day-care centres in this country which, as in the United States, will be private and aimed at a wealthy clientele? There is a real risk that a profit-oriented day-care service will be set up in this country. Is that the best this Government can do for the Canadian people?

The Government is dragging its feet, and Canadians are fed up. Thousands of children are waiting for openings in day-care centres. The Government must act quickly and help those who are starting to get impatient, and rightly so.

* * *

• (1415)

[*English*]

SUNSHINE FOUNDATION

SPONSORSHIP OF SICK CHILDREN'S VISIT TO DISNEY WORLD, FLORIDA

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, it was heartening to be at the London Airport this morning to see three jets carrying 205 chronically ill, terminally ill and severely disabled children, with their volunteer helpers and medical support, leave on their Dream Lift to Disney World in Florida. The Right Hon. Secretary of State for External Affairs (Mr. Clark) has proclaimed these young people "Canadian Ambassadors" to the United States of America for today.

Today's miracle came about as the result of hundreds of volunteers inspired and led by Ed and Donna Czach who themselves were parents of a terminally ill child who longed for the opportunity that was afforded to so many others today. Today's inaugural Dream Lift is a tribute to their son Paul's memory and serves as an inspiration of hope to thousands of others across Canada who might some day be touched by the Sunshine Foundation.

This concept, with the help of volunteers throughout the country, will hopefully spread to embrace all parts of Canada so that these special children will be able to enjoy a ray of sunshine similar to what we saw this morning in London which even the driving rains could not discourage.

The success of this movement is going to rely on the warmth, generosity and assistance of Canadians, and I would urge my colleagues in the House of Commons to encourage and support the creation of a chapter of the Sunshine Foundation in their own constituencies.

* * *

HUMAN RIGHTS

EL SALVADOR—MURDER OF HERBERT ERNESTO ANAYA SANABRIA

Mr. Dan Heap (Spadina): Mr. Speaker, Herbert Ernesto Anaya Sanabria, 33 years old, a man of truth and love, yesterday gave his life for his people in El Salvador.

In May, 1986, Herbert was arrested, tortured and imprisoned by the Government of El Salvador while working for the non-governmental Human Rights Commission. In prison he and other political prisoners did a study of the torture techniques used against them which they smuggled out for publication.

On February 2, 1987, after release and a prisoner exchange, Herbert and his companions returned to serve the Human Rights Commission. On May 5, with my son David interpreting, I met Herbert at work in the Human Rights office. He spoke relaxedly, his face shining with cheerful courage, about the struggle of the El Salvador people against United States guns.

He daily took down statements from relatives of the disappeared, identified tortured bodies in garbage dumps and published the truth as he found it, while receiving government propaganda attacks and death squad threats.

On October 26 at 6.35 a.m., as he prepared to take two of his children to school, two men shot him to death.

* * *

POLITICAL PARTIES

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF NEW DEMOCRATIC PARTY

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it may come as a surprise to the New Democratic Party, but our country stretches from the Pacific to the Atlantic. Yes, it is true that there are areas of Canada not found within the

borders of Ontario and there are cities that are not called Oshawa.

Canadians in other parts of Canada are pleased and supportive of the free trade agreement which the opposition Parties are desperately trying to stop. Strangely, in all their righteous indignation, they still want to keep one of the original examples of a free trade agreement, the Auto Pact. It has, for over 20 years, provided a specific part of Ontario with money and jobs. The place I am talking about is none other than the riding of the Leader of the NDP (Mr. Broadbent). His particular style of tunnel vision leaves westerners shaking their heads. Doesn't he want any other province or city to prosper? It is time for him to remove his blinkers and see that the free trade agreement will help all of Canada, as the Auto Pact has helped Oshawa.

* * *

• (1420)

POLITICAL PARTIES

FREE TRADE—POSITION OF TORY PARTY LEADERSHIP CANDIDATES IN 1983

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, in order to lay open the charade of the Conservative Government's trade deal with the U.S., I am going to quote from a letter written to the Saskatoon *Star-Phoenix* by Mr. Dan Wirl:

> Just before the federal Tory leadership race in 1983, the following were quotes from leadership contenders when asked a question, "How do you respond to economic partnership with the United States?"

In other words, free trade.

Some Hon. Members: No!

Mr. Hopkins: It continues:

> Brian Mulroney's answer was: "Canadians rejected free trade with the U.S. in 1911, they would do so again in 1983. Canada must increase its share of total world trade . . . "
>
> Michael Wilson replied: "Bilateral trade is simplistic and naive, it would only serve to further diminish our ability to compete internationally."
>
> John Gamble: "We would be eaten alive."
>
> Joe Clark: "Unrestrained trade with the U.S. raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear."
>
> David Crombie: "It's silly."

What changed the minds of the Prime Minister (Mr. Mulroney) and his colleagues? Could it have been U.S. President Ronald Reagan, who saw this Government could be persuaded to agree with his plans and thereby allow for the takeover or destruction of Canadian industries? This is just another example of the Government not knowing where it is going from one day to the next and of a Prime Minister who says one thing and does another.

[*Translation*]

FREE TRADE

EFFECT ON MINING INDUSTRY

Mr. Guy St. Julien (Abitibi): Mr. Speaker, after the free trade agreement, in principle, was signed I told the people of Abitibi-Témiscamingue and the media that the accord was very good for our local mining industry.

Today Mining Association of Canada officials support free trade. Canada is the world's leading exporter of minerals, and the mining industry and its employees must be able to rely on a properly operating international trade system. Without guaranteed access to our most important market, the industry cannot survive and prosper.

In recent years our exports of metals and minerals have been increasingly affected by the protectionist measures advocated by American mining interests. Without free trade this harassment can only grow worse.

The agreement will protect existing jobs in the industry. In addition, more secure access to the American market might spur investment in new mines in Canada and in Abitibi-Témiscamingue. In the long run there will be increased and more secure employment in the mining industry.

Mr. Speaker, I thank the Mining Association of Canada for encouraging all employees of mining companies to give careful consideration to the free trade agreement.

* * *

EMPLOYMENT

REQUEST FOR BETTER JOB DEVELOPMENT PROGRAMS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, thousands of non-profit organizations in Canada and Quebec are concerned about the inaction of this Conservative Government as concerns job development programs.

Everyone knows, Mr. Speaker, that, in early September, the Government usually asks non-profit organizations to submit projects to create jobs and make them more effective. The Government is already late in asking for these projects. Its coffers are empty, and according to the Auditor General, it has wasted a shocking amount, as much as several million dollars in the Departments of Defence and others, when it should have allocated this money to job development programs which would help all non-profit organizations in every constituency in Canada.

S. O. 21

FREE TRADE

IMPACT ON CONSUMERS

Mr. Marcel R. Tremblay (Quebec-East): Mr. Speaker, I would like to say once more how proud I am that our Prime Minister had the vision to initiate free trade negotiations with the United States.

Quebec and Canadian consumers should also be proud because, according to the Economic Council of Canada, they will be the first to benefit from this free trade agreement. They will benefit mostly from lower prices, a larger variety of products and services, and better quality products. This will be of enormous benefit, Mr. Speaker.

While it is too early to predict exactly how much consumers will save, the Economic Council of Canada forecasts a decrease in the consumer price index of between 5.7 and 7.5 per cent. Based on these first assessments, this would mean that the elimination of tariffs would represent an $8,000 savings for Canadians who decide to build a new home. What great news for young couples buying their first house!

Mr. Speaker, I know of no one who is not in favor of lower prices, a greater variety of products and services and better quality products. Major household appliances, clothing, bedding and furniture will all be available at lower prices once the tariffs have been eliminated. I think that consumers will be very satisfied with the benefits of free trade. They will certainly be very grateful to the Government.

* * *

• (1425)

[*English*]

NUCLEAR ARMAMENTS

CRITICISM OF CRUISE MISSILE TESTS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the United States Air Force will once again test the air launched Cruise missile in Canada today. These tests continue to be an affront to Canada's history as a peacemaker in the nuclear world. The tests continue to undermine Canada's potential to play a large and credible role in disarmament efforts. The tests continue to make Canada a partner in the nuclear arms race.

How hollow have been the Tory arguments that the Cruise missile would be tested until progress was made in Geneva. Arms control progress has been made and we are on the eve of the world's first nuclear disarmament agreement. Yet Canada goes on testing the Cruise, playing its supine role in escalating the nuclear arms race in strategic weaponry.

What a shocking betrayal of the people of Canada and of their belief in the leadership role Canada should play in arms control and disarmament, a role that the Government has now totally abandoned.

* * *

TRADE

FISHING INDUSTRY—POSITION OF NEW DEMOCRATIC PARTY LEADER ON CANADA-UNITED STATES TRADE AGREEMENT

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, if the anti-trade position of the NDP Leader is accepted the opportunity to create hundreds of jobs in the fishing industry in my riding will be lost. That is a cost we are not prepared to pay because of ideological obsessions of the NDP.

At the present a U.S. tariff on secondary processing of fish products is a barrier to the movement of value-added fish products into the United States. Consequently, we are exporting fish fillets, and the jobs created while upgrading the fillets are outside Canada. These jobs are Canadian jobs that should exist in Nova Scotia. The free trade agreement will mean the elimination of this punitive U.S. tariff and the reclamation of these lost jobs.

The members of the NDP, however, do not support that. They only want free trade in automobiles. Is that because the Leader of the NDP (Mr. Broadbent) represents a city which depends on automobile manufacturing, or is it because the president of the CAW is telling the Leader of the NDP what to do? Who actually leads the NDP—Bob White?

It is time for the Member for Oshawa to be honest with the fishing industry. My constituents are as entitled to free trade in fish as are his to free trade in cars. Can the Leader of the NDP tell us how it is that selling cars to Americans does not threaten our sovereignty but selling fish to them does?

Atlantic Canadians are sick and tired of the hypocrisy and double standard of the Leader of the NDP. He can expect me to continue to expose him for what he is.

* * *

CANADIAN CENTRE FOR OCCUPATIONAL HEALTH AND SAFETY

OPPOSITION TO TREASURY BOARD'S SUGGESTION OF PRIVATE FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Government is so driven by the profit motive that it is now prepared to sacrifice the health and, potentially, the lives of workers in its quest for the almighty dollar. I refer to the Government's intention to dismember, dismantle and, in effect, repudiate politically the Canadian Centre for Occupational Health and Safety.

The Canadian Centre for Occupational Health and Safety, located in Canada's most industrialized city, Hamilton, was set up as an access for workers, both union and non-union, companies, and others to the most up-to-date information about chemicals and other dangers present in the workplace. Believe it or not, Mr. Speaker, the Treasury Board has now told the Canadian Centre for Occupational Health and Safety that it must raise $1 million in private funds by 1992 if it is to survive.

The time has come for the workers of the country to tell the Government that the lives and health of working people are not to be bartered away by the almighty dollar. It will be impossible for the Centre to raise the $1 million by the end of 1992. That will spell the end of the Centre.

I think it is a crying shame for the people of the country that the Government does not believe in getting information out to workers about chemical spills and other labour hazards in the workplace. That is the role of the Government. It is not the role of a private company to pay for the Canadian Centre for Occupational Health and Safety. The Treasury Board had better get that message.

* * *

• (1430)

TRADE

POSITION OF MANITOBA PREMIER ON CANADA-UNITED STATES TRADE AGREEMENT

Mr. Léo Duguay (St. Boniface): Mr. Speaker, Howard Pawley returned from a weekend love-in with the Hon. Member for Oshawa (Mr. Broadbent) and union leaders Shirley Carr and Bob White demanding a federal election on free trade. In the same breath he refused to recall the Manitoba Legislature to discuss the issue, but announced instead that he would be holding propaganda style closed meetings by invitation only to sell his opposition.

Could this be the same Government that spent $2 billion to build the Limestone hydro generating station?

Could this be the same Government that wants to export more energy from another hydro station at Conawapa downriver from Limestone?

Could this be the same Government that earmarked $80,000 U.S. to fight an American group lobbying against hydro imports from Manitoba?

How can the New Democrats of Manitoba oppose free trade and fight for improved access at the same time?

As the Winnipeg *Sun* said this morning: "Pawley and his advisors may find out that Manitobans are a lot smarter than they think".

HOUSE OF COMMONS

EVACUATION CAUSED BY FIRE ALARM—EMPLOYEE'S PROMPT ACTION

Mr. Speaker: Before we get into Question Period I want to say something that I believe all Members would want expressed on their behalf. I had hoped that my remarks just before we assembled would have covered this, but I am informed that for some reason they were not covered on the television broadcast. I want to repeat them because I think the people of this country and all Hon. Members ought to know that when we had a fire alarm a little while ago all of us owed a tribute to one of our workers, whose name I do not yet have but will obtain and deal with appropriately when I do.

This employee identified a malfunction in a motor and was able to alert other people immediately. As a consequence, the Fire Department was called.

I was on the sixth floor and on the roof of the building with members of the Fire Department. I want to say to you and the country that they were extraordinarily well led, effective, confident and competent.

We are indebted indeed for the very swift action that was taken, beginning, as I say, with an employee of this place who very correctly and alertly discovered the problem and was then very well supported by the officers and members of the Fire Department.

I know that you would want to join with me in saying to these people that what they have done is appreciated by this place.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—SCHEDULING OF COMMITTEE HEARINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Canadians have been advised by the Minister of Finance that the complete and final text of the trade agreement between Canada and the United States may not be tabled until the end of November. He used the phrase "six weeks" when he made that statement.

However, the Prime Minister said on October 5, as reported at page 9632 of *Hansard*:

> I shall table the complete text of the Agreement as soon as the wording is finalized. It will then be referred to the appropriate committee of the House for analysis, study and debate.

Those were the Prime Minister's words.

I was amazed to learn from my colleagues that the Conservative majority on the Standing Committee on External Affairs and International Trade have rammed through a motion calling for hearings to begin next week and to terminate on December 4. That means there will only be four days of public hearings after a final text of the agreement is received. I find that to be a violation of the Prime Minister's commitment to the House. It is absurd, dangerous and anti-democratic.

Will the Prime Minister live up to his commitment to allow Canadians to have time to analyze a final text of this very important agreement, to make their submissions, to come before the parliamentary committee after the text is received, and not to have a meaningless discussion before that text is received?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is nothing in the proposal of the Government that is at variance at all with what I or the Minister of Finance have said.

Although the final text is yet to arrive, we are trying to get this into a parliamentary forum so that Canadians can be consulted and can debate the issues across the country, as my hon. friends would no doubt want. As soon as the definitive text is received it will be submitted to the committee, on which I presume it can conduct other or more precise hearings if it wishes.

The absence of a definitive text has not prevented the Liberal Government of Ontario from holding ministerial hearings across the province. This is a Members' committee. Surely the Right Hon. Leader of the Opposition would not want to prevent ordinary Members of Parliament from consulting with Canadians on this important issue.

[*Translation*]

NEED FOR DEFINITIVE TEXT OF CANADA-UNITED STATES TRADE AGREEMENT—OPPORTUNITY FOR THOROUGH DISCUSSION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, any intelligent person knows perfectly well there are hundreds of groups in this country, hundreds of Canadians who want to appear before Parliament to express their views on the trade agreement with the United States. First they need a definitive text. Then they have to prepare their briefs. They have to analyse the details to examine the impact on their own transactions and the companies they represent. They have to make reservations to travel to Ottawa and express their views before the Members of this House. To do all that requires very careful preparations. Why start committee hearings before the definitive text is published? Why try to avoid an in-depth discussion with Canadians who ought to be able to analyse their own situation in terms of a definitive text?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I increasingly get the impression that the Leader of the Opposition does not want Canadians to speak out on this very important document. The absence of a definitive document—

An Hon. Member: What document?

Mr. Mulroney: Yes, but we submitted . . . A document was submitted here in the House. Premier Bourassa called a meeting of a parliamentary committee to discuss free trade issues, including the documentation available. Premier Peterson in Ontario's Liberal Government has deployed a half dozen ministers across the province to get the views of Ontarians on this matter. I think it is quite normal that the Parliament of Canada should be able to do the same, both the Government and Parliament.

I know this does not suit the Liberals. You don't want the people to know how advantageous this document is for all Canadians, but we are going to let them know.

[*English*]

REQUEST FOR EXTENSION OF COMMITTEE DEADLINE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, once again the Prime Minister is placing phoney public relations in front of serious public discussion. Will he give an undertaking that these hearings, which are beginning on the basis of a general statement of principles, will continue past the deadline set by the committee so that when the final text is received people whose businesses are being affected, industries whose future is being affected, and Canadians who are facing a document that will change the political, cultural and social nature of this country, can be examined in detail on the basis of the final text?

The undertaking we want from the Prime Minister of this country is that the commitment and promise he made to this Parliament will be fulfilled and Canadians will have an opportunity to make their submissions on the final text that means something in detail.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are very much ready to make certain that the committee, which is of course master of its own rules—

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): Oh, sure!

Mr. Mulroney: This is very much in keeping with parliamentary reform, an initiative of this Government which was celebrated by the Opposition some three years ago. The committee is very much able to do this. I am surprised that the Leader of the Opposition would have any objection to Members of Parliament proceeding on this basis, when he is ready to tear up a deal that he has not even seen yet.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You will have to make up your mind. You are ready to reject a document you haven't seen.

• (1440)

An Hon. Member: You cannot have it both ways, John.

Mr. Riis: Have you seen it, Brian?

Mr. Mulroney: As soon as the deal was initialled, the next day I brought it forward and gave it to the House of Commons, as I ought to have done. We have had debates on it. Question Period is devoted to it. A parliamentary committee is now being set up. Surely nothing could be more democratic than to ask Members of the House of Commons to consult with ordinary Canadians on a matter of such importance.

Some Hon. Members: Hear, hear!

* * *

AUDITOR GENERAL'S REPORT

GRANT MADE TO WEST EDMONTON MALL PROJECT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the Deputy Prime Minister's conduct as Acting Minister of DRIE during July, 1986. The Auditor General's Report tabled today in the House tells us that the owners of the West Edmonton Mall were given a non-repayable $5 million DRIE grant during the Deputy Prime Minister's tenure as Acting Minister of DRIE.

The payment was made on the Deputy Prime Minister's recommendation to Cabinet despite the fact that the West Edmonton Mall was ineligible for DRIE assistance and despite the fact that the mall's application for assistance was turned down by the previous Liberal Government, the current administration, and by the Government of Alberta.

In light of these facts contained in the Auditor General's Report tabled at two o'clock today in this House, I ask the Deputy Prime Minister what possible explanation can he have for this $5 million gift to the West Edmonton Mall?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the grant in question of $5 million was in fact a contribution to the West Edmonton Mall project. It was made for reasons of commercial viability to ensure the realization of that project. It was approved by Cabinet to fund a project that would be of great benefit to that particular region.

MINISTER'S EXPLANATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. The Deputy Prime Minister knows that the application was rejected by the previous Government, this Government, the Government of Alberta, and senior officials of DRIE. He knows that the mall project was started and completed before the funds were ever given to the owners of the West Edmonton Mall, so they did not contribute to the financial viability of the mall. The payment was received by the mall's owners long after the mall was completed and was operating.

I ask the Deputy Prime Minister again, in light of the facts contained in the Auditor General's Report, in light of the facts laid before all Member of this House—not my allegations, the Auditor General's Report—what possible explanation does he have for the taxpayers of Canada for giving a $5 million gift to the owners of the West Edmonton Mall? What kind of scam was the Deputy Prime Minister involved in in July of 1986?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am not surprised that the previous Government would reject any support for western Canada. That has been a tradition.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Tobin: Answer the question.

Mr. Mazankowski: I will answer the question because the Hon. Member should get his facts straight. It was not for the West Edmonton Mall. It was for Fantasyland, which is a very major and very important tourist attraction to Edmonton, to Alberta, to western Canada, indeed to all of Canada, and it deserves support.

Mr. Turner (Vancouver Quadra): Oh, boy!

Mr. Caccia: Your Party belongs to Fantasyland.

Mr. Mazankowski: If he wants to talk about the Auditor General's Report, this is what the Auditor General had to say, and I quote: "In summary—".

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Mr. Speaker—

Mr. Speaker: The question that has been asked of the Deputy Prime Minister is a serious one and it carries tones of an allegation. I think, in fairness, the Deputy Prime Minister should have courtesy from all Hon. Members in order to respond.

Mr. Mazankowski: Mr. Speaker, what the Hon. Member deliberately overlooks is some of the more positive things that are said in the Auditor General's Report and I quote Paragraph 4.212. This is what the Auditor General had to say about the performance of this Government—

Mr. Turner (Vancouver Quadra): Oh come on!

Mr. Mazankowski:

In summary, our study found major improvements in financial control in government. We are encouraged by the progress made by a number of departments, particularly in the past two years.

Mr. Turner (Vancouver Quadra): Order.

Mr. Riis: A $5 million kickback.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—REQUEST FOR EXTENSION OF DEADLINE FOR COMPLETION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister, but I say to the Deputy Prime Minister first—

Mr. Clark (Yellowhead): What did Riis say about kickbacks?

Mr. Mazankowski: What did Riis say about kickbacks?

Mr. Clark (Yellowhead): Has he the courage to put it on the record?

An Hon. Member: Come on, get up and say it.

Mr. Riis: Five million dollar kickback.

Mr. Shields: Goddam sleaze bag.

Mr. Riis: Come across here and say that, you phoney.

Mr. Clark (Yellowhead): Have some courage, Nelson.

Mr. Mazankowski: Stand up and say it. Say it publicly.

Mr. Masse: Say it publicly.

Mr. Speaker: Perhaps I can ask the Hon. Member for Oshawa, despite how great the temptation may be to get into an earlier exchange, to concentrate on the question he is going to ask and to concentrate on that question to the particular Minister to whom he wishes to put the question.

Mr. Broadbent: As always, your Honour, I accept your advice.

My question is directed to the Prime Minister. It was the Prime Minister who said not many weeks ago that the trade deal negotiated between the Government of Canada and the Government of the United States—and if these were not the precise words, the idea was there—was the most significant trade deal in history. Considering that this is the case and considering that almost every sector of the Canadian economy is seriously affected, does the Prime Minister not think it is incredibly irresponsible for the Government to say now that the final wording will be produced perhaps as late as the first week in December, and to have this all completed by January 2?

Does he believe the Premiers of Canada have time to look at this, that the Parliament of Canada has time to look at it and the people affected have time to look at it? Why does the Government not go back to the United States and at the very least ask for an extension of the deadline?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend should not get exercised. We said we would produce the final wording just as quickly as possible. The day after, I produced the documents in the House that were available to all of us, invited debate thereon, followed by another series of debates. I have indicated consistently that just as quickly as the final wording is available it will be made available to the House.

Meanwhile, the Government of Ontario has sent out a committee of six or seven Ministers who are travelling the province seeking views, generally speaking, on the trade initiative as it is defined. The Government of the Province of Quebec is doing the same thing. While waiting for the definitive text, I would hope the House of Commons would follow suit. Just as quickly as we have the information, I will provide it to my hon. friend and it will be in ample time for even him to make up his mind.

Mr. Guilbault (Saint Jacques): Cheap shot.

Mr. Broadbent: I will ignore that touching comment by the Prime Minister.

COMMITTEE MEMBERS' DECISION ON HOLDING OF HEARINGS

Hon. Edward Broadbent (Oshawa): I want to say to the Prime Minister that it is not the Government of Ontario that has negotiated the deadline with the United States. It is not the Government of Ontario which will be signing the agreement with the United States. It is the Government of Canada that will be doing that. It is the Government of Canada's responsibility.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Considering that the Conservative Members of the House committee that will be looking at this, earlier this month said in committee that they would not consider this issue until they had final wording, will the Prime Minister inform the House why the Government forced the Conservative Members of that committee to change their decision yesterday to meet your deadline?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a genuinely preposterous situation put forward by the Leader of the NDP.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Ever since we brought in the trade deal the NDP has been saying that if the Canadian people knew about it they would turn it down. Now, when we try to make it

available to the Canadian people, the hon. gentleman is opposed because he knows full well that it is in the national interest and that Canadians will approve it.

Some Hon. Members: Hear, hear!

Mr. Riis: Call an election if you believe it. You are afraid of the people of Canada.

Mr. Mulroney: What could be more democratic than to have the House of Commons invite one of its committees to visit with Canadians across the country to discuss an important issue?

Mr. Riis: An election would be better.

Mr. Mulroney: It seems to me that this is entirely consistent with the idea of parliamentary committees doing their jobs. We have done nothing. We have placed no limitations on the right of the committee to govern itself, to make its own value judgments. Surely, I would expect my hon. friend to join with us in helping that committee fulfil what is clearly a very important national function. If there has been activity in the field in Ontario, and, perhaps, Manitoba and elsewhere, surely the national Parliament will want to do no less on behalf of allowing all Canadians to be heard.

Some Hon. Members: Hear, hear!

REQUEST FOR POSTPONEMENT OF HEARINGS UNTIL PRODUCTION OF FINAL DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the best way to have all Canadians to hear and to understand what is involved is for the Prime Minister to have the courage to call a general election now.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I do not readily expect that. Since it is important for the people of Canada actually to be able to look at the final wording, and it is important whether we are talking about the resource sector, the service sector, the agriculture sector—it is important for all these people to be able actually to see the final wording—would the Prime Minister not agree that either a new deadline should be negotiated right away with the United States, or that he should scrap these phoney hearings that will not have a final document to look at?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it would be generally acknowledged that ordinary Canadians who do not have the easy access to the media that some other people do have, legitimately, Members of Parliament, but also, for example, Mr. Bob White, ordinary Canadians, small businessmen—

Mr. Riis: Are you afraid of an election, Brian?

Mr. Mulroney: —should have a chance to come before a parliamentary committee to express their point of view. If they are in favour of freed trade, then they can say so. If they are against tree trade, then they can say so as well.

My hon. friend from British Columbia is calling for an election. We will call an election just as soon as members of his Party get themselves a new Quebec lieutenant.

Some Hon. Members: Oh, oh!

* * *

AUDITOR GENERAL'S REPORT

SALE OF BANK OF BRITISH COLUMBIA—PAYMENT OF $200 MILLION BY CANADA DEPOSIT INSURANCE CORPORATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. It concerns a statement—

Mr. Speaker: The Hon. Member for Trinity has the floor. As Hon. Members who have been here for some years will know, she is one of the Members who ask the clearest, most concise and most direct questions in this place.

Some Hon. Members: Hear, hear!

Mr. Speaker: I am sure Hon. Members would want to extend the proper courtesies to hear her. The Hon. Member for Trinity.

Miss Nicholson (Trinity): My question is for the Minister of Finance and it concerns a statement in the Auditor General's report which I quote:

> The transaction that resulted in the Canada Deposit Insurance Corporation paying $200 million to facilitate the sale of the Bank of British Columbia was structured in a way that could be regarded as an attempt to avoid income taxes.

Since the Deputy Minister of Finance is a member of the Board of Directors of that Crown corporation, will the Minister tell the House if he approved that particular method of transferring of funds?

Mr. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I want to thank the Hon. Member for asking the question very precisely because the Auditor General used the words "could be" interpreted. This particular transaction was a complicated one, structured in such a way that no one, if they had asked, would have been able to figure out the tax implications of the transaction. Those questions were not asked and not considered because the problem was quite different.

We were trying to save a bank in British Columbia. The $200 million that the Canada Deposit Insurance Corporation advanced to the parent company, the Hongkong and Shanghai Bank, was to it and not to its Canadian branch. It was made to it in order to allow it to keep the bank running, to keep the doors open, to keep the depositors' money, and to guarantee that bank long into the future. The CDIC felt that was a

transaction well worth doing, as did the Government of Canada.

METHOD USED TO MAKE PAYMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am puzzled by that answer but, doubtless, either the Minister of Finance or the Minister of State for Finance might be able to make a Statement on Motions which would clarify it.

What we were told in the House by the Minister of Finance at the time was that the money was intended to enable the new Bank of Hongkong in Canada to increase its capital base and to make provision for possible loan losses. That does not seem to fit with the answer just given by the Minister.

My supplementary question is this. If, indeed, the Government wanted the assistance to the bank to be tax free, why not do it up front via a remission order and an Order in Council? Why was it necessary to use an offshore bank?

Some Hon. Members: Hear, hear!

Mr. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the guarantees made to the Canadian subsidiary were made by the offshore bank. It was the entity that was going to keep this bank going, not just this year, next year, but decades into the future. That is why the guarantee was structured that way.

The Hon. Member knows too, and I have heard her putting questions that have been perceptive about this in the standing committee, that banks and their tax structures, their allowances and provisions vary enormously from bank to bank and from jurisdiction to jurisdiction. Therefore those tax questions were not pursued.

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AUDITOR GENERAL'S REPORT

GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a very serious question for the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Jelinek: It's about time.

Mr. Nystrom: It is about his Deputy Prime Minister's Fantasyland in Edmonton. The Auditor General stated in his report:

> In August 1985, notwithstanding the Cabinet decision, the DRIE Minister offered the company a $5 million contribution under IRDP.

It is also the understanding of the Auditor General that the Lougheed Government at the time did not approve of this.

What I want to ask the Prime Minister is this. Why did his Government and his Minister at that time offer this $5 million grant in defiance of the Cabinet and in defiance of the Peter Lougheed Government and, more important, perhaps in breach of the IRDP? It is a very serious allegation by the Auditor General. I think the country demands an answer by the Prime Minister of Canada.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I appreciate the Hon. Member's question. At least he did not accuse me of accepting a kickback, as his colleague the Hon. Member for Kamloops—Shuswap did.

Some Hon. Members: Shame!

Mr. Clark (Yellowhead): Shame, and typical. He is learning from Broadbent.

Mr. Mazankowski: Mr. Speaker, this is a very important initiative. I can assure the Hon. Member that his allegations are not founded. I can assure him that this is a matter that was considered. This particular contribution was made to support a very unique tourist attraction in Alberta. It is one of the most major tourist attractions in western Canada, if not in all of Canada. It deserves the support of the Government to expand and to diversify the economy. It was in that spirit that the support was given.

I would hope that the Hon. Member, rather than criticizing support for western initiatives and, in particular, diversified initiatives, and rather than condemning and ridiculing, would be supportive of them.

Some Hon. Members: Hear, hear!

REASON FOR FUNDING PROJECT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Deputy Prime Minister just made a very, very serious statement. I would like to ask him to explain then why the Auditor General would have stated, and I quote again:

> Review by DRIE staff indicated that the project would proceed without federal funding. This made the project ineligible for funding.

It was also noted that the project began in the summer of 1984 and was reviewed in March of 1985 by a DRIE internal board that recommended against support under IRDP.

• (1500)

I wonder in light of this, and the recommendation by DRIE people themselves that it should not be funded, why was this project funded. Why were the rules broken? When the project was going ahead anyway, why spend taxpayers' money on something where we did not have to do it?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, because very simply it supports an

initiative and an endeavour which we are trying to engage in in western Canada, namely, to diversify, broaden, and strengthen the economic base in western Canada. It is for that reason that we did it.

Some Hon. Members: Hear, hear!

PAYMENT MADE TO TRIPLE FIVE CORPORATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is on the same subject. We are talking about a $5 million windfall, a gift, to the Triple Five Corporation, a corporation that has $6 billion in assets.

The Deputy Prime Minister has not provided this House and Canadians with an adequate rationale why $5 million of taxpayers' money was paid to the Triple Five Corporation. The principals of the Triple Five Corporation are not paupers.

Is it coincidence that this particular company obtained a $5 million windfall when in 1984 it contributed $25,000 to the Progressive Conservative Party and only $250 to the Liberal Party of Canada?

Some Hon. Members: Oh, oh!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, Members opposite are really scraping the bottom of the barrel.

What we have today is one of the best and most optimistic Auditor General's Reports that has been introduced in this House in 10 years.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I am quoting a Canadian Press story which states, "Still my report this year inclines to be one of cautious optimism, Dye says in what is clearly his most upbeat report since taking over as Auditor General in 1981".

Some Hon. Members: Hear, hear!

RESULTS OF PAYMENT

Mr. John Nunziata (York South—Weston): The Deputy Prime Minister is not answering the question.

Mr. Clark (Yellowhead): Make a charge, John. Come on, show a little courage.

Mr. Nunziata: Mr. Speaker, the Regional Industrial Expansion Act requires that no DRIE assistance be provided if it is probable that a project will proceed without assistance.

My question to the Deputy Prime Minister is the following.

I can understand why the External Affairs Minister is somewhat uneasy in the circumstances, Mr. Speaker.

Mr. Clark (Yellowhead): What do you mean by that, John?

Mr. Caccia: Why are you so touchy? Calm down.

Mr. Nunziata: I wish to ask the Deputy Prime Minister what social or economic benefit did Canadians derive as a result of a $5 million gift to a corporation that has $6 billion in assets?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, we know the position of the Liberal Party. It has traditionally been against western Canada for a long time, including the fact that they now have a Leader from western Canada who takes a position that is totally contrary to the interests of western Canada.

The Hon. Member just asked the question, what benefit is there. I can tell him. He should go out and visit the West Edmonton Mall and visit—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Prince Albert.

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AUDITOR GENERAL'S REPORT

SALE OF BANK OF BRITISH COLUMBIA—AVOIDANCE OF INCOME TAXES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Finance. It also refers to the bail-out of the Bank of British Columbia. In his report the Auditor General states:

> I am obliged to conclude that a principal reason for these circuitous transactions, and in particular for making the $200 million payment off-shore, was to attempt to avoid making the payment subject to Canadian income taxes.

On that basis, does the Minister think that his Department is operating appropriately by assisting somebody to avoid income taxes in Canada?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I think that question was dealt with previously in answer to the question of the Hon. Member for Trinity.

In the long run for Canada and for British Columbia, that particular transaction will result in a healthy, regionally based bank which will pay taxes for years and years.

PROCESS USED TO AVOID PAYMENT OF INCOME TAX

Mr. Stan J. Hovdebo (Prince Albert): The issue here is not the bank, but the process by which a Department of the Government would assist in the avoidance of income taxes.

Can the Minister guarantee to the House and to the Canadian people that the taxpayers' will not be forced to pay another $100 million on this scam of sending money offshore and then back to Canada before it is used by the Bank of Hong Kong?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the funds that were forwarded by the Canada Deposit Insurance Corporation were funds that it raised through allocation of fees. These are not funds that come in the long run from the Consolidated Revenue Fund, therefore, it was not in the direct sense a taxpayer contribution whatsoever.

Mr. Hovdebo: But the taxes come to Canada.

* * *

AUDITOR GENERAL'S REPORT

ENVIRONMENT WEEK—BUDGET INCREASE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the President of the Treasury Board, and it concerns the Auditor General's Report.

Can the President of the Treasury Board explain to us the following situation where the Minister of the Environment increased his budget for Environment Week from $35,000 to $1 million, gave a $650,000 untendered contract which resulted in a rake-off of $143,000 to a middleman who was supposed to do, of all things, rent hot-air balloons that never flew?

Could the President of the Treasury Board explain that blatant abuse and waste of the taxpayers' money?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, in this House the Hon. Member is the resident expert on hot air.

Some Hon. Members: Oh, oh!

Mr. McMillan: In most cases I would defer to him on that subject, except that he is far off the mark in his question and in his comments.

An independent assessment was done for the Government of Canada after Environment Week in 1986 by a totally disinterested party, that in some respects was critical of the program. Those criticisms were taken into account in our planning for the 1987 program.

Mr. Boudria: Are you going to get the money back?

Mr. McMillan: That independent assessment stated, "In terms of financial planning, the $1 million proposed budget for Environment Week in 1986 was likely realistic in delivering a high standard of quality". It went on to state, "The Department should be commended for having the courage to attempt what it did".

Some Hon. Members: Hear, hear!

Mr. Boudria: Mr. Speaker, pursuant to the rules of this House, I am sure that you will ask that that report now be tabled for the Members of Parliament.

Now I know, Mr. Speaker, what the meaning of a "balloon payment" is.

My supplementary question is directed to the Deputy Prime Minister.

[*Translation*]

REQUEST FOR CLARIFICATION OF ALLEGED INTERFERENCE BY DEPUTY PRIME MINISTER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to ask the Deputy Prime Minister, also concerning the report of the Auditor General, why he interfered in the matter to offer a $5 million contribution to a company in his province that was not even eligible under any program while his fellow citizens elsewhere in the country and in his own province could not benefit from those programs even though they were eligible? What kind of double standard was used to reward his friends?

[*English*]

Mr. Clark (Yellowhead): Oh, oh! What a gutless one.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, again we see the contempt of the Hon. Members for western Canada.

Mr. Broadbent: Contempt for you.

Mr. Mazankowski: I have already responded—

Mr. Shields: Go phone Shirley Carr and get some direction.

Mr. Nystrom: Go phone Conrad Black.

Mr. Fulton: Take a deep breath, Jack, and increase your I.Q.

Mr. Speaker: It might occur to opposition Members that time is being used up.

The Hon. Deputy Prime Minister.

Mr. Mazankowski: Mr. Speaker, I know that the Hon. Member does not take seriously the importance of western Canadians, and the importance of the industries that are unique to western Canada.

• (1510)

I have tried to respond to previous questions, but I think what is important is to put this whole thing into context. Roughly 10 years ago the Auditor General of the day said: "I am deeply concerned that Parliament, indeed the Government, has lost or is close to losing control of the public purse".

He went on further to say: "The present state of financial management and control systems are significantly below acceptable standards of quality and effectiveness".

In the Auditor General's Report which was just tabled, he had the following to say at paragraph 1.15:

> With expenditures by our federal government exceeding $100 billion a year, protecting the public purse demands that the correct amounts be paid out to the intended recipients at the right time. A decade ago the Auditor General could provide no assurance that this was happening. Today, I can do so. The essential framework is in place. With some exceptions, financial controls are working well.

Some Hon. Members: Answer the question.

Mr. Mazankowski: I think that is a tribute to the Prime Minister and to—

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Winnipeg-Birds Hill.

MINISTER'S POSITION ON FUNDING OF FANTASYLAND PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Deputy Prime Minister. I begin by saying that what is at issue is not the Deputy Prime Minister's commitment to western Canada, or anybody else's for that matter.

The fact of the matter is that the Auditor General says in respect of the Fantasyland project "this made the project ineligible for funding".

What is the Deputy Prime Minister saying? Is it that people who want to do things for western Canada are above the law, that people like the Deputy Prime Minister who want to do things for western Canada can do anything they like as long as they can stand up and justify it on the basis of their regional loyalties?

Surely western Canadians are interested in honesty and fairness in government as well as anybody else. I ask the Deputy Prime Minister to say why he thought he was above the law and funded a project which was ineligible for funding.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, there are national programs developed to assist and aid industry right across the country. The tourist industry is a very important industry to western Canada.

The initiative with which we are dealing here is a very important tourist attraction. It brings huge dollars into the western Canadian market. It is very supportive of jobs. It is one of the most significant job-creating activities in western Canada. It is an important industry. It is an important diversification element. It was on those bases that the project was approved.

REASON FOR FUNDING PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, no one is disputing what the Deputy Prime Minister is saying about the project. What we are asking is why the project was funded when it would have been a project which would have gone ahead anyway.

Is the Deputy Prime Minister saying that the end justifies the means, that the Deputy Prime Minister can do anything he likes as long as he can stand up and say that it was a good project? Surely that is not the way the people want the Government of Canada to be run.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, there is a cabinet process which is followed. The cabinet process in this case was followed, and I am sure the Hon. Member would be interested in that.

There was an application that was originally turned down. I think it called for some $20 million. That was considered. During the course of consideration we considered the importance of the project, the importance that it meant to economic development of western Canada, particularly the city of Edmonton which had a very, very high level of unemployment at that time, and the prospect of certain elements of this proposal being closed down. There were just and valid reasons for support. I have no hesitation at all in defending that here, in committee, in the country—anywhere at all. I will go to Edmonton and debate it with him any day of the week.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—PLAN TO REDUCE EMISSIONS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of the Environment. The Minister has outlined a plan to reduce acid rain emissions in this country to some 50 per cent of their 1980 levels by the year 1994. Recently, however, the Americans have said that this plan is misleading and that in fact it will only reduce acid rain emissions by some 35 per cent as opposed to 50 per cent.

What is going on? Is the Minister trying to kid the troops?

Hon. Tom McMillan (Minister of the Environment): No, Mr. Speaker. It is true that the Canadian acid rain program is 90 per cent in place. It will slash acid-rain-causing emissions by 50 per cent by 1994 based on 1980 allowable figures.

The Hon. Member asks why we used allowable figures rather than actual figures as the basis of comparison between 1980 and 1994. The reason is that by definition a control program aimed at 1994 has to deal with allowable figures, those levels of emissions that will be allowed.

To calculate the percentage cut, we have used 1980 allowable figures so that we are comparing apples with apples, not apples with oranges.

In any event, the relevant point is that the whole control program is based on the threshold of acid loadings above which, scientists tell us, damage to the environment begins to occur. It is a sound program. It is much better than that in any other country of the world, including the United States from where some of the criticism is coming.

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TELEFILM CANADA

CORPORATION'S FINANCIAL POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, on October 19 the Minister of Communications received an urgent telex from independent producers and senior executives of public and private TV—from Global, CTV, CBC, TVA, Quatre Saisons, Radio Quebec, and TV Ontario—who are very concerned about the present operating policy and financial position of Telefilm. The Minister knows that that will have a very negative impact on the Canadian content of television in years to come.

As the Minister knows, Telefilm Canada halfway through its fiscal year has no more money and is offering promissory notes for April of next year instead of cash commitments for the programs of this year. Why has the Minister not advised the Canadian film and broadcast industry of what steps she as the Minister responsible is prepared to take and when she is going to meet with them, or is she planning to shut down Telefilm for the next six months, which would certainly please her American cousins?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, it is interesting to note that the last full year the Liberal Government was in office the budget for Telefilm Canada was $16 million annually. This year the budget for Telefilm Canada is $114 million.

That is the difference between the importance that this Government attaches to the Canadian film industry and the importance that the previous Government attached to the film industry.

Telefilm Canada has said that it will honour all of its commitments. It has also moved—and I am very pleased to see that it has done so—to undertake a revamping of its cash flow methods. I would think that the Hon. Member would be pleased with that.

Obviously the growth of the film industry in the country has been great. I am pleased to see that one of the reasons it has been great is the funding which has come through Telefilm Canada.

CORPORATION'S ABILITY TO MEET COMMITMENTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, this is only the third year that Telefilm is in financial crisis and, according to Mr. Jean Sirois, the reason for that crisis is that the Minister of Finance did such a "fine" job with the capital cost allowance in his provisions for next year's budget. That is what has brought about the crisis, not financial management, according to Mr. Sirois.

Did the Minister authorize Telefilm to issue promissory notes against next year's government allocations to Telefilm? Does this mean that they will be playing catch-up in next year's budget, or is the Minister standing here in the House and offering an increase over their present year's budget so that they can meet not only their commitments but their advance commitments for next year?

• (1520)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, it is interesting to note that one day the Hon. Member comes into the House and says "You must not direct the cultural agencies. You must keep an arm's length relationship with the cultural agencies" while the next day she comes here and says "You must get into the running of Telefilm Canada". She cannot have it both ways.

Mrs. Finestone: You are the responsible Minister.

Miss MacDonald: I would like to assure the Hon. Member, in the words of the chairman of Telefilm Canada, that it will meet its commitments. Certainly it will have to extend those commitments over a period of time. I assure the Hon. Member that the Government will continue to back the Canadian film industry in many ways. I must say that she is obviously the spokesperson for the American film industry in Canada because she is the one who keeps raising their interests all the time.

Mr. Speaker: I think I should indicate to the House that there will be a question from the Hon. Member for Cape Breton Highlands—Canso followed by a question from the Hon. Member for Vancouver East and that will close off Question Period.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON CONSUMERS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Can the Minister tell us how increased competition in a larger variety of consumer products will benefit lower-income and ordinary Canadians as a result of the trade agreement?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, that is one thing on which we do not have to wait for the fine print. The benefits to Canadian consumers as a result of the free trade agreement are tremendous. There is simply no losing whatever on the part of consumers. Any Member of the House concerned about consumers should be enthusiastically backing the agreement.

For example, in terms of low-income Canadians, the Economic Council of Canada has estimated—taking the most conservative of its estimates—that the average wage earner in Canada, based on 1983 average wages of $23,000, will have an extra $1,000 a year in spending power as a result of the free trade agreement. Everybody in the House should be applauding that.

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CHILD CARE

NATIONAL PROGRAM—REQUEST FOR ASSURANCE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of National Health and Welfare. The Minister recently told the media that he is still studying the best way to present a child care proposal in the spirit of Meech Lake.

Will the Minister or will he not present the total child care plan at the First Ministers' meeting in November? Will he assure the House that these repeated delays in announcing a national child care program with objectives are not related to the Tory trade deal which allows U.S. rights of establishment for services in Canada? Does the Minister intend to allow profit-making U.S. child care chains to take over child care in Canada subsidized by Canadian taxpayers?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we have heard various allegations about the trade agreement and the fears expressed, but this one is about as good as any I have heard.

Respecting child care, the Government of Canada is committed to a child care program in the matters that have been discussed in Cabinet.

Ms. Mitchell: When?

Mr. Epp (Provencher): They will be put forward to my counterparts in the provinces at the appropriate time. Let me assure the Hon. Member that the program has nothing to do with a trade deal. We need to generate income in order that social programs can not only survive but can be expanded. We need that kind of growth and wealth. I wish that the Member would once and for all learn that Government does not generate wealth but people do.

TIMING OF ANNOUNCEMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, will there be a child care program announced with national objectives this year?

Mr. Blaikie: Yes or no?

Hon. Jake Epp (Minister of National Health and Welfare): As I said to the Member earlier, Mr. Speaker, the Government will announce it at the appropriate time. I am sure she is as anxious about it as most of us are.

* * *

PRIVILEGE

ALLEGED ACCUSATION BY MEMBER

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I rise on a question of privilege. I think, during the course of the Question Period, I heard a comment from across the way coming from the Hon. Member for Kamloops—Shuswap (Mr. Riis). Either advertently, inadvertently or maliciously he accused me of accepting a kickback. If I heard that in error, I would accept the Hon. Member's explanation. If he did say it, I would hope that he might reconsider the statement and perhaps withdraw it.

I have known the Hon. Member for a long time. I hold him in very high regard. I respect him as a very skilled and aggressive debater. From time to time all of us tend to overstate our case. I certainly would not hold it against him if he made such a statement in an uncontrolled outburst. I hope that in the spirit of the traditions, dignity and decorum of this place he will do the honourable thing.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I certainly want to make it very clear that I would not suggest for a moment that my hon. friend accepted any kickback. If there was any thought of saying that, I certainly would have withdrawn it. Again, there was never any intention and certainly I would not have suggested such a thing by my hon. friend.

Mr. Shields: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The Hon. Member for Athabasca (Mr. Shields). Is it on the same point?

Mr. Shields: I would like to—

Mr. Speaker: I recognize the Hon. Member. The question that I have asked is, is it on the same point?

Mr. Shields: No, it is not, Mr. Speaker.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I distinctly

heard the Member hurl an accusation across the floor. The Hon. Member for Kamloops—Shuswap (Mr. Riis) said that the accusation was not directed at the Deputy Prime Minister (Mr. Mazankowski).

Mr. Speaker: I am sorry to interrupt the Hon. Member but the Chair is in some difficulty. The Deputy Prime Minister raised a question of privilege. In response, the Hon. Member for Kamloops—Shuswap (Mr. Riis) stood and withdrew completely any suggestion of impropriety and has done so in the best tradition of this place.

My difficulty here is that I am not sure what point the Hon. Member is raising. If it has anything to do with the point which the Hon. Deputy Prime Minister has made, I have to advise the Hon. Member that that issue is closed unless something extraordinary came out of the exchange.

Mr. Shields: Mr. Speaker, I hope you will give me just a moment to explain my position. The accusation "kickback" was hurled across the floor. That is the most devastating accusation that one Member can make in this House against another.

Mr. Speaker: It may or may not be the most devastating accusation.

Some Hon. Members: Oh, oh!

Mr. Speaker: It often depends on exactly how it was put and in what context.

The Hon. Member for Kamloops—Shuswap said that he did not in any way mean to imply that the Hon. Deputy Prime Minister took a kickback in any of the senses that that would ordinarily apply. One cannot do more in this Chamber than have an apology as direct, unequivocal and as honourable as that. I must take the position that that closes off the issue.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise on a point of order. I did not take down the exact language of the Hon. Member for Kamloops—Shuswap (Mr. Riis) in his response to the point raised by my colleague, the Deputy Prime Minister (Mr. Mazankowski). I would appreciate knowing—I think the House would—whether the statement by the Hon. Member for Kamloops—Shuswap was specific to the Deputy Prime Minister.

Some Hon. Members: Sit down.

Mr. Clark (Yellowhead): The reason I raise the question is that I very much believe I heard the Member from Kamloops—Shuswap shout twice across the floor—twice—the word "kickback" aimed at someone in this Government. If his explanation was designed to indicate that he was not referring to the Deputy Prime Minister but was designed to leave open the suggestion that he was referring to others, then I think further clarification is required and further action by him.

Mr. Speaker: This House has the highest regard for the right hon. gentleman and I have certainly listened carefully to the point which the Right Hon. Secretary of State for External Affairs (Mr. Clark) has made. Unless the Chair was completely mistaken, I did not take that suggestion, either directly or indirectly, from anything the Hon. Member of Kamloops—Shuswap (Mr. Riis) said. The Hon. Member, who is well respected in this place, can of course comment. Perhaps he might make it easy for the Chair by making it absolutely clear that the Chair did not misinterpret what he had to say.

• (1530)

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, because of the great respect I have for the Deputy Prime Minister (Mr. Mazankowski) and his position, always have had, and presumably always will have, I want to make it totally clear that I cannot imagine any scenario where I would ever accuse the Hon. Member of kickbacks. I did not in the past. I did not today. If there is any suggestion that I did, I want to withdraw it completely. I want to make it completely clear that I have the most respect for the hon. gentleman.

Mr. Clark (Yellowhead): Well, Mr. Speaker—

Some Hon. Members: That is enough!

Mr. Speaker: On the basis of what the Chair has heard, someone, and it may well have been the Hon. Member for Kamloops—Shuswap (Mr. Riis) said "kickback". The Deputy Prime Minister (Mr. Mazankowski) was the member of the Government receiving the questions on a particular grant to an operation in the City of Edmonton. The question of privilege was raised by the Deputy Prime Minister, directed at the Hon. Member for Kamloops-Shuswap, and that Hon. Member has made it unequivocally clear that he is not accusing the Hon. Member of receiving a kickback.

If there is a second question of privilege, which may be what the Right Hon. Secretary of State for External Affairs (Mr. Clark) is getting at, then it is the obligation of the Chair to hear it. However, I want it clearly understood that, at least in the view of the Chair, the first point raised by the Deputy Prime Minister is settled. If there is another point, I am obliged under the customs and rules of this place to hear it.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am sorry to prolong this. In order that all of us on this side of the House may determine whether or not there is a question of privilege we want to raise, I wonder if the Hon. Member for Kamloops—Shuswap (Mr. Riis) would indicate exactly whom it was he was accusing of having received a kickback.

Mr. Riis: You know the rules, Joe.

Mr. Speaker: The Right Hon. Secretary of State, who is well respected in this place and a skillful debater, will know that what he raised was not a point of order or question of privilege, but was clearly something which should be taken up

in another way in another place. With great reluctance I have to indicate to him that he is out of order.

There are some other questions of privilege which the Chair must deal with, and I will hear first the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie).

EXTENSION OF DEADLINE FOR COMMITTEE STUDY OF CANADA-U.S. TRADE AGREEMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question of privilege has to do with questions raised in the House today. I see the Prime Minister (Mr. Mulroney) is here. I hope he will stay and give us a few minutes of his time to listen to this question of privilege.

It concerns, to use his words, the important national function which the Standing Committee on External Affairs and International Trade could fulfil with respect to the trade agreement the Prime Minister has entered into with the U.S. Our contention is that our ability to do that, and therefore our privileges as Members of Parliament, is being severely inhibited by the fact that we will not have the text of the agreement the Prime Minister wants the committee to look at until either the end of November or early December. Given that the agreement supposedly has to be signed on January 2, that means that the committee would have maybe two weeks in which to look at the actual text of the agreement, discuss it, and travel across the country holding hearings.

This is not Question Period so I cannot ask this of the Prime Minister, but I say to you that our privileges as members of the committee, charged with the important national function which the Prime Minister mentioned in Question Period, are affected because we are being put in the position of having only seven to 14 days to fulfil that function. I say to you and to the Prime Minister through you that that is not in compliance with parliamentary reform. That is not parliamentary involvement. That is not a meaningful opportunity for public input. If the Prime Minister wants to live up to the commitments he made to this House in this respect, then the Government has to seek an extension of that January deadline so Members of Parliament can do the work they were elected to do.

Mr. Speaker: I may be able to assist Hon. Members by indicating to the Hon. Member that while he may very well have a complaint, it is centred around something that happened in committee. It may well be that the Hon. Member has a point in what he has said as well. That point has now been heard. I have to say to him that under the circumstances it is not a question of privilege.

I can only suggest, because I cannot give an order in this direction, that perhaps he and other members of the committee might meet to find some way to resolve the difficulties he has put forward. It may well be that Hon. Ministers, having heard the point raised, might be able to assist. In any event, it seems to the Chair that the committee can indeed do some work, although the complaint raised by the Hon. Member that before that work can be completed it would be certainly appropriate to have the document seems to be without question. In any event, it is not a question of privilege. It is a complaint. It has been heard in the House, and I hope Hon. Members will try to respond in some meaningful way.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I find myself in some difficulty. Earlier this morning there was an application under Standing Order 29 for an emergency debate. The opposition Party in that situation lays its complaint upon the Table and there is no place for the Government to reply. I would have appreciated the opportunity of having my hon. colleague, who has left the House, put the position. It is only fair that the position on this matter go on the record given that we now have a specious question of privilege.

The committee met yesterday with lots of notice. Committee members democratically decided, under parliamentary reform which never would have been dreamed of under the previous Liberal Government, according to Standing Order 96(2) to study the subject matter of the essence of the agreement reached between Canada and the U.S. The committee decided to study it. The committee decided it wanted to travel. The committee decided it could hear witnesses before seeing the agreement which my friends complain about. There is no question, as the Prime Minister (Mr. Mulroney) said, that once we have that agreement it will be laid upon the Table, as was the essence of the agreement itself the very day after it was signed.

It is absolute nonsense for the Opposition to get up and claim that something is being railroaded and ramrodded when all the committee is doing is studying. We have watched committees do that under parliamentary reform brought in by this Government time after time after time. I might say that it has been done on a lot of delicate subjects so far as the Government is concerned. Yet we have sat here under parliamentary reform and it has happened. Now, when it is a subject matter which the Government is proud of—

Some Hon. Members: Cool down, Doug.

Mr. Lewis: The Hon. Member who complains is an NDP Member. The NDP Premier of Manitoba will not even recall his Legislature to deal with this. The Liberals complain, while at the same time Liberal provincial cabinet Ministers are travelling around Ontario without the benefit of this agreement. This is nonsense.

• (1540)

Mr. Speaker: The Hon. Member for Essex—Windsor (Mr. Langdon) is rising on the point of order in response to the response of the Hon. Minister of State. I will hear him for a moment.

Mr. Steven W. Langdon (Essex—Windsor): Very briefly, Mr. Speaker, with regard to the point of order which the Deputy House Leader has put forward, I think it should be

brought to the attention of the House and you, Sir, that at the previous meeting of this particular committee, of which I am a member and which meeting I attended, it was indicated very clearly that the members did not wish to look at this agreement until the full text was available. There was a sudden flip-flop, which led to this change yesterday, which is so destructive to the possibility of Canadians hearing this agreement appropriately.

Mr. Speaker: All Hon. Members will know that on occasion the Chair exercises considerable latitude, in Members bring forward a problem that has something to do with the workings of a committee, especially because we are in a reform stage and the Chair has found that it is sometimes helpful for these problems to be aired. I think that the fact that they have been aired has sometimes led to their resolution. However, this is not the place to be debating an issue which ought properly to be debated in the committee. I ask Hon. Members to co-operate with the Chair and conclude this matter.

[*Translation*]

COMMITTEE STUDY OF CANADA-U.S. PRELIMINARY TRADE AGREEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rose a few moments ago to be recognized on the same question, but since I had given notice this morning, a few minutes before the Hon. Member for the New Democratic Party, I wanted to raise before the House the issue of consideration in committee of the so-called preliminary document or agreement signed by Canada and the United States.

Mr. Speaker, with respect, I submit that since we have broadened the terms of reference to enable committees to examine practically anything they please or almost any subject that rises from the terms of reference of the department or agency they are considering, I think we have thereby also given the House the right to be informed about what is going on in committee. We all know that this Government and the U.S. Administration differ in their interpretation of the Agreement tabled on October 5 by the Prime Minister. Basically, we know there is no agreement on the interpretation of this document as read by the Government and as read by the U.S. Administration. Today, we are told that a committee of this House, which is an extension of the House and which has certain powers, of course, under Standing Order 96(2), namely to study, has decided to circumvent the democratic process, and that is the subject of my question of privilege: circumventing the democratic process of debate on a subject as important as a free trade agreement between Canada and the United States. I say circumvent, Mr. Speaker, because witnesses who will want to appear before the committee to express their view points will not have time to prepare themselves or draft briefs because the document is not available.

The Government does not want to give us the document. The Prime Minister promised on October 5, and I quote verbatim at page 9632:

> Mr. Speaker, I shall table the complete text of the Agreement as soon as the wording is finalized. It will then be referred to the appropriate committee of the House for analysis, study and debate.

I just heard the Minister of State (Treasury Board) (Mr. Lewis) inform the House that as soon as the Agreement is concluded and finalized in legal terms, we will have an opportunity to debate the whole question in committee.

I take it for granted that what the Government has just given us is a firm promise that the committee will resume the study it will be undertaking within a few days, of the preliminary report, or at least of the preliminary agreement tabled in this House on October 5.

Mr. Speaker, I submit that what this House wanted to achieve by extending the terms of reference of the committees was to give more power to Members of Parliament and to the Canadian people. I also submit that it is absolutely essential in a democracy to have the opportunity to express one's views.

When I look at the agenda of the committee, and I can read it to the House, I see that the committee will meet during the week of November 2 for public hearings, and on November 16, November 23 and November 30.

Mr. Speaker, if we accept the explanations of the Minister of Finance (Mr. Wilson) and what has been reported by the media, the final and legal text of the agreement will be available only in late November at the earliest, and perhaps even in December, which would give the Canadian people and the Members of this House at best, and I emphasize "at best", one week to examine the final agreement and tell the Government what we think about it. I do not think that this House can accept such a thing. I find it unacceptable, Mr. Speaker, and a serious restriction of the ability of Members of Parliament to debate this issue, of Canadians to express their views and of the whole country to influence the actions of this Government.

[*English*]

Mr. Speaker: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) is rising on a point of order. Is it on the same issue?

Mr. Boudria: Yes.

Mr. Speaker: I will hear the Hon. Member in a moment.

[*Translation*]

But first, it would probably be a good thing for the Chair to express its views about the intervention of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) because this is clearly the same question of privilege. Unfortunately, the arrangements made by the members of the committee may not be satisfactory for some Hon. Members. It also seems that it is necessary to have the final text of the document. However, the Chair does not consider that this constitutes grounds for a question of privilege.

It is obvious that those who have spoken today dealt with arrangements which some Hon. Members do not consider satisfactory.

I would suggest an immediate meeting with the members of the commmittee and perhaps also with . . . This is not an order of the Chair, but only a suggestion.

As for coming to an agreement on this matter, it would be impossible for the Chair this afternoon to reconcile the views of the various Members.

I therefore regret to say that this does not constitute a matter of privilege, but it is certainly a complaint. I hope that the Hon. Members will be able to settle the matter between themselves.

I would like to thank the Hon. Member for his intervention.

[*English*]

Perhaps I can say to the Hon. Minister of State that I am trying to make it very clear that, while there is a complaint, that complaint ought to be resolved within the committee. Unless something should develop which moves the difficulty clearly into a question of privilege, I do not think the Chair can add anything more to it.

As I said, I have only suggested, it is not my place to order. Perhaps some Hon. Members could get together and see if they can resolve the matter.

• (1550)

TABLING BY MINISTER OF DOCUMENT QUOTED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Citation 327 of Beauchesne states:

> A Minister of the Crown is not at liberty to read or quote from a dispatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

Such an incident happened today when the Minister of the Environment (Mr. McMillan) quoted from a document.

The rules of the House, just as in a court of law, provide that the Minister is compelled to lay this document on the Table of the House. I rise to bring this to your attention and to ask that you ensure, Sir, that the document in question be tabled pursuant to the Standing Orders of the House of Commons.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, we will certainly refer to the "blues" and see whether or not the Hon. Minister referred to his notes or quoted from the document.

Mr. Boudria: He had it in his hands.

Mr. Lewis: I was not sitting beside him, as you obviously were, to see what was in his hands. We will see whether the Hon. Minister referred to his notes or in fact quoted from the text of the document. We will report back to the House.

ALLEGED INTERCEPTION OF TELEPHONE CONVERSATION

Mr. Speaker: The Hon. Member for York South—Weston (Mr. Nunziata) raised a question of privilege earlier and very courteously agreed with the Chair's suggestion that the matter be put over until the Solicitor General (Mr. Kelleher) might be able to make a statement to the House or at least add information which would be helpful to the Chair.

I understand that the Solicitor General is here today, and I thank him for his courtesy in being prepared perhaps to help the Chair on at least some of the facts surrounding the incident.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like to respond to the question of privilege raised by the Hon. Member for York South—Weston (Mr. Nunziata) yesterday in the House. I think it is important to understand the facts in their entirety with respect to this matter.

I am advised that the inmate involved is serving life for second degree murder. At the time he was the chairman of the inmate committee, a group nominated by the inmates to deal with prison officials in the resolution of day-to-day problems.

It is important, Mr. Speaker, also to know that on August 18 of this past summer there was a serious disturbance and fire at Joyceville Institution, during which extensive damage took place. Since that time, the atmosphere at the institution has been somewhat more volatile, given some operational problems due to the physical damage that took place and which is now under repair.

Given that background I will deal with the specific point raised by the Hon. Member in my absence. It is true that on Wednesday, October 21, 1987, the MP's assistant, and not the MP, phoned to speak to the inmate. He was informed that the inmate would phone him back at the number provided.

The inmate was called up from his cell to the living unit office where such calls are normally made, and the inmate used the telephone provided. It is important to note that this telephone and office used were clearly marked with the following advisory, as per correctional service regulations. There was a sticker on the phone and a sign in the room used, stating: "All activities, including conversations and telephone communications in this area, are subject to monitoring and may be recorded". The inmate proceeded to place his call to the Member's assistant, using this phone, and a correctional officer remained in this office with him while the call was taking place. I am advised that this is the usual practice.

During the course of the conversation, the inmate made certain remarks that the officer overheard, which caused her some serious concern, namely to the effect that "something heavy" would happen at the institution if inmate demands were not met. The officer reported the remarks to the warden, and after consultation with regional headquarters of the

Canadian Correctional Service, the inmate was transferred to Millhaven in the normal course of events.

It is important to note that at no time was interception equipment used. It was simply the case of an officer overhearing the inmate's side of the conversation while he was speaking with the Member's assistant.

I trust, Mr. Speaker, that this background and additional information will assist you in arriving at a ruling on this matter.

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Solicitor General (Mr. Kelleher) indicates a certain version of events that occurred on that particular day. In my respectful submission, the crux of the matter is whether or not an official of the Correctional Service of Canada was listening in on a conversation, regardless of the method of listening, whether by interception or overhearing a telephone conversation, with the full knowledge that that particular inmate was speaking either to an MP or an MP's assistant.

The Solicitor General seems to suggest that because the conversation did not take place between the inmate and an MP,myself in this particular case, the privilege does not extend to an MP's assistant. In my respectful submission, if a privilege attaches to a Member of Parliament, surely that privilege must also extend to staff working for that particular Member of Parliament.

I am sure, Your Honour, if you review the precedents in this particular matter and perhaps refer to some legal precedents with regard to solicitor-client privilege, you will find that the privilege attached to a solicitor extends to his or her office as well.

With regard to the other matter, whether or not my privileges were breached, I submit once again that my privileges were in fact breached because officials of the Correctional Service of Canada were well aware that this conversation was taking place between the inmate and my office. Whether or not there was a sticker on the phone or a sign in the room is irrelevant. The fact remains that the Correctional Service of Canada had full knowledge and, having that knowledge, one would have thought that perhaps the individuals involved, the warden and the guard involved, might have provided the inmate in question with another telephone in a different room, in full privacy, where they were not listening in to the conversation.

The Solicitor General indicates that the conversation was heard only one side. You are well aware of the Latin term *audi alteram partem*. As a result of information obtained from one side of the conversation, on the Solicitor General's admission, the Correctional Service of Canada proceeded to take punitive action against an inmate. In effect, the inmate, my constituent, was penalized when not given a proper opportunity. However, that is irrelevant from the point of view that the Correctional Service of Canada was listening in on the conversation.

This morning I received in my office a package of documents that were smuggled out of the Joyceville Penitentiary. One of the documents I received was a memorandum from the Warden of Joyceville to the inmate population.

As you know, the inmates were locked up, and are locked up as I am speaking. It is a serious situation at Joyceville. In any event I think it is important to read this memo. It is short, but will assist Your Honour in arriving at your decision. It is dated October 22, five days ago, and states:

> Some eight short days ago, I assumed the position of warden of this Institution. One of my first priorities at that time was to familiarize myself with the Institution, its policies and routines. I also met with the Inmate Committee on Monday, October 19, 1987, on an informal basis to get to know the individual committee members and to prepare for a more formal meeting, complete with agenda, which was to be held on Friday, October 23.
>
> The members of the Inmate Committee agreed to this arrangement. Unfortunately, Inmate Committee Chairman DeMaria, chose not to respect this agreement and, in fact, aired the concerns of the committee, which we are actively studying, to persons outside the Service. Such conduct on the part of an Inmate Committee Chairman is totally unacceptable to me. As a result, I have taken steps to relieve him of his position as Chairman and am transferring him to another institution.
>
> However, I am prepared to meet with the elected Secretary and range representatives as planned on Friday to deal seriously and appropriately with the proposed agenda items. Rest assured that I will give these important items my thorough and personal attention.

• (1600)

I think it is important that we put this whole situation in context. As the Solicitor General indicated, on August 18, there was what I refer to as a riot. The Solicitor General says it was a serious disturbance. Considerable damage was done. Shots were fired. People were injured. It seems to me that that type of activity constitutes a riot.

The Solicitor General indicates that since that time the atmosphere has become more volatile. But what does this new warden do, a warden of eight days at Joyceville Institution? Rather than trying to create an atmosphere of calm in the institution so as to be able to deal with the concerns of the inmate, he proceeds to listen in to a conversation between a very popular inmate, who was elected several weeks before—

Mr. Speaker: I thank the Hon. Member for his courtesy in breaking off his intervention at this point. As the Hon. Member knows, I am very reluctant to interfere. However, it seems to me there is a key point to the Hon. Member's application on a question of privilege and that is whether or not his privileges as a Member of Parliament have been breached as a consequence of the fact that someone in the prison staff listened to at least part of a conversation between an inmate and someone at the other end of a telephone who was from the Member's office. That is the issue I must determine.

What may have flowed from that may be of great importance, but it is not a matter with which the Speaker of the House of Commons can deal.

I listened to the Hon. Member for York South—Weston the other day and again today. I think I have the fact pattern as he has presented it, clearly and effectively. If I have not, if there is something missing, I would invite the Hon. Member perhaps to conclude with it in a moment or two.

I want to say to the Hon. Solicitor General that I appreciate his courtesy in coming back to the House on this matter. I have listened carefully to what has been said. I will look very carefully at everything that has been said. However, I think we cannot stray here on a point of privilege into other matters that may very well be the subject of a debate in this place but under another procedure.

I would ask the Hon. Member for York South—Weston, if he feels there is anything else the Chair needs to know, perhaps to wrap up his argument. I am taking the matter seriously and I am listening very carefully.

Mr. Nunziata: Mr. Speaker, in view of your concerns, I will conclude by referring once again to this memorandum. I repeat a particular sentence where the warden says: "Such conduct on the part of an Inmate Committee Chairman is totally unacceptable to me". In other words, what the warden is saying is that it is totally unacceptable for an inmate to speak to his Member of Parliament and the opposition critic for the Solicitor General.

In conclusion, the Chair would have to find, first, that in fact a telephone conversation was intercepted, regardless of the means, and I think the memorandum and the Solicitor General himself confirm the fact that an official was listening in on the conversation. That is agreed upon. Then, Sir, you would have to decide whether the circumstances are such that my privileges as a Member of Parliament have been breached, whether it was appropriate for that conversation to be listened to, and the punitive action taken as a result of that particular conversation.

It would be my respectful submission that in fact my privileges have been breached for the reasons I gave today and yesterday. Accordingly, I would ask you, Sir, to find that my privileges have been breached and provide me with the opportunity to move the necessary motion to refer this matter to the Committee on Elections and Privileges for a complete and thorough review and recommendation to the House.

Mr. Speaker: I thank the Hon. Member for York South-Weston. I wonder if the Hon. Solicitor General could help the Chair on just one question? And I again thank the Hon. Solicitor General for his courtesy in coming back here immediately to help us. Can the Hon. Solicitor General advise me whether there was available a private telephone that this particular person could have used to discuss whatever it was he had to discuss or wished to discuss with his Member of Parliament? Was there any other form of telephone communication other than that available in the open room where apparently there were some members of staff?

Mr. Kelleher: No, Mr. Speaker, there was not, nor is there one anywhere in the prison. We do have a special room with a telephone that is, if I may use the phrase, clear or clean, when an inmate wishes to talk to his solicitor. We fully respect the solicitor-client privilege. When that is the object of the call, he is taken to that room. He is left alone and there is no such warning on the telephone. It is an absolutely clean and clear line to the solicitor.

This was not that type of call. As I understand it, it was not to the Hon. Member in his capacity as solicitor for the inmate but in his capacity as a Member of Parliament. For that reason, he was not taken to that other room.

Mr. Speaker: I want to thank the Hon. Solicitor General for assisting the Chair in this matter. I would say to the Hon. Member for York South-Weston that the Chair will give this matter very careful consideration.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I wish to advise the House with respect to the business for tomorrow and the next day that we will be considering Bill C-46, which is an Act to revise the Royal Canadian Mint; Bill C-75, which is an agreement between Canada and Nova Scotia with respect to energy; and Bill C-76 and Bill C-77, which are in relation to the Emergency Preparedness Act and the War Measures Act.

We would reserve the right to change the order of those items in order to facilitate the business of the House. I have indicated to my hon. colleagues that in view of the earlier disruption of the business of the House for 15 minutes, and since there is no vote with respect to the opposition day topic, the Government would be prepared to extend the time allotted from 6 p.m. to 6.15 p.m. to allow for the time lost while we were outside.

I would also advise my hon. colleague, the House Leader of the New Democratic Party, with respect to the House Leaders' meeting which was scheduled for 3.30 p.m., that since we have been tied up and we all have other things to do, I think, in view of the events of the day and other events which are taking place, it might be more productive to have a House Leaders' meeting later this week.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT—AGRICULTURE

The House resumed consideration of the motion of Mr. Althouse:

That this House condemn the Government for negotiating a trade agreement with the United States that has failed to stop the predatory practices of the U.S. Export Enhancement Program, and that will;

(a) lead to the elimination of our two-price system for wheat;

(b) undermine the powers of the Canadian Wheat Board;

(c) reduce the growth of supply management marketing boards;

(d) reduce the growth opportunities for Canadian fruit and vegetable producers;

(e) adversely affect the Canadian wine and grape industry;

(f) provide little benefit for red meat producers; and

(g) Provide no new benefit for farmers purchasing farm equipment or other farm inputs.

Mr. Speaker: When the House rose at one o'clock p.m., the Hon. Member for Kamloops Shuswap (Mr. Riis) had the floor.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am pleased to pick up where I left off prior to Question Period. I think it might be appropriate to indicate that today we are in fact debating a motion put by the New Democratic Party regarding the free trade deal, that this House condemn the Government for negotiating a trade agreement with the United States that has failed to stop the predatory practices of the U.S. Export Enhancement Program which will provide little benefit for wheat producers, reduce the growth opportunities for Canadian fruit and vegetable producers and adversely affect the Canadian wine and grape industry. It will provide no new benefit for farmers purchasing farm equipment or other farm inputs. It will reduce the growth of supply management marketing boards. It will undermine the powers of the Canadian Wheat Board. Finally, it will lead to the elimination of our two-price system for wheat.

• (1610)

It was difficult to include all our concerns regarding the trade deal with the United States as it impinges on agriculture. But I believe that it can be summarized by looking at a number of examples. I will take a moment just to refer to one example, and there could be many. I chose this one because of the situation near my constituency where there has been quite a substantial effort over the last little while to develop a grape and wine industry.

The Okanagan Valley is one of the very few places in Canada, along with the Annapolis Valley, the Niagara Peninsula, a small area of Quebec, and other areas in the central interior of British Columbia, which have the climatic and soil conditions that make the growth of grapes and soft tree fruits possible. In some cases it is relatively marginal but, nevertheless, it is possible. Over the last little while the grape growers have developed vineyards on the hillsides of the Okanagan Valley and they have developed small cottage wineries. The large wineries have opened up facilities as well in the area to process both local grapes and imported grapes. They have developed a substantial wine industry.

Today, when these wine industries from across Canada compete internationally they are able to compete head to head with some of the major wineries of Spain, France, California and other areas. But I think it is fair to say that in western Canada this industry is still struggling in terms of establishing itself in both the domestic and international markets.

I had an opportunity just this morning to meet with a group of representatives of the Grape Growers Action Committee. The story that they put before us was a story of tragedy. As they reminded us, and as most Members of Parliament know, the Canadian grape and wine industry provides 16,000 jobs in this country, and many other jobs in related industries such as fertilizer, equipment, and the usual jobs of shopkeepers and others who service this particular community.

They also reminded us that farm gate receipts for last year for the grape crop were about $40 million. It was much more when the multiplier effect is considered because this money as cash flow snowballs into support industries such as financial institutions, chemical institutions, fertilizer institutions, brokers, shippers, labour, various personal expenses and, of course, taxes at the municipal, provincial, regional and federal levels. One could go on. Obviously, this is a sector of our agricultural community that has made a real dint in establishing new markets here and overseas.

The problem that they brought to our attention was that this free trade deal will wipe them out. It will destroy this industry. The pricing situation of mark-ups will be reduced as a result of this deal. They are convinced that their industry will be eliminated. I guess I cannot describe accurately or adequately what it was like to meet these representatives of the grape growing industry and to talk to one woman in particular. As a matter of fact, she said that her husband could not have joined her because he was simply so distressed and so angered and feeling such a sense of betrayal that he could not bring himself to come to meet with Members of Parliament. He and his family struggled to establish their grape growing vineyard. Now, through no fault of their own, the Government has decided to eliminate their farm. Something that he could not tolerate was coming to Ottawa and talking in a serious way to Members of Parliament. So his wife came, along with others in the Grape Growers Action Committee.

They explained that in parts of Canada these people had been growing grapes and had been on the land for four or five generations. Many of them came in the 1800s to the Niagara Peninsula area to establish their operations. To think that generation after generation after generation is now going to be

eliminated as a way of life because of this free trade deal is something that I do not think we can tolerate. I do not think we can sit back and accept that. That is the presentation that they made. That is the fact of this matter. We are talking about thousands of people losing there livelihoods.

These people are special because, as you know, Madam Speaker, their operations are in a part of Canada where land use regulation is very extreme. These areas have been identified as some of the few good agricultural areas in Canada. The climatic and soil conditions are conducive to the development of soft tree fruits and related agricultural products. So land use regulations have been brought in to keep that land in that use. These people now find themselves in a situation in which the Government has decided that it will eliminate the grape growers and, to a large extent, all of the soft tree fruit industry as well as a result of this free trade deal. But these people are locked in to lands that are regulated or zoned for agricultural use only. So they cannot even sell their property. They cannot redevelop into other areas because of the land use regulations.

I can only describe it as a personal tragedy for myself to have to listen to person after person explain what this deal meant to them. I suspect that if we had an opportunity to sit down with agricultural groups from Nova Scotia clear through to Vancouver Island we would be seeing people and talking to people expressing that same view. They would express the fact that they and their forefathers had been on the land, in some cases for many generations, and they now find themselves in the intolerable and unacceptable position of having to abandon their livelihoods and their agricultural commitments.

Many aspects of this trade deal concern us. We were anticipating, of course, that the binding dispute settlement mechanism would have been brought in so that when countervails were levied against certain agricultural products we would have a neutral objective third party that would arbitrate and decide on that so-called aggravation. Such is not the case. The binding dispute settlement mechanism is no more than a review panel which will simply review whether or not American laws have been broken.

I think it is fair to say that if an American lobby group launches a countervail process it will ensure that the laws of the United States are being followed. That brings us little comfort because the laws of the United States are extremely protectionist. They have a built-in bias against imports coming into the United States from Canada. For those in the red meat industry, where we have always had free trade for all intents and purposes, they are still subject to the countervail threat. The Americans can look up into Canada now and identify what they determine to be subsidy programs for our beef producers and our red meat processors. If they determine that we are subsidizing, then of course they can launch a countervail. We were under the assumption that a free trade deal would have removed that continuous threat. We notice with hogs that the retention of the 4.4 cents per pound countervail stays in place against live hog shipments to the United States.

We were particularly alarmed when we found out the other day that the United States had broken the agreement already. This agreement is in place. It has been signed and both countries have agreed to adhere to the clauses in the agreement. The clause I refer to states that each party has agreed to take into account the export interest of the other Party in the use of any export subsidy on agricultural goods exported to third countries, recognizing that such subsidies may have prejudicial effects on the export interests of the other party.

What we found was that the United States, which has heavily subsidized its grain producers, has now taken initiatives to move into the grain markets that have traditionally been those of Canada: the Soviet Union, China, and to a certain extent India. Now that country is bringing in products, heavily subsidized, into those markets, which will result in one of two things. We will either lose sales to those traditional areas, or in order to compete we will have to drop the price so much that it will make the whole thing totally uneconomical. Those will be the two choices. Either way the Americans have broken the agreement.

• (1620)

When this was raised in the House with the Secretary of State for External Affairs (Mr. Clark) he stated that he was going to have a chat with the Secretary of State for the United States when he met with him on the weekend. Having a "chat" is little comfort to those thousands and thousands of grain producers who see the United States breaking the agreement that we signed only a few days ago.

I found it interesting reading the University of Maryland study which looked at this particular trade arrangement in relation to agriculture. They determined that, as a result of this trade deal, it would be very good for United States farmers. As a matter of fact, they stated that it would be excellent for United States farmers because those farmers will now gain access for fruit, vegetables, chicken, turkey, eggs, and many other products, where, until this point, they had been cut off through border restrictions of one type or another. They identified as many as 355,000 jobs in the United States that may be preserved or expanded as a result. Again, that brings us little comfort in Canada.

We have heard that the United States intends to subsidize its agricultural sector. Last year the United States Export Enhancement Program, and other subsidies for agriculture, amounted to $1.5 billion. That is a great deal of money, and in many areas that made it difficult for our exporters to compete with the United States. Consequently, we were hoping that those farm subsidies would be reduced. To our dismay, we have found that not only have they been increased, but they have been significantly increased. This coming year the United States will subsidize its agricultural sector to the tune of $4 billion. If we think that in the past we have had difficulty competing with the United States in agriculture, we have not seen anything yet. Those heavily subsidized products will cause us trouble in the market-place.

The supply management practices that will be allowed to continue in Canada as a result of this agreement raise a concern, because the products from the supply management systems will be sold to the processing industries. The processing industries will also be able to purchase more products from the United States. Of course, the United States will be selling them much cheaper than we do in Canada. We have identified the various areas, and I do not have to repeat the list, but they include areas such as chicken, turkey, shelled, processed and powdered eggs, and so on. Those products will now be allowed into Canada on an increased basis to compete with our producers. Those products will be allowed in at lower rates because of cheaper costs to do business in the United States. That will cause our farmers problems.

Unfortunately, my time has almost lapsed, and there are many other items that one ought to mention. In summary, as I stated at the outset, in our estimation, this deal with the United States that includes agriculture has been the deciding factor as to the future of the family farm in Canada. All parliamentarians, particularly those who represent rural or semi-rural areas, realized that we reached a point where the Government of Canada had to decide whether we would support our farmers in an up-front real manner in terms of making a commitment not only to the farm but to the farm family and the small towns and the rural parts of Canada, or whether we were going to abandon that and allow agri-business or corporate agriculture to come in by and large initiated from the United States.

Unfortunately, the time has now come and it would appear that the Government has made its decision. The jury has indicated its decision which seems to me has been very clearly against the family farm in favour of corporate agriculture and, much to my chagrin, corporate agriculture sponsored, financed, and controlled largely from the United States. It is a sad day for Canadian agriculture and Canada.

Mr. Manly: I was interested in the remarks of the Hon. Member for Kamloops—Shuswap (Mr. Riis) on the fledgling wine industry in his constituency. That is also something that is happening in the Cowichan Valley. It causes me concern as we see this Mulroney trade deal being pushed through. It will destroy or make very difficult the possibility of developing that industry in different parts of Canada.

Like most Members of this House, I enjoy drinking wine from a wide variety of places, including British Columbia, Ontario, and Europe. It is important that we try to develop our own industry. We do not need to be exclusive devotees of one particular part of the country and state that we will only drink wine from British Columbia or from the Niagara Peninsula, but it is an important part of Canada's development.

I was interested in the comments of Jeffrey Simpson in *The Globe and Mail* today where he stated:

> The wine issue, peripheral in itself to the free trade debate, nevertheless illustrates the nibble-nibble strategy of free trade opponents. Throughout the country, there are groups whose interests will be adversely affected by the deal. On behalf of each of these we can expect free trade opponents to make a special appeal.

The implication is that the wine industry is not that important in the over-all picture of the trade deal that we are talking about. The Hon. Member pointed out that we are talking about 16,000 jobs. I would like him to comment on those 16,000 jobs, and how they all add up to what the Minister of Employment and Immigration (Mr. Bouchard) talked about, a possible loss of 500,000 jobs.

I would be interested in hearing the Hon. Member's comments on the relationship of those 16,000 jobs to the total 500,000 jobs that could be lost through this deal.

Mr. Riis: Madam Speaker, it is always a pleasure to receive a thoughtful question from the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly). As usual, he has raised a critical point in this discussion. The Minister of Employment and Immigration (Mr. Bouchard) indicated both outside and inside the House that, when the final analysis is done, there could be a loss in Canada of up to 500,000 jobs. The Minister stated that there was a possibility it could be as high as 500,000 jobs, although it might be less.

Today we are focusing our attention on the agricultural sector. It is unfortunate that we have to rely only on the opposition Parties to enable debate to take place in the House. We decided that we will use whatever days are available to debate it here, since the Government has indicated not much interest in debating it on the floor of the House, at least at this stage.

My friend asks if those 16,000 jobs are simply part of a pattern leading up to the half million job losses. I wish to say to him that the 16,000 jobs that will be lost in the grape and wine sector are not even the whole picture. There are two other critical aspects. Many other jobs will be lost. If 16,000 jobs are lost in the grape and wine sector, to a certain extent related jobs will also be lost, for example, the equipment that is used, the services and supplies required, and the jobs of other individuals such as shopkeepers and professionals like dentists, teachers, and nurses who are associated with that healthy, viable economy in the Niagara Peninsula.

Perhaps what is more important is the point made by my hon. friend that in his area of British Columbia, Vancouver Island, a fledgling wine industry is getting started. One could make the same claim for other parts of Canada, specifically, the Province of Quebec. That province has certain areas where the climatic and soil conditions are adequate to develop a vineyard industry, and it is just beginning. As we are seeing this new industry beginning to develop across Canada, it is being put on the chopping block, its head hacked off, and its growth stopped. It is that conscious decision to cut off the ability of this new industry to grow and expand that we find very disappointing. Not only do we lose 16,000 jobs directly, but other jobs are lost that are indirectly related to the grape and wine industry, plus the future jobs that will now not be there. This is an industry that will not be permitted to expand

and grow because of the unfair competition that it will be receiving from the United States.

• (1630)

The Hon. Member has raised a very important point. Unfortunately, we do not have the opportunity, because time does not permit it, to go through every sector of the agricultural community and every other sector which will be hit by the trade deal between the Prime Minister (Mr. Mulroney) and President Reagan. Perhaps, if time permits, we will have an opportunity to raise those points in another forum.

Mr. Caldwell: Madam Speaker, I am pleased to enter into the debate because I see that once again the opposition Parties are using the same tactics they have been using for the past several months, that is, to scare the daylights out of Canadians. This time they are trying to scare the farming community about what is entailed in the bilateral agreement.

They mentioned that it reduced the growth of supply management marketing boards. However, the Hon. Member did not point out how they would do that because it simply is not true. He talked about the numbers of chickens, turkeys, and eggs which will flow into Canada because of the agreement. It was simply not true, and he knows that. That is why they will not get into the detail of the agreement. The Hon. Member for Essex—Windsor (Mr. Langdon) also knows that, if he understands agriculture and understands how the supply management system in the country works. I am not sure that they know how it works; I do not think they know how it works.

They also talked about reduced growth in opportunities for Canadian fruit and vegetable producers. How will this happen? I do not know how it will happen. Canada has been a leader in the export of fruit and vegetables, and we will continue that.

I have a company located in my particular riding, the H. J. Heinz Company, which has been selling ketchup to the States for the last number of years. It is increasing that market because it is producing a premium product, and it will continue to do so despite the reduction of tariffs.

We also have the greenhouse industry in my particular area. It has opened up a whole new market. Rather than shipping to Montreal and Toronto, it will now be able to ship to Detroit, Chicago, and such areas duty-free. They are looking at that market and saying, "We are going to go for it".

The Hon. Member is not looking at the future of agriculture. Agriculture will change whether or not we like it. Ten years ago producers in my riding were shipping tomatoes in bushel baskets. Today they take them in huge wagons and water takes them out into the plant. That is what the difference is.

Ten years ago Members of the House of Commons did not know what a greenhouse cucumber looked like, these English cucumbers. People thought they were zucchini. Millions of dollars in export sales are now taking place in that particular area.

The Hon. Member says that we are going to lose everything. He talked about his wine industry. I have a wine industry in my particular area. The producers of those wines—and I will give them a plug: Pelee Island wines, Charal wines, and Colio wines—have been doing very well. They are looking optimistically at shipping wine into the Detroit-Chicago market.

Mr. Langdon: Oh, come on!

Mr. Caldwell: The Hon. Member for Essex—Windsor does not understand that. He wants to close the walls around Canada and never mind our $2.7 billion in exports every year.

The Hon. Member also mentioned hogs and that the agreement would provide little benefit for red meat producers. What utter nonsense. Thirty per cent of our pork production now goes to the United States, some $676 million worth of hogs last year. Do we not want access to that market, or do we once again close up the walls and produce for ourselves? Do we want to have Ontario producers cut back by 30 per cent? Do we want to put the people of Quebec who process this meat out of work or out of business?

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the Hon. Member but the time for questions and comments has expired, although I will give a minute or so to the other side—

Mr. St. Germain: Madam Speaker, I rise on a point of order. Could we seek unanimous consent of the House to continue with the question and answer portion with the Hon. Member?

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Had the Hon. Member ended his intervention?

Mr. Caldwell: Well, Madam Speaker—

Mr. Riis: Madam Speaker, I rise on a point of order. I think it is more than appropriate to continue if that is the wish of Hon. Members. Certainly I am prepared to do so. However, I like to think of it as a question and answer period, not as a speech. If the Hon. Member wants to give a speech, presumably he will have an opportunity to do so. Let us make it a question and answer period so that we can have some dialogue back and forth.

Mr. Caldwell: Madam Speaker, I was only responding to some of the items which the Hon. Member raised. Because he left so many unanswered questions, I thought I had to fill in the blanks. I was not too sure whether he was aware of what it would do.

I did not see anything in the particular agreement which would back up any of the facts they have put forth. That was the point I was trying to make.

Where does he find the facts that say that it will reduce the growth of supply management marketing boards? Where does it say that in the agreement? Where does it say that it will adversely affect red meat producers? Where does it say that? I do not see where it says that in the agreement.

I ask him to point out in detail where these things are in the agreement, for example, that it will reduce the growth of supply management marketing boards? Where does it say that in the agreement? On what page?

Mr. Riis: Madam Speaker, I have a great deal of respect for my hon. friend. He knows that we do not have an agreement before us. There is no agreement.

He asks where these things are in the agreement. He has not seen the agreement. Nobody has seen the agreement. I do not think, with all due respect, Madam Speaker, that even you have seen the agreement. That is what we are trying to say is part of the problem.

How are we to have an informed, intelligent debate, particularly across the country, and hear from the people who are directly involved, before we have an opportunity to view the agreement?

The question my hon. friend puts is where I get my information from. We attended briefing sessions. It is not in the document, which just contains some vague reference to the whole deal. There were briefing sessions by various sectors to inform Members of Parliament. We asked those questions, and representatives of the Government at government-sponsored hearings told us these things. That is where we got the information from.

My hon. friend also asked where those things were said in the agreement. They were not said in the agreement, and that is the precise point. What will the Government take across the country to hold hearings in Kent County or throughout the Niagara Peninsula on an agreement which not a single Canadian has ever seen? In a sense, I guess I am asking a question of my hon. friend.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Edmonton East (Mr. Lesick)—Agriculture—Edmonton food production inspection plant laboratory; the Hon. Member for Winnipeg North Centre (Mr. Keeper)—Canada Post Corporation—Meeting protesting plans for future service/Women—position of Minister; the Hon. Member for York East (Mr. Redway)—Nuclear energy—Reported design flaws in United States Perry nuclear generating station.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT—AGRICULTURE

The House resumed consideration of the motion of Mr. Althouse:

That this House condemn the government for negotiating a trade agreement with the United States that has failed to stop the predatory practices of the U.S. Export Enhancement Program, and that will;

(a) lead to the elimination of our two-price system for wheat;

(b) undermine the powers of the Canadian Wheat Board;

(c) reduce the growth of supply management marketing boards;

(d) reduce the growth opportunities for Canadian fruit and vegetable producers;

(e) adversely affect the Canadian wine and grape industry;

(f) provide little benefit for red meat producers; and

(g) provide no new benefit for farmers purchasing farm equipment or other farm inputs.

The Acting Speaker (Mrs. Champagne): Resuming debate—

Mr. St. Germain: Madam Speaker, I rise on a point of order. I have a question for the Hon. Member, and we had unanimous consent of the House to continue with the question period.

Mr. Boudria: No, no. It was for them.

The Acting Speaker (Mrs. Champagne): There was unanimous consent to continue the exchange between the Hon. Member for Essex—Kent (Mr. Caldwell) and the Hon. Member for Kamloops—Shuswap (Mr. Riis). There does not seem to be consent to continue now, so I think we should resume debate.

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): Madam Speaker, there is no doubt that during the few minutes my colleague from Essex—Kent (Mr. Caldwell) spoke he demonstrated his knowledge of the agricultural sector, and on a sector by sector basis we are in a position to appreciate the obvious benefits flowing from such an agreement. Quoting figures right and left or resorting to scare tactics will not prove anything, such an approach can only be a source of concern for Canada's agricultural community. A closer look at the censure motion sponsored by our distinguished colleagues in the

Opposition shows that most of their grievances about the free trade agreement can be traced back to their erroneous interpretation of the documents we have before us, Madam Speaker.

There is no doubt in my mind that the benefits of this agreement are unparalleled. As a matter of fact, the agreement negotiated with our main trading partner gives us access to the American market and unveils challenging prospects for the coming century. This has to be reassuring, if only because over the past two years the Canadian agricultural community has grown ever more concerned about the protectionist stance of our neighbours to the south. I suggest it was to some extent unanimously felt that we had to do something. We had to take some concrete action to get out of the status quo. Without this Free Trade Agreement, we had to expect the possible narrowing of our outlets in our most important market. Because of this agreement, Canada will get a more secure and a duty free access to the American market for our agricultural exports. That is undeniably a step forward.

• (1640)

Madam Speaker, I just cannot understand the sort of stubbornness with which our colleagues are trying to denigrate this agreement. Should we conclude that, as Members of the Opposition parties, they have chosen to oppose at any cost a major policy of this Government which, need I emphasize it, has nothing to do with party politics. Madam Speaker, we are taking up a challenge which will make it possible for our children and for Canadians to enter at full speed in the 21st century, to stand up, without hiding behind curtains, and to show that we are quite able to trade with the rest of the world, without any concern.

These bilateral negotiations, need I emphasize it, have been conducted brilliantly. The resulting agreement will go down in history as one of the most positive and most significant events for a trading nation such as Canada. These negotiations were not carried out in secret, Madam Speaker. And all the while they lasted, numerous committees and subcommittees advised our negotiators on the views held by Canadians on each of the issues on the table. This should not be a surprise to anyone. It is consistent with this Government's disposition over the past three years to consult the Canadians for whom we are working. I think we should not feel embarrassed about that—we had consultations with people. There was a sub-committee on agriculture, and people from every region, every industry, processors, producers, everyone was consulted. Everyone could make his contribution to help negotiators at the table.

Courage and political vision were needed to admit that most industries in our farming economy could not survive alone, without external trade. And since the United States are by far our major customer, buying a third of our total agri-food exports, it would have been stupid not to take that golden opportunity, free trade. We are often told by the Opposition: Let us forget about negotiations with the Americans, let us negotiate at the GATT level. As if it were easier to agree with 94 nations scattered over all the continents, with different needs and goals, when we have a customer next door with whom we have close affinities and with whom we are already trading!

An. Hon. Member: Our natural market!

Mr. Blais: —our natural market close by. They tell us: No, do not negotiate, forget about that. Let us not put all our eggs in one basket, as I heard. That is ridiculous, Madam Speaker. We owe our people and our producers in Canada to be secure, to maintain what we already have acquired. That is important, and we owe it to our producers. And in the face of the growing threat of tariff and non-tariff barriers, non only in the United States but elsewhere in the world, faced with that wind of protectionism that was blowing, we had to move, we had to do something. We could not stay still and wait for new protectionist moves falling on us every six months. It takes courage and political vision to act that way. That is a responsible government, Madam Speaker.

I think we at last have the possibility to put an end to certain protectionist practices which have been disastrous in the past, disrupted trade and caused severe problems to many areas of our economy, especially agriculture. Canada simply could no longer afford the luxury of maintaining the status quo.

Concerning some of the objections contained in the motion, I think, Madam Speaker, that no one wants to undermine the powers of national marketing boards. The new free trade agreement, as my colleague from Essex—Kent mentioned earlier, does not undermine these boards or the supply management system which is the reason why they exist. It would be foolish, Madam Speaker, to abandon a system whose value and efficiency are recognized worldwide. Last year only, delegations from over twenty countries came to Canada to see how our marketing system works. It is a model for every one. This proven marketing system does not put any pressure on world surpluses in the agri-food area. It is a system based on discipline.

As my colleague, the Minister for International Trade (Miss Carney) said this week or last week about our negotiations with GATT, we are trying, as a country, to bring our trading partners and other countries working in the agricultural field to think of where we are going with this international subsidy war. Canada was the second country, out of 94, to express its intentions internationally in the agricultural field. We are leading other countries and people know where we are going. We are saying: Stop this war. But this is no reason to reject the proven system we have in Canada, a system we will never abandon unless we can replace it with a better one. We owe this to our Canadian agricultural producers who worked hard for years to build a system that works.

And it is being irresponsible for people outside the House and on the Opposition side to try to have the producers believe that we are putting that system at stake. That is not the case at all, Madam Speaker. And we owe it to Canadian producers

themselves. If other marketing agencies were ever to be created in other sectors . . . and there is a feasibility study being conducted currently on a possible marketing agency for potatoe producers. We will realize once we get that report and give it due consideration that this Government by no means intends to give up its responsibilities in this area. And if there is a demand for a marketing board for hogs, for instance, the Government will then proceed. Nothing in this Accord prevents us from taking such an action. We will let the canadian agricultural producers decide what kind of agriculture they want. These are the terms of this agreement: Canadian agriculture is not tied up. It's up to us to preserve the systems that make up the very basis of our agriculture.

Another concern expressed in the motion is that Canadian fruit and vegetable producers would suffer from reduced growth of their industry. I have to point out, Madam Speaker, that on the contrary some products from the horticultural sector could greatly benefit from increased export opportunities, particularly to the northeastern United States. This could be the case with potatoes, cabbage, carrots and onions. I have already met personnally with people in the fruit and vegetable sector, and they are much aware of that. Given the importance of that sector in Canada, special provisions have been negotiated. Present tariffs will be gradually eliminated, as in other sectors, over a 10 year period.

However, over a period of twenty years, both countries will have the right to temporarily restore present tariffs if export prices fall to abnormal levels. In other words, if an increase in fresh fruit and vegetable imports from the U.S. drives down Canadian prices, we will be able to re-establish our seasonal tariffs. This a safeguard that we have. We understand that our climate creates difficulties. We are fully aware of this fact. But we also understand that this sector should be dynamic on its own. Over the years, Madam Speaker, Canadian agricultural producers have always adjusted to market pressures both at home and internationally. During the past few years, the federal Government has constantly done everything so Canadian producers could get the kind of system they want in Canada. We saw this, for instance, when a tripartite stabilization system was introduced. Discussions had been going on for ten or fifteen years in this country.

Our Government managed to get a consensus, with patience and through consultation, not with the kind of unbending and unilateral approach we had seen for twenty years before that. Not that way. Our Government consults. Our Government acknowledges the regional differences in this country. Our Government realizes that people have the right to speak and express their opinions.

In fact, Madam Speaker, the Agreement does not prevent Canada from continuing to prohibit consignment imports and monitoring shipments of goods in non-standardized bulk containers on international and interprovincial markets.

Furthermore, the assertion that red meat producers benefit very little under the Agreement is surprising, to say the least. The Hon. Member for Essex—Kent said as much a while ago. One would have to be blind not to see the obvious advantage to us of opening up our markets in the red meat industry. Is it because they don't understand the new mechanisms that have been introduced? I don't know to what extent they understand our testing system, but I think it seems pretty straightforward.

• (1650)

The Canadian red meat industry, whose main market is the United States, will benefit from the elimination of tariffs. Both countries have also agreed to exempt each other from restrictions on cattle imports. The advantages of a North American market in this sector are obvious. In the beef sector, Canadian beef producers will benefit from the exemption granted to Canada under the provisions of the U.S. Meat Import Law. Since the United States is by far the most important market for Canadian beef—our exports totalled about $400 million in 1986 alone—we had to obtain more secure access to this market. This is a very important part of the Agreement for Canada, and especially for Western Canada. We all know, and we saw this again today, what a poor opinion the Opposition has of the people in Western Canada. However, this Government recognizes the distinctiveness of all our regions and their contribution to this country. That is the difference. That is why this Government is a truly national Government. And we will continue to make it so.

And now, what about Canadian hog producers? Our exports of hogs, pork and pork products are worth $630 million. If we add beef as well, we get a total of over $1 billion. Need I remind Hon. Members of the recent disruption caused by several American states when they wrongfully resorted to technicalities to set up trade barriers? Remember chloramphenicol! I think the present attitude in our negotiations is such that we should be able to avoid further non-tariff barriers.

Madam Speaker, it would be to the net advantage of the Canadian red meat sector to have freer and more extensive access to a market of 235 million consumers. The Canadian Cattlemen's Association, the Canadian Pork Council and the Canadian Federation of Agriculture have had some very positive things to say in this respect. I think that a quick look at the agreement concluded in the agricultural sector will show that we have kept our word.

An Hon. Member: Certainly not!

Mr. Blais: We have always said, and last week the president of the *Fédération des producteurs de lait du Québec*, who has been in the industry for a long time, told me that the Minister of Agriculture (Mr. Wise) had met his commitments. He always promised to maintain our marketing boards, while making it clear that agriculture was being discussed at the negotiating table. When we know that as part of the negotiations, a sub-committee on agriculture was meeting to discuss agricultural issues, I don't know by what stretch of the

imagination anyone could say that agriculture was not on the table.

It is obvious that agriculture was discussed. As one out of every three hogs produced in Canada is sold in the United States, agriculture must obviously be included in any trade negotiations with our neighbours to the south. It is obvious! I therefore believe that we have kept our commitments in this regard by maintaining our marketinig boards. We shall be reviewing this whole sector and if there are any difficulties in the future because of the lower tariffs, we shall certainly deal with them. The various national and provincial federations have already begun consultations with us. My colleague the Minister of Agriculture and myself met the Dairy Farmers of Canada last week. We simply discussed the situation calmly, contrary to what we have seen here these last few weeks. I believe that, together, we can continue to build a healthy agricultural sector in Canada, maintain our existing markets and increase them in the United States, which will benefit all Canadians.

This is a historic agreement. Because of our commitment to Canadian farmers, we have no right to reject it and we have no right to let all kinds of false and even mendacious reports go unchallenged. All sorts of things have been said; for instance, that we might lose 80 per cent of our poultry production. This is pure fantasy.

We have kept our import quotas in that sector at the same level as in the last five years. Generally speaking, we have kept our commitments.

You in the Opposition should join with us to ensure that Canada will—

Mr. Boudria: I can rise on a point of order if you wish.

Mr. Blais: —you still have comments to make. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) could perhaps—

An Hon. Member: You should rise on a point of order.

Mr. Blais: Madam Speaker, I would like to conclude—

The Acting Speaker (Mrs. Champagne): The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry—Prescott—Russell): Thank you, Madam Speaker. I rise on a point of order to invite the Minister not to address the members of the opposition as "you". I would like to remind the House, as I am sure that you wanted to do yourself, Madam Speaker, that only the Chair can be addressed as "you". I was not going to raise this point, but I was urged to do it and I am happy to comply.

The Acting Speaker (Mrs. Champagne): The message is clear and the Hon. Minister of State for Agriculture (Mr. Blais) may now conclude.

Mr. Blais: Madam Speaker, I shall simply conclude by saying that I believe this historic agreement to be good for Canada and for Canadian farm producers. We have no choice. We owe it to our farm producers and to the Canadian population to support this agreement. It is a historic agreement and we should stop playing petty political games. I believe that we should now cooperate to help the 25 million Canadians who deserve this agreement.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, it is very interesting to hear the Minister. He spoke about many farm groups, but not about the Quebec group, the *Union des producteurs agricoles*. In fact, the UPA has decided that this is a bad agreement and that it does not do much for farmers.

I also believe that many of the things that the Minister said show why this group, which represents all Quebec farmers. decided to be part of the coalition against free trade in our country. For instance, the Minister talked about access to the United States market. But when we examine the agreement itself, we find it does not provide for the sure access the Government mentioned earlier. That is one thing.

• (1700)

Second, the Minister spoke about fruits and vegetables. The changes the agreement brings for fruit and vegetable growers create enormous problems for them. The Minister spoke of a protection system that might exist. But it will not longer be there if competition between Canada and the United States is removed, as we see now. The competition will exist and will continue without duties, a very precarious situation for Quebec farmers.

That is why that group speaking on behalf of all Quebec farmers declared this is a bad agreement.

[*English*]

The Hon. Minister has talked about pork producers—of which there are many in Essex County—gaining tremendously from this agreement. In fact, as the Minister knows, pork producers will continue to face the present countervail duty. They will also face the possibility of future countervail decisions. There is no possibility of avoiding that. Appeals against any future countervails will consider U.S. law only.

From my reading of the agreement it certainly seems that the United States Government is only committed to using its "best efforts" to prevent the States individually from taking actions which are against the arrangement itself. In short, it will still be possible for any individual American state to take action against any of our agricultural exports, including pork about which the Minister spoke. I ask the Minister to comment on that and the other points which I have raised.

[*Translation*]

Mr. Blais: Madam Speaker, I can see there will be a sharp decline in the extent of the knowledge my colleague, and particularly his Party, have of Quebec. Yesterday they lost the

only anchorman they had in Quebec and already their lack of knowledge about the Quebec situation is readily apparent.

An Hon. Member: It shows already!

Mr. Blais: It shows already, we can already see how far behind they are with respect to their awareness of Quebec agricultural problems. There is precious little the NDP can teach me about Quebec's agricultural community. Earlier this morning, Madam Speaker, I attended a regional UPA meeting in Beauce where I met six or so groups from every corner of the province, local agricultural producers right where they live.

An Hon. Member: Jacques Proulx!

Mr. Blais: Yes, I met Mr. Jacques Proulx as well.

An Hon. Member: What did he say?

Mr. Blais: It is quite obvious that when my colleague brings up the name of the President of the Union *des producteurs agricoles* or refers to the coalition against free trade with Mrs. Shirley Carr, with the Canadian Auto Workers, of course you are speaking for all of them. I listened very attentively to my colleague. One thing for sure is that I saw—you demonstrated this yesterday—how you let people have their say in your own Party. But I am not in your Party. When I have the floor, let me speak.

The Acting Speaker (Mrs. Champagne): I would appreciate it if the Minister were to direct his remarks to the Chair, not to his colleagues in the House. Had the Minister concluded his remarks?

The Minister has the floor.

Mr. Blais: Madam Speaker, I am not used to having people speak at the same time as I do. That is why. I apologize.

As to the question of access to the American market raised a moment ago by my colleague, I would suggest that the positive step we took when signing the agreement shows indeed that we are going to reverse the protectionist process which was gaining ground as weeks and months went by. As I see it, it was a question of principle to convince our neighbours to say: This trench warfare in various sectors has to stop. I think access is guaranteed under the agreement. That is intrinsic, that transpires from the agreement, Madam Speaker.

And whenever he speaks about the pork industry, he forgets to say that the Canadian Pork Council agrees with this Agreement, Madam Speaker, and I do not see why, in those conditions, the issue is being raised. As regards any possible further countervail action, I fail to understand why that party keeps on claiming that that agreement jeopardizes our sovereignty, and at the same time, as soon as there is some evidence that either country can preserve its sovereignty and the ability to act through its existing laws and regulations, some people say: You did nothing, and now you don't solve the problem. Both countries have preserved their sovereignty, Madam Speaker. This is one fundamental issue. We succeeded in making a progressive deal for both parties, while preserving national sovereignty on both sides of the border. Together in the same direction, that is a good way of describing that deal, Madam Speaker.

The Acting Speaker (Mrs. Champagne): Debate. Resuming debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am very pleased to rise today in this debate on the free trade Agreement and its possible impact on Canadian agriculture. As you know, our colleagues in this House have introduced today that non-confidence motion, whereby they claim that the free trade Agreement will first lead to the elimination of our two-price system for wheat and, second, undermine the powers of the Canadian Wheat Board, reduce the growth of supply management marketing boards, as well as the growth opportunities for Canadian fruit and vegetable producers.

Madam Speaker, I have looked at this motion with great interest and I must say that I agree with most of the issues that it raises. I was recently reading an article in a newspaper which said that this free trade deal was going to put Canadian agriculture through the meat grinder. I think this term best describes how my constituents feel about this deal. I know the Minister intends to visit my constituency shortly and that we will both participate in a debate on free trade. At least, this is the information I have. The Minister will probably indicate his support for the deal and, as you surely have guessed, Madam Speaker, I intend to say to my constituents—and they already know it—that this deal is bad for Canadian agriculture.

The Minister said earlier that many vegetable growers were happy with the free trade deal. This is strange because members of the Liberal caucus met last week with representatives of the Canadian Horticultural Council who told us that their industry would suffer a lot from this deal. Where then does the Minister get his information? I do not know, Madam Speaker. The Quebec Union des Producteurs Agricoles said recently that agriculture was sacrificed in this deal between Canada and the U.S.

Madam Speaker, why does the Government of Canada want Canadian agriculture to be similar to American agriculture? Must we have the same systems? I do not think so. Madam Speaker, 1.5 millions U.S. farmers are going bankrupt. Is that what we want for our farmers? Canadian agriculture has enough problems as it is and we should all work together to improve the lot of our producers instead of trying to put them in a situation similar to that of American farmers.

The Minister says that we are being partisan. Madam Speaker, you know better. You know that I never show any partisanship in this House, and I do not intend to change my ways today or in the coming days. However, this is an issue where all Canadians have a right to be partisan and all Members have a right to voice the hopes and aspirations of

their constituents. This free trade deal, so they say, is the greatest trade agreement ever signed in the history of humanity. It is therefore a major issue, one that all Members will want to discuss.

Madam Speaker, in 1983, someone said, and I quote: "Sleeping with an elephant may be exciting until the elephant starts to move. If the elephant turns around, you are a dead man." And that same person said also: "That is why the issue of free trade was decided the way it was in the 1911 election. This would affect our Canadian sovereignty, which would no longer exist, even during leardership campaigns or in similar circumstances."

Do you know who said that, Madam Speaker? Well, if you hadn't guessed, it was the present Prime Minister when he was campaigning for the leadership of the Progressive Conservative Party of Canada. Hard to believe, isn't it, that this Prime Minister who almost always tells us the truth, could have made such a statement and then change his mind and go back on his word. Nevertheless, it is true the present Prime Minister made the statement and then changed his mind when on March 17, 1985, he sang *When Irish Eyes Are Smiling* with the President of United States, a song that did irreparable harm to my television set. It has never been the same since.

In any case, I have to say, Madam Speaker . . . I am looking at the Conservative Member opposite, and I will try to slow down so he will be able to understand as well. I am going to talk about what many Canadians have said about this Free Trade Agreement.

I have here a brief that was submitted to all Members in October 1986 by the Canadian Federation of Milk Producers. I will quote a passage from this brief, in which the Federation said as follows: "In this statement, the Federation wishes to reiterate its firm conviction that dismantling or disrupting any of our existing policies and programs, including the program for milk supply management, would be totally unacceptable". And what happened, Madam Speaker? As we all know, the supply management system has three main components: production quotas, quantitative import restrictions and tariff barriers. Those are the three pillars of our supply management system.

As all farmers who are listening and watching today will know, when you have a three-legged milk stool and you take away one of the legs, chances are it will fall over. And in the Free Trade Agreement, one of the three legs has been partly dismantled. I am of course referring to the tariff barriers that have been eliminated. In our milk supply management system, for instance, we had tariffs on yogurt and ice cream imports. And if anyone thinks the production of ice cream is negligible, 4.6 million hectolitres of milk are used annually to make ice cream, and a little less than half a million hectolitres to make yogurt. Which means that a considerable amount of industrial milk is used in the process. By dismantling tariff barriers, about 5 per cent of Canada's dairy industry will suffer a certain amount of damage.

It is true we have not abolished the quota system. It is true we have not abolished our import quotas. But it is not true to say our dairy industry has come out of this unscathed. That is false, because damage has been done as a result of the step taken by the Conservative Government.

• (1710)

[*English*]

Other areas of agriculture have been affected, and in far greater measure. For instance, the poultry sector has not only had tariff barriers removed, as did supply management in milk, imports from the United States will be increased from 31 million kilograms to 37 million kilograms. In other words, we have given them the right to increase their exports to us by 20 per cent.

Mr. Caldwell: That is not so.

Mr. Boudria: The Member opposite indicates that that is not so. It is so. That information was given to Members of the House, including myself, by Mike Gifford, who was briefing us on behalf of the Minister of Agriculture (Mr. Wise).

Mr. Caldwell: Say what he said, then.

Mr. Boudria: The Member opposite may say that they used the last five years of what was being sent to this country when there were temporary shortages of supply, averaged it out, and increased their amounts by a similar amount. Although that would be technically correct, what should be remembered is that supply management in chicken is organized in such a way that there will always be shortages so that future shortages will be in addition to that six million kilograms we already let them have for nothing.

If that was not bad enough, instead of using a cumulative average over the last five years, they took a constant of the five years prior to the agreement being signed. That included the year 1984, which had a large amount of imports into Canada, and goes to a further disadvantage in the system. I challenge the Hon. Member opposite to deny that that is the case. In other words, had we used a rolling average, we would eventually have got rid of that 1984 year. That was overlooked by the negotiators, unfortunately, or it was unacceptable to the Americans. Either way, I can assure you, Madam Speaker, that it has caused damage to the Canadian agriculture industry.

I have here a press release from the Canadian Chicken Marketing Agency. I would like to read just one line from the press release. It is dated October 7, 1987, just two days after the announcement of the free trade agreement. It says in part:

> We do not agree however that the chicken industry should be undermined by eliminating one of its very necessary underpinnings—tariffs. We will be working diligently in the months ahead to see if some accommodations can be made to the deal in order to ensure that our industry is preserved to the benefit of all Canadians.

Very clearly this industry does not like the free trade agreement one bit.

• (1720)

Why did we get into the free trade discussions to start with, particularly when we knew of the commitments made by the Right Hon. Prime Minister (Mr. Mulroney) when he campaigned for the Leadership of the Conservative Party some time ago? The Prime Minister had a conversion on the way to Damascus because he decided that in view of U.S. protectionism we needed to secure our access to the American markets, or so he said, and, second, we should have an independent dispute settling mechanism. That sounds nice, perhaps, to some people. However, what did we get? We got a dispute settling mechanism that is going to work using American laws, and as if that were not bad enough, we have a binding dispute settling mechanism which is binding on Canadians but potentially not on the United States. Of course, as we know, under the U.S. Constitution it is impossible to provide measures in such a way as to link a future Congress of the United States. In other words, if the Americans wanted to change their laws in the future which would make certain things countervailable that are not so now, we have no means of stopping a future U.S. Congress from doing so.

The problem, of course, is going to be, and is for us, that the alleged gains we would have from signing such an agreement have not happened, and in return we have given far too much away to the United States in order to secure a so-called comprehensive bilateral free trade agreement.

[*Translation*]

Madam Speaker, I hear an Hon. Member opposite saying we did not give that much.

For the past 15 minutes now, Madam Speaker, I have been explaining to Hon. Members what we gave and what we did not get in return, and he does not understand anything. He does not understand anything. Well, that is too bad for him. I am sure his constituents will give him a lesson if he will not learn by listening to Hon. Members in this House.

The wine and grape industry, for instance, Madam Speaker, what did it gain from that free trade agreement? And I now ask this House: What did it lose? The wine and grape industry has lost its livelihood or will lose most of it. What did it gain? Next to nothing.

Madam Speaker, many other Canadian industries are losing out.

In conclusion, the withdrawal of seasonal tariffs, for instance, in the fruits and vegetables industry, in the market-gardening industry, is clear indication of another major loss. And the Hon. Member opposite who comes from southwestern Ontario knows that. I suggest he take a position on that issue because producers in his area have lost a lot. The chicken industry has lost, the dairy industry has lost, market-gardening has lost. How many other farm industries have, and will lose out when we see the list of detailed documents? Madam Speaker, we have lost enough. In my view, producers in my constituency should not be forced to lose anything more than they already have.

[*English*]

I would ask the Conservative Members opposite to shake up their Prime Minister and convince him that he should not be signing that free trade agreement. Not only is it not good for the majority of Canadians, a fact which is already established, but it is not good for the Canadian farming industry. It is not good for agriculture. The agreement is bad for Canada. It is bad for agriculture, and the farmers of my riding will not forgive the Tories opposite. They have breached a solemn promise they made to the people of my riding and to all Canadians. Canadians will not forget. They will remember the Tories in the next election. If there are any Tories left in the constituency I represent after the next election, I am sure they will be called upon to answer to the people of Canada. They will be asked to explain why they have betrayed the mandate that was given to them.

The Prime Minister keeps talking about his sacred trust and those commitments he has made, and so on. Well, he has breached a solemn commitment he made in 1983, and many times there after. If I were the Prime Minister, I would change my mind right now, because it is not too late for him to repent. It is not too late for him to tell the people of Canada that he goofed, that he is sorry for what he did. We are willing to give him a second chance. We are willing to do that. It is up to him now to apologize to the people of Canada for having done what he did. He should start over, and this time he should do it right. I am willing to give him a chance. Let us see him do it.

Mr. Clifford: Mr. Speaker, the Hon. Member talked about our Prime Minister (Mr. Mulroney) and the commitments he made to agriculture, but he did not tell us specifically which commitments the Prime Minister has not kept. I have been waiting to hear what they are. The Hon. Member talks about his farmers and the problems he is having with the free trade agreement. Can he specifically tell me what is going on with the dairy farmers in his riding? Is there a problem there? The Hon. Member was not specific. We pledged that the marketing and supply system of this country would not be altered. Is the Hon. Member telling us that that has been done? I would like to hear the answer to that in specific terms. Exactly what is the Hon. Member's problem with our commitment to the marketing and supply systems for agriculture in this country and how they are potentially going to be dealt with in the agreement?

• (1730)

I want to know specifically what it is he is communicating to his constituents. I believe it is the job of all Members of Parliament to communicate and to give information, certainly to tell the truth to the primary producers. I do not think that has been very clear in the dialogue so far.

Mr. Boudria: Madam Speaker, that is certainly an interesting question. I never thought that there would ever be a Tory with the nerve to ask me to recite into the record how many promises the Prime Minister has breached. However, when given the chance I will try to do that. I am willing to give it a try. I have here the book of 338 Tory promises. I just happen to have a copy here. I may have referred to this document before. Let me start here under "A" as in agriculture. No. 1:

> Abolish the capital gains tax on the sale of farm property for continued agricultural purposes.

Some Hon. Members: Hear, hear!

Mr. Boudria: That promise was only half breached, of course, because the Tories put in place a maximum. Promise No. 3:

> Allow the Farm Credit Corporation to offer agri-bonds so farmers will have access to reasonably-priced funds.

Mr. Thacker: I rise on a point of order, Madam Speaker. I just want to ask the Hon. Member this. Was it not the Liberal Government in Ontario that, the minute it was elected, imposed capital gains tax on its farmers?

Mr. Boudria: Madam Speaker, I recall in the mid-1970s when the Conservative Government in Ontario imposed a speculation tax which also applied to farmland. Let me continue. Another breached promise is here: "Revise Section 31 of the Income Tax Act"—

Mr. Epp (Provencher): Have you read the tax reform paper? You do not read well.

Mr. Caldwell: I rise on a point of order because the Hon. Member has indicated he was going to read some of the promises that we made during the election. I notice that he started out with the first one and then went to the third. Could it be that the second promise is with respect to the elimination of federal sales tax on gasoline products and fuel oils?

Mr. Mayer: That the Liberals put in place.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

Mr. Boudria: Let me continue, Madam Speaker. Another promise is here. It states that it will reduce cheese imports by 20 per cent. Is that not a cute promise? We have just signed a treaty that will have the effect of increasing imports of certain dairy products from other countries. Cheese imports have not been reduced by 20 per cent. They are still at exactly the same amount. That is another breached promise.

The Member for London—Middlesex (Mr. Clifford) asked me specifically what the problems were in regard to the dairy sector as they pertain to the Prime Minister's trade deal with his friend Ronnie Reagan. Here are the problems as they affect supply management in the dairy industry.

There are two products which were under the protection of tariffs for which the tariffs have been eliminated. I see the Hon. Member is not paying attention. We will be asking questions later, Madam Speaker, so you should tell him to sharpen up. What we have is that these tariffs have been eliminated. This could cause an influx of yogurt and ice cream from the United States. If the Hon. Member says that not much milk is used for that, 4.6 million hectolitres are used annually in the production of ice cream and 4.5 million hectolitres are used in the production of yogurt. That is considerable potential damage to the industry.

I say to the Hon. Member across the way that one of the three fundamental underpinnings of supply management has been damaged by the Prime Minister. He has breached a promise to the dairy producers of Canada. He owes them an apology.

Mr. Epp (Provencher): Read more of the book.

Mr. Brightwell: Madam Speaker, I have sat here and I have heard the statements made by the Hon. Member. I agree they had some basis in fact, but a great many simply did not. For instance, he mentions the fact that this trade agreement will increase the amount of cheese that will come into Canada. That is simply a fabrication. This gentleman has made it up in his mind, probably because he does not understand what is going on. We maintained our promise. We protected the supply management group in the dairy industry and the poultry industry. Perhaps the Hon. Member does not think in modern times because he talks about milking cows with a three-legged stool. In modern days they put a machine on the cows and milk them that way. I think his thinking is in about the same category as that of the people who milked cows with three-legged stools many years ago.

The Hon. Member would know if he looked at his information that about 10 per cent of Canadian dairy products go into yogurt and ice cream, these near-milk products. The reduction of tariffs in those areas, which will occur not now, as the Hon. Member suggests, or not tomorrow, as the Hon. Member suggests, but will begin to go into effect on January 1, 1989, and gradually over the 10 years after that, amounts to about 15 per cent to 16 per cent of that cost. So in fact what will happen is not an influx of material from the United States but, indeed, there could be a reduced price of the material by 10 per cent.

So perhaps the dairy industry has been affected, too, but 1.5 per cent of its gross income is on this part of the agreement. But with respect to the other part of the agreement, the Hon. Member has forgotten the fact that hundreds of thousands of jobs have been protected. He has forgotten the fact that these people will have money to buy dairy products. He has forgotten the fact that the people who will be working will have more money to spend on dairy products and that input costs will be less than they were before. The American market could be open, if there are any areas for Canadian ingenuity to enter that particular market.

How can the Hon. Member, when he has not assessed the whole picture, stand and talk in the way he has against a trade agreement that is for the future of Canada, for a growing Canada, for a strong Canada, for a Canada that is already great but will be greater because of this agreement?

Mr. Boudria: Madam Speaker, I believe my time is close to expiring. The Hon. Member has asked how I can be against the agreement. Very easily. It is a bad agreement. It is an awful agreement. It is not good, not only for the dairy producers but for agriculture generally. It is certainly not good for the dairy producers.

It is certainly not as bad as it could have been had all of supply management been eliminated. I will recognize that. I will give them a bit of credit. The agreement could have been worse, if that is complimenting the Tories. That is as far as I will go because it is certainly not good for the agriculture sector. The dairy industry was promised that it would be totally protected and was not totally protected. There was a breach of that promise.

The Hon. Member knows that there are three fundamental underpinnings of supply management. One has been damaged. The Prime Minister breached a solemn promise that he made.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Winnipeg North.

Mr. David Orlikow (Winnipeg North): Madam Speaker, the Province of Manitoba, a part which I have the honour to represent, over quite a number of years has experienced slow, steady growth. We have not had the booms of a province such as Alberta which experienced tremendous growth when the price of energy was high. We have not had the busts which the Province of Alberta saw when the price of energy collapsed. We have not had the booms which the Province of British Columbia had when the price of lumber and pulp and paper products were high. Nor have we had the decline which it has had.

The reason that we have had a slow and steady growth is that we have had, and have, a very diversified economy. We have a mining industry. We have a manufacturing industry. We have a food processing industry which is based on a very diversified agricultural community. It is because I know that so many of the people I represent work on jobs which are dependent upon a successful farming community in our province that I am very concerned about what this agreement between the United States and Canada will do for the farming community and for the farmers of my province.

• (1740)

The people that I represent work for the railways, the trucking industry, the farm equipment plants, the food processing plants, all of which are dependent upon the farming community of Manitoba. It saddens me when I see this Conservative Government turning its back on farmers in much the same way as the former Liberal Government did when it forced through Parliament the Bill to change the Crow rate from a guarantee to Canadian farmers to a progressively diminishing subsidy for the movement of grain.

The signs of abandonment of our farming community are there for anybody who wishes to see. Branch lines are being torn up, farm incomes are collapsing, to a large extent because of the type of programs for U.S. farmers implemented by those so-called friends of ours in the United States. At the same time we are supposedly negotiating an agreement with them in good faith, and at a time when one would assume that if we are dealing in good faith there would be a continuation of the *status quo* between the two countries. The United States has used its grain export enhancement program in order that it can sell grain with the aid of tremendous subsidies to countries which have traditionally been customers for Canadian grain.

I see that the Minister of State for Grains and Oilseeds (Mr. Mayer) has come into the House. The other day he boasted about the fact that despite all our problems, our share of the sales of grain for export in the world market is still are at 20 per cent.

Mr. Mayer: It is higher.

Mr. Orlikow: It is at 20 per cent because we had to subsidize at an increasing cost the sale of that grain to meet the subsidy programs of the United States and the European Economic Community. I say to the Minister that we could have 40 per cent of the world grain market if we gave the grain away for free.

Mr. Mayer: No, we could not, because we do not produce that much.

Mr. Orlikow: The point is that we can sell all the grain that we have for export if we are prepared to reduce the price that we charge.

We see this Government downgrading rural life by cutting back on services such as postal service which our farmers have had for many years. We see what is happening in our province to the farm community. We know how they feel about the situation when we look at reports that the number of students attending extension courses at the agricultural college are down in the last five years by 40 per cent. They have gone down because the sons and daughters of farmers who have farmed for generations in Manitoba—and the same is happening in the Province of Saskatchewan and other provinces—see that the future for farmers in Canada is bleak and that it would pay them to look elsewhere, to go away and to leave the farm.

This withering away of rural Canada is speeded up by the Government. We should realize that the rural decline in population that we have seen in Canada is accelerating at an ever-faster rate. In 1951, there were 2,800,000 people living on Canadian farms. That was over 19 per cent of our population. In 1981, this number had shrunk to 1 million or 4.1 per cent. The urban population, which in 1951 was 7.9 million, and by

1981 had increased to 18.4 million. In other words, it has gone from 56 per cent to over 75 per cent. That decline will continue and accelerate because of the effect of the clauses on agriculture that are contained in this free trade agreement with the United States.

It is, to say the least, odd that a Party which traditionally had so much support in rural Canada now seems set to abandon the farm community entirely. To back up what I am saying, we need only examine what will happen to rural Canada under the terms of this proposed U.S.-Canada trade pact. Rural Manitoba, an area which the two Ministers from Manitoba who are in the House at the present time know, is represented almost exclusively by Conservative Members of Parliament. I do not believe this situation will happen again after the next election. Here is what will happen to Manitoba farm producers with the cost estimates of the losses which they will suffer as a result of this agreement, as calculated by the Government of Manitoba. I will put those figures on the record. I checked them with a senior professor of economics at the Faculty of Agriculture at the University of Manitoba who agreed with these estimates. The Government of Manitoba has estimated that, because of the increase in the global quotas for imports for supply management products such as chickens, turkeys, and eggs, this will cost Manitoba farmers $9 million. We have heard a great deal of the argument that supply management and marketing boards are not mentioned and are not dealt with in this agreement.

When the tariffs are taken off on processed foods, products such as chicken pot-pies, TV dinners, and chicken fingers, products which are increasing in sales and use very rapidly, of course it will be possible for the American producers of chickens, turkeys, and eggs, who do not benefit from supply management prices for their product, to export into Manitoba and other provinces their processed foods and sell them cheaper than the Canadian producer and processors will be able to.

This agreement provides for a loss of the premium price which has been paid by the Wheat Board for the brewing of malt, barley, and milling oats. According to the Manitoba Government, the loss of this two-price system will cost Manitoba farmers $16 million. The loss of seasonal tariffs for fresh vegetables produced in Manitoba has been estimated to cost farmers of Manitoba $8 million a year.

The loss of the 17 per cent tariff on processed products going into canned goods is estimated at $17 million a year. I am sorry that the Minister of State for Grains and Oilseeds is not present, because the Campbell Soup Co. plant is located in his constituency in Portage La Prairie. Many of the farmers who grow the vegetables that go into those products processed and canned in that plant live and grow their products in the constituency of the Minister of State for Grains and Oilseeds.

• (1750)

Increased transportation costs of mill feeds going to the United States without the transportation subsidy, which subsidy is given away under the terms of the agreement, will cost Manitoba farmers $1 million. The loss of the two-price wheat for Canadian millers in Manitoba has been estimated to cost $8 million. We have a total of $55 million a year, which will be taken from the rural economy of Manitoba under the terms of the agreement. This is a very small part of the total rural economy of Canada. Apparently the Ontario Government estimated that under the terms of the agreement its farmers will lose $100 million a year.

There has been a great deal of debate in the House on whether or not farm groups support the trade deal. In answering questions today, the Minister of Agriculture (Mr. Wise) listed a number of farm organizations which he claimed endorsed the agreement enthusiastically.

I should like to quote from a recent article which appeared in *The Toronto Star* a few days ago. It quoted Jack Penner, President of Keystone Agricultural Producers, which organization initially greeted the agreement enthusiastically. In part the article reads:

> —Jack Penner questions the implications of the deal's provision to allow U.S. farmers to sell grain in Canada as soon as the level of government subsidies is equal in the two countries for each type of grain.
>
> "I think we in the farm community owe it to ourselves to question that one," says Penner. "It might be detrimental to our orderly marketing of grains because individual American producers can access our market virtually unrestrained."

Elmer Platt, a representative of the Manitoba Chicken Broiler Producers Marketing Board, said the following, according to the same article:

> The major concern for poultry producers, and one that spills over to primary (slaughtering) and processing (fast foods), is that under the pact supplemental tariffs—additional quotas— will be easier to get.

He went on to say:

> —we think it is likely that price will dictate. Our industry—could be wiped out.

I would also like to refer to an article which appeared in the October 12 edition of *Financial Times*, which is hardly a radical publication. It refers to Zaven Kurdian, a spokesperson for the Ontario Poultry Council, who noted the following:

> —that McCain Foods Ltd. of Florenceville, N.B., "has been negotiating for a whole year to start such a project (a frozen food plant) in New Brunswick.
>
> With tariffs eliminated there is no way they will proceed."

Brigid Pike, President of the Ontario Federation of Agriculture, is quoted as saying the following in the same article:

> "Processing in Niagara will be the first to come under the gun. This will cause a contraction in the entire industry, cutting into economy of scale."

I direct the attention of the Minister of State for Grains and Oilseeds to the *Western Report* of October 19, another journal which is noted for its free market espousal. It quoted Nelson Coyle of the Canadian Chicken Marketing Board who said the following:

> —the pact does allow U.S. imports to increase. That could steal away much of the fast food and processed chicken market from domestic producers . . . Injury can occur very quickly, . . . We doubt investors will be willing to get into this area when they know the business could be lost.

In the same article, Gerald Green, President of the B.C. Fruit Growers Association, is reported as saying:

> "It is the West's fruit and vegetable growers, especially in B.C., who will swallow the largest loss. American producers, industry spokesmen note, benefit from lower wages and favourable climate. It's most apparent in processing, where B.C. labour costs are 65 per cent higher than those of competitors in Washington State,"—

To say the least, there is a great deal of concern and skepticism in the agricultural community. By no means is it as solid in support of the deal in terms of agriculture as we are led to believe by spokespersons for the Government. Very grave reservations are held by members of the farming community and the processing industry.

Further, we deplore the Government's lack of action while seeing the spirit and the letter of the pact breached by the United States, before it has even been considered by the two countries, in the sales in traditional Canadian markets made under the U.S. Export Enhancement Program, to which I have already referred.

Our agricultural critic has already pointed out that the program has been entrenched in the U.S. Commodity Export Program with an unlimited budget. Instead of it being a temporary program, it is going to continue and expand.

How does the Government reconcile the activities of this kind of subsidized grain sales with the language of the agreement on the use of export markets to other subsidies? It does so simply by saying that the Secretary of State for External Affairs (Mr. Clark) will discuss it with U.S. Secretary of State George Shultz, and by saying, "Never mind that it means either loss of markets or lower returns or both to Canadian grain producers". Of course these are just the obvious subsidies to U.S. agricultural exports.

The agreement does not take into account the other subsidies in U.S. agriculture. How can the agreement, for example, take into account the billions of dollars of improvements which have been spent on upgrading the Missouri-Mississippi River system? It is a toll-free system, of course, but what about the money spent to make it a major grain-gathering right-of-way? How is that ever to be accounted for? Even if the continuing U.S. subsidies to agriculture are reduced—and they are several times the subsidies which Canadian agriculture receives—it will be over many years and only after an international agreement is reached. This possibility is very uncertain, given the legacy of many subsidies and capital improvements to agricultural infrastructure put in place by the Americans which will remain to our competitive disadvantage.

The Government will continue to blather about the level playing field reached with the United States while the Canadian agricultural industry is hit by loss after loss. No wonder the agricultural and processing industries are becoming more skeptical the more they learn about the deal.

Let me conclude by listing some of the actions the Americans have taken since we began the negotiations. If there was good faith in trying to reach an agreement, I would assume that we would have had a continuation of the *status quo* while the discussions and negotiations were going on. That is how honest people who are serious would deal.

While the negotiations have been going on, the Americans have put countervail duties on softwood, shakes and shingles, steel pipe, potash, fish, specialized steel, and at least three farm products—hogs, strawberries, and grain. All of this was done while they were supposedly negotiating in good faith with us to reach an agreement which would be fair to both parties.

The Government has given away the store, and we certainly have no intention of supporting the proposal.

• (1800)

Mr. Gormley: Madam Speaker, I have a question which I will preface with a brief preamble. If one were to have watched the debate today one would have seen the unbelievable spectacle of western Members of the New Democratic Party criticizing the Government both on agriculture and on how free trade relates to agriculture, and people would have to ask several questions. First, are western Canadian farmers, the farmers of Manitoba, Saskatchewan and Alberta, cynical, slow and gullible? Of course not.

There are those of us who really represent the aspirations of western farmers. Unlike the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), who authored this outrageous motion today, and unlike the Manitoba Members, it is interesting to note the commitment of the New Democratic Party to agriculture.

In our Province of Saskatchewan, we clearly repudiated the NDP in two provincial elections. The NDP won one rural seat. In the Province of Manitoba where our Government of Canada has spent hundreds of millions of dollars, the provincial Government of Manitoba has spent $83 million to support farmers. No federal or provincial Government has done so little to assist prairie agriculture.

While the Rome of agriculture burns, the fiddling is being done by the Hon. Member for Oshawa (Mr. Broadbent) holding the violin and Bob White fiddling the bow.

Some Hon. Members: Oh, oh!

Mr. Gormley: If we assess carefully the question of agriculture as it pertains to free trade, it is clear from the major agricultural spokesmen and those of us who live in western Canada that there are considerable benefits to be directly derived from the free trade agreement. To have the Member for Humboldt—Lake Centre, who does not even live in his constituency or in the Province of Saskatchewan, stand up in this House and talk about prairie farmers and free trade is so

shocking as to be unbelievable. In fact, I find myself outraged as a western Canadian to hear this kind of conduct from the New Democratic Party.

My question, after that very brief preamble, is, when one considers that 40 per cent of New Democrats in Saskatchewan favour free trade, and the sensible people who do not vote New Democrat, a significant number of whom also favour free trade, where do western New Democratic Members of Parliament get their data, their input, their contribution to stand up in the House of Commons and fly in the face of common sense? I would like that question answered, Madam Speaker.

Mr. Orlikow: Madam Speaker, a poll recorded in *The Globe and Mail* today reported that in western Canada—

Mr. Gormley: In rural seats.

Mr. Orlikow: —the NDP was in first place with 38 per cent support.

Mr. Gormley: What about Manitoba? You are third.

Mr. Orlikow: The Conservatives were in third place with 24 per cent of support.

I am told, and I am subject to correction, that provincial polls taken in the Province of Saskatchewan show the NDP running 30 per cent ahead of the Conservatives. I say to the Hon. Member that if the Prime Minister had not listened to that SOS from the Premier of Saskatchewan during the last Saskatchewan election and had not come through with that supposed billion dollars for grain farmers, the Conservatives would have been defeated. Where is this year's support program? The Member asked me where I got my facts. I gave him the figures as to what will happen to farmers and agriculture in Manitoba calculated by the Manitoba Department of Agriculture. As I indicated to him, they were substantiated for me by a senior economist at the University of Manitoba.

• (1805)

I suggest to the Hon. Member that before he accepts all the propaganda he gets from his Prime Minister, it would be useful for him and the farmers he represents to check with the Saskatchewan Wheat Pool and other farm commodity organizations in Saskatchewan to see what estimates they have made of the effects of this agreement on their farmers. He should do that before he makes blanket statements in his endorsement of this agreement.

Mr. McKenzie: Madam Speaker, a few weeks ago I had the pleasure of meeting with some members of the European Economic Community who had been elected to the European Parliament. I asked them questions about when the market was formed a number of years ago. I asked if any of the 13 countries lost their culture, sovereignty, heritage or identity. They said no, not one country lost any of those things. They said they knew exactly what we are going through. When the EEC was formed a number of years ago, all the socialists and the labour unions opposed it. They fought it violently. However, the Governments carried on and trade is expanding between those countries. They are all flourishing. It has created thousands of jobs. They keep removing tariffs, and they have not heard another word about it from the socialists and the labour unions.

They said they knew exactly what we are going through, and that is exactly why we are not going to back off. We realize that the NDP made its position perfectly clear from day one. It is against free trade talks. It is against free trade. Members of the NDP certainly did not mince their words. They are totally opposed to it. That is what they said publicly. However, it is interesting to read their policy papers, which policy was agreed to in March of this year.

Referring to agriculture, the NDP says we should increase activities in promoting trade. That is what we are doing. They also say we should pursue mature state-to-state relationships and cease to deal with the U.S. on an issue-by-issue basis. We agree with that and that is what we are doing.

The Hon. Member referred to countervailing duties. The U.S. still has its laws in place until we finalize the trade agreement. The U.S. cannot ignore those laws. If someone files a complaint down there under the existing laws, they have to act on it. They will do so until we have the final deal.

Another policy of the NDP is to explore sectorial free trade with the U.S. That is what we are doing. The same thing is to be done with other countries. We have trade missions all over the world. They want production safeguards similar to the Auto Pact. We agree with that and that is what we are doing.

The Acting Speaker (Mrs. Champagne): It is with regret that I interrupt the Hon. Member, but the period for questions and comments is over.

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Madam Speaker, we do not have a lot of time but perhaps I can make two brief points.

First, there are a lot of us in this House directly connected with agriculture, either hands-on as farmers or because we have lived on farms. Anyone who is part of that process and directly connected with it will know that Canadian farmers are very good at what they do. We have the best quality grain in the world. I say that not in smugness but because of Canada's reputation around the world for producing a very high quality product. We have as good cattle herds, both beef and dairy, as there are in the world. I could refer to other commodities as well, but the point is that we are very good at what we do.

• (1810)

Canadian farmers are also good at using the resources available to them. Farmers have a lot of pride in their work. We are often asked why we farm. We put up with all kinds of uncertainties. Some of us know what it is like to spend six months living with a herd of cows trying to calve them. Some of us know what it is like to worry that it is too dry for the crop in the spring, or that we are unable to seed because it is too wet. We know what it is to be concerned about wind storms when we hear the wind howling in the middle of the night. We know what it is like to watch clouds build up and worry about hail storms.

We also know the joy of seeing a newborn calf and know that there is nothing sadder than seeing a dead calf and seeing

a cow return to the spot where she delivered her dead calf and bawl. We feel for that kind of thing.

We have heard it said in the House today that we are going to sell out the family farm and such things. Do you think that any of us who are that committed and directly involved in agriculture, who take that much pride in what we do and know firsthand the sacrifices that go into it and are willing to make them because of the joy that comes with production, would do anything that would hurt Canadian agriculture?

I find that very difficult to take. The Opposition should take us on if they think we have done a bad job, but they should not stand up and say "sell out" and impugn our motives, because we are good at what we do and we only want a chance to show that to the rest of the world.

Canada is comprised of over 25 million people. We are the biggest trading nation per capita in the world on a relative basis. We have more natural resources than any other country in the world. There is no question that it is difficult for a young farmer to start up in Canada today, but it is probably easier in Canada than in any other place in the world.

Producers must never forget that we produce for consumption, which means markets and access to markets. The United States is a big market for us. As an example, pork production is a big industry in every province with the exception of Newfoundland. We export $800 million worth of pork, and three-quarters of that goes to the United States. This is about access to that market.

The Americans have on their books the Agriculture Adjustment Act, Section 22 of which allows the Americans to close their border on 24 hours' notice. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) is a farmer, and I suspect a pretty good one. He produces as good quality oil seeds and cereal grains as anyone in the world. We are talking about access for his product and that of his neighbours to the largest and richest market in the world.

Some Hon. Members: Hear, hear!

Mr. Langdon: The blocks are still there.

Mr. Mayer: Madam Speaker, this is the true small "c" conservative Party, the true reactionaries. There are no alternatives. I am reminded of Edmund Burke, who said that a conservative is somebody who believes that nothing should ever be done for the first time. They are the old democrats. They are looking to the past. We will have a great future in Canadian agriculture if we can knock down some of these trade barriers. Our first step is to deal with the United States.

Let me tell you how important the United States hog market is to Manitoba producers. About 38 per cent of the total production in Manitoba has to be exported. Of that, three-quarters goes to the United States. This is about helping Manitoba farmers gain secure access to that market. The hog and the pork business would be absolutely devastated if it did not have that market. We look forward very much to being able to promote the product of the Hon. Member for Humboldt—Lake Centre in the United States without fear of having the border closed.

• (1815)

This deal is about the future of our country. It is about the future of our farmers. It is a very good deal and I look forward to having an opportunity to debate it more fully.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 6:15 p.m., it is my duty to inform the House that pursuant to Standing Order 82(12), the debate on the motion has now ended.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

AGRICULTURE—EDMONTON FOOD PRODUCTION INSPECTION PLANT LABORATORY

Mr. William G. Lesick (Edmonton East): Madam Speaker, on September 23 I rose in the House to ask a question of the Hon. Minister of Agriculture (Mr. Wise). It concerned his Department's intention to consolidate services of the food production and inspection branch by moving its seed laboratories from Edmonton, basically to Saskatoon.

It will be a two-pronged move, with the germination portion to be closed in January, 1988, and the purity laboratory to be phased out within three years' time. I am here to request that the Minister reconsider his position. The seed laboratory has been a decided and tremendous asset to the Government complex located in my riding of Edmonton East, and provides a very essential service to seed growers in the area, including most of Alberta and parts of Saskatchewan, as well as growers from British Columbia and the United States.

It is the only facility in Alberta authorized to issue the orange international certificate which must accompany all overseas shipments of creeping red fescue. As you know,

creeping red fescue is a rare, high grade grass seed for which Alberta is widely known. We produce much of it.

I appreciate the Minister's efforts in downsizing his Department in accordance with the Government's initiatives toward a deficit reduction. He has done a wonderful job in a portfolio that I do not for a minute think is an easy one. In this instance, though, I think he may have received some ill-begotten advice from officials believing that the end justifies the means and damn the practicality.

Edmonton is fortunate to serve as Alberta's capital city and appropriately so, since 60 per cent of the province's population lies within a 100 kilometre radius of Edmonton. Over 1,000 local growers avail themselves of the service offered by these facilities. I submit, then, that the laboratory facilities should be expanded rather than closed or moved.

To this point I have spoken only of the excellent facilities, and not of the people who run them. In short, they are a knowledgeable and efficient group who offer outstanding service to domestic and international growers. Twelve people will lose their jobs, or they will be transferred. Like the facilities, these people too are assets not easily replaced. I would think that the social costs of maintaining them far outweigh the cost of keeping them on the job, in Edmonton.

If I might quote Ms. Alycia Grayson, who, on September 24, wrote to the Minister:

> As a clerk who works closely with both the germination and purity laboratories, I am speaking on behalf of those analysts who stand to lose their jobs. We can see no valid reason for closing this lab. (Various) reports . . . indicate that some federal employees are close to retirement age; but that is not true in this case. Most of the older staff have at least eight years to work before they can collect their pensions. Where can an analyst find a job if all he/she is trained to do is analyse seed?

I am concerned, too, of a growing perception in my riding and in the West generally that the Government has one rule for the West and yet another for central Canada. I say that this is a growing perception. The fact is much different. We have three Ministers from Alberta who wield great influence in Government. Yet they are also fair to all regions. This is not a truth, it is a perception, but only a perception.

• (1820)

The West has never been so well represented as it is at this time. However, I want to give a case in point about this perception. About three years ago this Government phased out another federal research facility when it closed the environment laboratory. I remember objecting strenuously that such a move would imperil the quality of Alberta's land, air and water, and it was not only Alberta, it was all of western Canada and the Northwest Territories as well. This previous laboratory did the laboratory work for all of the western provinces and the Northwest Territories.

Centralization reeks of redundancy and if you will allow me, Madam Speaker, I will say socialism. To close a laboratory in Edmonton only to increase the facilities in Calgary and Lethbridge seems illogical to me. In closing, I would ask the Hon. Minister to reconsider his position with respect to the closing of the laboratory and consider the plight of the workers affected before making any further moves involving federal government employees in Edmonton.

Mr. Lee Clark (Brandon—Souris): Madam Speaker, first, I would like to say that it is a pleasure and honour to be here in my capacity to speak on behalf of the Minister this evening. I would also like to commend the Hon. Member for Edmonton East (Mr. Lesick) for his diligence in continuing to represent the best interests of his constituents, as he has done since his election to this House some three years ago. I would also like to commend him for his sensitivity to the well-being of those who would be affected by the proposed move.

As the Hon. Member knows, however, when this Government came to office some three years ago, it inherited a rather immense and, in some ways, cruel legacy. That, of course, was the legacy of a national debt which was somewhere in the vicinity of $200 billion. The present Government must spend nearly $29 billion each year on interest alone on that national debt. Because of that, the Government does not have the flexibility it would wish to have in dealing with many of the problems which exist in all of our communities.

The Government, of course, has made a commitment to reduce the size of the civil service throughout the nation in order to reduce the costs which all of us as taxpayers must bear. Unfortunately, when that happens, it means that individuals and constituencies are inevitably going to be affected. So it is exceedingly important that we hear from Hon. Members such as the Hon. Member for Edmonton East because they play a role in ensuring that the Government acts with over-all consideration, first, for the well-being of the individuals and, second, for the services which are provided.

I want to ensure that the Hon. Member, and those whom he represents, understands that the reorganization which is proposed in this instance is designed to save those necessary tax dollars and to increase the efficiency which I think all of us are committed to as individuals. The service which has been ably provided by those represented in the laboratory in the Hon. Member's riding will now be provided by those who reside in Saskatoon, not in eastern Canada. I think there has been a misconception about that fact. As the Hon. Member knows, but perhaps some of his constituents do not, there is a comparable lab in Montreal which is also being phased out. That service will be provided in future by a facility in Toronto.

I know the Hon. Member will be pleased to be able to convey to his constituents that the plan is a five-year plan, and we hope that because it is a five-year plan there will be adequate time for change and for the kind of adjustments which are necessary.

I know the Hon. Member would also want to convey to his constituents the assurance of the Government that those

individuals affected will be provided with alternative employment and that there will continue to exist in Edmonton, the Hon. Member's home city, some 208 person-years within the Department of Agriculture which will provide an important service to agriculture and I think will have a very important presence in Edmonton as well. The federal Government continues to accept the mandate of providing a service in as decentralized a manner as possible. We understand the points which the Hon. Member is making.

• (1825)

I want to say to you, Madam Speaker, that certainly the Government thanks him very much and continues to be aware of his concerns. His voice will always be heard by the Government.

CANADA POST CORPORATION—MEETING PROTESTING PLANS FOR FUTURE SERVICE/WOMEN—POSITION OF MINISTER

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, a number of days ago, on September 28, 1987, I raised a question in the House about Canada Post. The basic message that I was bringing to the Government was a message on behalf of ordinary Canadians who had held a press conference that day indicating to the Government that in their view the Government's plans for the Post Office meant reductions in service and that what the Government was doing to the Post Office was putting in place a skeleton service.

What quite surprised me was the reaction of the Minister responsible for the Post Office. Rather than dealing with the issue and rather than responding to the views of Canadians he attempted to side-step the issue by saying that, well, the only person who was at the press conference was Jean-Claude Parrot and myself, the Hon. Member for Winnipeg North Centre, and my colleagues. That was a complete distortion of the reality.

I want to start out by saying this, and I hope that the government Member who speaks will answer it. What the Minister was doing in that case was putting forward the proposition that just because a union was a part of a group that was telling the Government that it was reducing service, that somehow the whole exercise was illegitimate. I think that that is a dangerous distortion. It is a dangerous procedure.

One of the basic fundamentals that allows us to have a democratic society is the right of collective bargaining, the right of associating collectively. That is a right that is fundamental to a democratic society. So for the Minister to side-step the issue by trying to say: "These people are involved in a very unpopular union, therefore, I do not have to respond to their concerns about service", is wrong.

The unions in this case have something to offer. They work at the Post Office. They know what is going on so they have information that they can offer to Canadians. It was not only the union that was involved. There were other groups representing ordinary Canadians at this press conference.

For example, the National Action Committee on the Status of Women was represented. Its representatives were concerned about the salary levels that are involved in the Government's plan for the Post Office, poverty-level salaries. The National Action Committee on the Status of Women speaks for women and their concerns. Women constitute some 50 per cent of the population. This was an important group that attended.

In addition, there was the the National Anti-Poverty Organization. It speaks out for the poor of the country. The poor in Canada represent at least one-fifth if not one-third of the population. So this was another group that represented a good proportion of ordinary Canadians.

Not only were there representatives present saying to the Government that its plans for the Post Office meant a reduction in service, but we had postcards that had been signed by ordinary Canadians—11 mail-bags of postcards. Can you imagine what a sight that would be if I could have brought those mail-bags into this Chamber, Madam Speaker? They would have taken up three or four desks.

There are a great many ordinary Canadians who are seeking to tell the Government that in their view the Government's plans for the Post Office means a reduction in service. They do not find that acceptable. They want the Government to change direction in that regard.

I know that the Minister said to me: "Well, we have to act in a fiscally responsible manner". We would not argue with that. That is essential. But the Government does have an option. It could pursue a policy of cross-subsidization in order to handle the financial needs of the Post Office. It could allow the Post Office to be involved in areas in which it could earn a revenue and use that revenue to cross-subsidize those aspects of the Post Office that lose money.

The question that Canadians were asking the Government that day was this. In order to be fiscally responsible, in order to balance the books of the Post Office, why do people who live in suburban locations have to be treated in an unfair fashion? Why is there door-to-door delivery down one street, and not down the next street? Why this unfairness? Why is it that rural post offices have to be closed? Why is it that the delivery dates for letters have been watered down in order to maintain the statistical standards?

• (1830)

I wish to make it clear to the government side today that, when I put that question, I was seeking to remind them that ordinary Canadians are saying, "From our point of view, your plans for the Post Office mean the reduction in service. We find that unacceptable". That has been highlighted over the last few days in regard to the whole question of rural post offices. In the news we have heard of the community of Wilno, Ontario.

The postmistress there has refused to accept the plan of the Government to cut her wage down to one-fifth of what it has

been up until now. That plan is a type of blackmail. The Government is saying to this woman that unless your wage is cut to one-fifth of what it was before, the post office will be taken out of your community. Right now it is a Mexican stand-off in that the woman has stated that she will not accept that type of wage, and the Post Office is delaying its decision to cut off her salary on a day-by-day basis. That is not a satisfactory situation. We want to have a commitment for service at the Post Office. We want a commitment to rural Canadian life. Rural Canadians are fed up with services being cut because of policies of centralization, whether it involves schools, municipalities, or health and social services. They do not wish this to happen with the Post Office. They do not wish the nail in the coffin of rural Canada to be driven in by the Conservative Government.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, tonight I am making my maiden speech as the recently appointed Parliamentary Secretary to the Minister of Consumer and Corporate Affairs; I take this opportunity to thank the Right Hon. Prime Minister for having such confidence in me and I assure my Minister of my full support.

Madam Speaker, I should like to answer to my friend the Hon. Member for Winnipeg North Centre (Mr. Keeper) by saying that few observers dispute the need for Canada Post Corporation to change its course in order to offer Canadians the quality service they have every right to expect. For that matter, Canada Post Corporation is assuming this responsibility very seriously.

Madam Speaker, the nature of these changes has been stated by Canadians several times, from the tabling of the Marchment Report to the most recent public opinion polls. Consequently, Canada Post Corporation has developed a plan to provide Canadians with the improved services which they have every right to expect both as customers and as taxpayers. Contrary to my friend, the Hon. Member for Winnipeg North Centre, I suggest this is not beating about the bush but getting straight to the point.

Many changes are being planned. Their purpose is to offer more reliable services, so that Canadians may have their mail delivered according to well-defined standards, to adapt to the delivery requirements in the new suburbs by adopting methods similar to those currently used in other countries, to facilitate the transactions between Canadians and Canada Post Corporation by increasing the number of sales outlets operated by its private sector partners, while ensuring that the postal rates increases do not exceed the inflation rate and by putting an end to the Government subsidies paid to an already profitable organization.

As you know, Madam Speaker, the difference in costs between the Corporation and the private sector is one of the main reasons which warrant franchising as a solution for offering Canadians a greater number of sales outlets where they can purchase stamps and obtain other goods and services.

Canada Post Corporation, however, understands quite well that changes such as the increased involvement of the private sector through franchising must come in a way which protects the interests of its employees.

That is why it has been proposed that this change, which by the way will increase the number of sales outlets by 50 per cent, will come about over a ten year period.

• (1835)

That is also why Canada Post did accept in principle the job security provisions recommended by Commissioner-Conciliator Claude Foisy in his report on the dispute between Canada Post Corporation and the Canadian Union of Postal Workers.

Pursuant to these recommendations, not a single postal worker would lose his job as a result of the opening of a franchised or sub post office, provided he would be prepared to accept alternate employment within the corporation.

In conclusion, Madam Speaker, franchising is the logical way to improve postal services and make them more readily accessible to Canadians. In fact it is the outcome of ongoing co-operation with the private sector which is far from being new. It has been decades now since Canada Post has been working in co-operation with the private sector, and this association has always proved to be most rewarding.

[*English*]

NUCLEAR ENERGY—REPORTED DESIGN FLAWS IN UNITED STATES PERRY NUCLEAR GENERATING STATION

Mr. Alan Redway (York East): Madam Speaker, ever since the accident last year at the Chernobyl nuclear generating station in the Soviet Union, our world has changed. That particular accident was not the first accident there has ever been at a nuclear generating station; there have been others. For instance, I think of the Seven Islands incident in the United States. However, at the same time Chernobyl was different from anything that came before it.

We are well aware that the fall-out from the accident at Chernobyl obviously affected the health of all those who worked at the plant. It affected the health of all neighbours who lived near the Chernobyl generating station. Of course it affected the health of the clean-up crews. It had a potential effect on the health of visitors in the area including many, many Canadians. In addition, it had a potential impact on the health of people around the world because of the fall-out from the accident at the Chernobyl generating station.

All of that has caused great changes in our thinking and in the way we approach our concerns about nuclear energy and nuclear generating stations. I think, for instance, of the change in the thinking of military strategists. I am told by some that the Chernobyl incident had an enormous impact on their thinking.

Before Chernobyl we thought in terms of the possibilities of fighting a nuclear war or of fighting a conventional war. However, now with Chernobyl we realize that, with all the nuclear generating stations which represent potential obstacles spread throughout Europe and America, even a conventional war could create a nuclear war if something happened to one of the stations as it did with Chernobyl.

Given this situation it is understandable that Canadians should be most concerned about safety at nuclear generating stations, whether they are located in Canada or whether they are located anywhere else in the world, particularly if they are located outside Canada but nearby in the United States.

Recently, about four months ago, there were reports in the press of problems which were cropping up at a number of nuclear generating stations in the United States, particularly at the Perry I plant at North Perry, Ohio; at the Fermi II plant at Munroe, Michigan; and at the Davis-Besse generating station at Oak Harbour, Ohio. All these stations reported several unusual events during 1986 and 1987 which included failures or breakdowns of plant systems or procedures.

At the same time we had reassuring reports from the American Nuclear Regulatory Commission which indicated that everything was under control. They said that they had two inspectors on a full-time basis at every nuclear generating plant in the United States. Apparently there are about 109 of these nuclear generating stations.

However, in reality there were reports of problems with the inspection of the three plants in particular which caused concern among Canadians. There were reports that an official of the American Nuclear Regulatory Commission had warned the operators of a Louisiana nuclear plant that there would be a surprise inspection at the plant before it took place. There were reports as well that problems which were brought to the attention of the American Nuclear Regulatory Commission went uncorrected and undealt with. Indeed, there were reports and there is what has been described as a cosy relationship between the American Nuclear Regulatory Commission and the operators of these various nuclear generating stations.

• (1840)

All of this has caused great concern among Canadians. Organizations, including Energy Probe from Toronto, the Nuclear Awareness Project of Toronto, the Durham Nuclear Awareness of Oshawa and concerned citizens of Manitoba have all got together for the express purpose of trying to close down a number of these nuclear generating stations in the United States, 49 to be exact. They recognize, and Canadians recognize, that our Government has no control over these generating stations in the United States. At the same time, because they are so close to us and impact, on Canadians from where they draw their drinking water, particularly in the Great Lakes basin, there is a very serious concern about safety at those stations.

Some four months ago I asked the Parliamentary Secretary in this House if Canada had raised concerns with the United States Government and had made inquiries. The Parliamentary Secretary assured me at that time that Canada had expressed concern to the United States and was expecting reports concerning the situation. Four months have passed.

The Parliamentary Secretary is here tonight and I am looking forward to hearing from him that Canada is continuing to monitor the situation. I am looking forward to hearing what the results of the reports that we have received are, and I am looking forward to having him reassure me and all Canadians that our Government is doing everything possible within its power to ensure that the health and safety of Canadians in Canada is being protected by the Government.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, on June 15, 1987, actually, I answered the question put by my friend from York-East (Mr. Redway) dealing with his concern about the overhauling of the Perry Nuclear Power Plant in Ohio.

At that time I commended him for his stand and especially for his concern because, as I stated at the time, after the Chernobyl incident the world would never be the same again.

I wish to commend him once again for his stand and especially for his concern, and that concern is widely shared by all Canadians. I stated at the time that the Department was very closely monitoring the situation and that he would be kept informed of the various developments with respect to that particular problem.

Every time that the Commission—the so-called *Nuclear Regulatory Commission*—has considered the problem over the last ten years, steps and corrections were taken.

But I understand my colleague's concern, because if there were measures, commissions, inquiries, perhaps it is because inevitably there are problems.

Therefore, the Hon. Member's concerns were made known to the Americans and very often, and I must add that at some point every week, there are discussions with our American colleagues about putting the Perry Station back into commission in the fall, and because of the proximity of the American border—hardly 50 kilometers away from the Canadian border—this is an urgent matter for all Canadian men and women.

• (1845)

External Affairs officials have discussed the problem and are monitoring the situation very closely. They have been assured that the Perry station will be given the green light only if it meets the safety standards established by the commission.

My colleague from York East (Mr. Redway) said a moment ago that it is true that we do not have any control. But in fact we do have some form of control. As long as Canadians like

yourself continue to raise the issue and advocate a prudent approach, and especially as long as the Department of External Affairs remains fully aware of the existence of this very serious problem, I think that is our form of control. This may not be the kind of control which has a direct impact on operations, but the Americans are conscious of our reaction and even they are concerned. The Hon. Member referred to the many demonstrations which took place, and I think this is quite legitimate.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.46 p.m.

HOUSE OF COMMONS

Wednesday, October 28, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

AUDITOR GENERAL'S REPORT

GOVERNMENT RESPONSE TO OFFICIAL OPPOSITION'S QUESTIONS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to make some observations about yesterday's Question Period. The Auditor General's Report had just come out and that led the Official Opposition to obvious and necessary questions about the multimillion dollar payment to the West Edmonton Mall Fantasyland authorized by the present Deputy Prime Minister (Mr. Mazankowski) when he had the responsibility for the regional expansion portfolio.

The record is clear that the Minister's authorization overruled decisions by the former Liberal Government, the Minister's predecessor, officials in the Department, and the Government of Alberta on the matter. Taking that into consideration along with the criticism of the Auditor General, the questions were certainly justified.

The Minister's reply was to the effect that the Liberal question was motivated by an anti-western attitude. I suggest that it is unworthy for the Government to make any suggestion that this was based on anti-western feeling. It reminded me of the suggestion that the amendments proposed to the Meech Lake Accord were motivated by anti-Quebec or anti-francophone feeling.

The Government should remember that this type of answer is particularly damaging to the national unity of Canada because it always gets a bigger market than it deserves. Canada is a country of great regional diversity with a multicultural society.

• (1405)

When authentic racism and regional bias occur, it is bad enough and we have to deal with it, but to invent anti-western feeling and racism out of whole cloth, and to hide behind it, when the real issue is the Minister's decision, is damaging to Canada and despicable. Canadians of goodwill must wince whenever this happens and must hope that the Government will find some more—

Mr. Speaker: Order, please. The Hon. Member for Parkdale—High Park (Mr. Witer).

* * *

HUMAN RIGHTS

APPEARANCE OF JOSY TERELYA BEFORE STANDING COMMITTEE ON HUMAN RIGHTS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, Josy Terelya has dedicated his life to the pursuit of religious freedom in Ukraine. His life is a living testimony to his faith, and an inspiration to all who value freedom of worship. The strength of his faith has sustained him in his long and arduous fight for the restoration of all rights to the Ukrainian Catholic Church in Ukraine.

Because Terelya had the courage of conviction to stand up to those who would deny religious freedom, he has spent most of his life, 23 years and four months, as an inmate of Soviet labour camps, prisons and psychiatric asylums.

Terelya has become a beacon of hope to the five million Ukrainian Catholics who reside in Ukraine, and a symbol of their commitment to the church, which remains strong, even in the face of an official ban.

Earlier this month, Terelya and his family were allowed to leave the Soviet Union, and later today he will appear before the House of Commons Standing Committee on Human Rights. I ask you to join me in welcoming this brave and inspiring individual to Canada, as he joins us here in the House today.

Some Hon. Members: Hear, hear!

* * *

TRADE

GRAPE GROWERS—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Government expects Canadian grape producers to be competitive with their California counterparts within seven years. Regrettably, our free trade negotiators did not include

mention of the various man-made advantages provided to American growers which are not available to us.

Grape growers ask: Can Canadians get all the irrigation water they want at $1 an acre? No, they cannot, but Americans can. Can Canadians write off losses in excess of $5,000 if they are working at off-farm jobs? No, they cannot.

Do Canadians pay pickers similar low wages? No, they cannot. Can Canadians get land at comparably low cost and maintain control of it by paying low levels of land taxation? No, they cannot.

Our grape growers can compete, given similar pricing policies, but our Government has signed a trade accord which has left them with a deal which is extremely unfair.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF MANITOBA PREMIER

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, any Canadian who understands the economy of western Canada will know that the Canada-U.S. trade agreement is of enormous importance to the west.

However, Premier Howard Pawley of Manitoba, having received his marching orders from Bob White and Shirley Carr, has taken a position diametrically opposed to the well-being of my Province of Manitoba.

He and his cabinet have begun a series of meetings across Manitoba, closed, by invitation only, no questions allowed. He has said: "I am not going to pretend that we have an open mind at this point". That is, regardless of what happens in the discussions with Manitobans, his Government will not bend on its opposition to the treaty.

Howard Pawley's vision of Canada is not shared by the vast majority of Manitobans, those who are not the pawns of the central union leaders. He does not speak for the cattle producers of Manitoba. He does not speak for the hog producers of Manitoba. He does not speak for the countless companies in Manitoba that are eager to compete in a North American market.

Howard Pawley, show some courage and stand up for Manitoba and western Canada. Support the trade agreement for which there is no alternative.

POLITICAL PARTIES

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF NEW DEMOCRATIC PARTY

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, the tendency of the New Democratic Party to mislead Canadians has once again reared its ugly head, but this time with darker motives.

In a letter today, the Member for Thunder Bay—Nipigon (Mr. Epp) denounces our Government's free trade agreement.

This Member attempts to instil fear and uncertainty by deceitfully claiming that hundreds of thousands of jobs will be lost and by predicting the end of social programs.

Why would the NDP write this letter? At its conclusion, the NDP Member exhorts the reader to sign the attached petition. So it seems the New Democratic Party's real reason for spreading this false propaganda is to solicit enough petitions in order to try to paralyze the work of the House of Commons. Instead of sabotaging debate in the House with this kind of letter, the NDP should democratically participate in a free and open discussion.

• (1410)

To the New Democratic Party I say stop underestimating the intelligence of the Canadian people. Get off your anti-Canadian bandwagon and stand up for Canada.

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

IMPORTANCE OF EMPLOYMENT DEVELOPMENT PROGRAM

Mr. David Berger (Laurier): Mr. Speaker, the Minister of Employment and Immigration (Mr. Bouchard) will have to decide this week whether there will be a place in the Tories' blue heaven for non-profit organizations.

Mr. Speaker, the very survival of a number of agencies in Quebec depends on the Job Development Program, which enables them to provide certain services to the community and to have someone on duty at all times. Some of these agencies are specifically concerned with womens' needs. For instance, some outstanding work is being done by Alternative *Naissance*, a group that is trying to humanize the whole process of giving birth.

Employees of non-profit agencies are often women with families who have decided to work as volunteers for the benefit of their sisters and of society as a whole. Mr. Speaker, these women, like you and me, are entitled to live and work in an area that meets their personal and social aspirations.

Today I want to ask the Minister of Employment and Immigration (Mr. Bouchard), the Government and all

Conservative Members to help guarantee the survival of these agencies that are so essential to the well-being of our society.

* * *

[*English*]

POLITICAL PARTIES

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF LIBERAL AND NEW DEMOCRATIC PARTIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, why do the New Democratic Party and the Liberals want to keep western Canada in bondage? For years we have had the highest freight rates in the country which have made us pay extra for everything we import from Ontario and Quebec and, in addition, high freight rates have been a major obstacle to our industrialization.

Manufacturers flee in haste when they hear about the freight rates on anything made in the west destined for the east. The competition will force down the freight rates to and from eastern Canada. In other words, free trade will let western Canada escape from bondage. Is that why the Liberals and the NDP are so vehemently and so unfairly fighting free trade? Why do these two Parties want to ensure that western Canadians will always be hewers of wood and carriers of water?

Free trade will be a major factor in providing western Canada with a new challenge and with the freedom to pursue it. I give notice now to the Liberals, the socialists, and to Premier Peterson that western Canada wants free trade and we are determined to get it.

* * *

MEDICAL CARE

OPPOSITION TO BRITISH COLUMBIA PREMIER'S PROPOSAL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am ashamed to report that the Premier of British Columbia plans to undermine Canada's medicare system. Recently he announced that British Columbia could soon have a system where those who can afford it would jump surgical waiting lists by paying to be treated at private hospitals. This is a two-tiered health care system, one for the rich and one for the poor. It contravenes the very principles of medicare Canadians support which require that high quality universal affordable services must be available for all Canadians regardless of incomes.

Canadians know that this American system which the Premier is copying is far inferior to Canada's medicare. Canadians overwhelming support the Canada Health Act. I appeal to the federal Minister of National Health and Welfare (Mr. Epp) who has a responsibility and duty to ensure that provinces comply with the Canada Health Act, to require that the full cash portion of the federal contribution only go to those provinces that conform.

Recent reports of the Auditor General have pointed out that this Minister has been negligent in his duty. He has not reported correctly to the House of Commons. I call upon the Minister to investigate this situation in British Columbia immediately and to ensure that future reports to Parliament contain full details as required by the Auditor General.

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SMALL BUSINESS WEEK 1987

TRIBUTE TO ALBERTA ENTREPRENEURS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, this week across Canada a very important event is taking place, Small Business Week 1987. The theme this year will be "Entrepreneurship—Creating Opportunities". Small Business Week has been jointly organized by the federal Government, the Chamber of Commerce and the Federal Business Development Bank.

This is an opportunity for Canadians to salute our entrepreneurs. I am proud to say that the Province of Alberta is one of the top provinces in producing entrepreneurs. Despite the set-backs of our resource industry, I can assure this House that the entrepreneurial spirit is alive and well in Alberta.

• (1415)

Small business produces one-quarter of our Gross National Product and accounts for 8 per cent of our exports. Canada depends on trade. The role of small business cannot be underestimated.

Our present prospects of a free trade agreement with the United States will undoubtedly give small business an even greater role in the future toward strengthening our economy. Small business produces 20 per cent of all wages of Canadian businesses and accounts for one-quarter of the income of all employees and owners in the private sector of our country. These figures would also be enhanced by a free trade agreement.

Small businesses offer better opportunities for women. Almost one-third of small businesses are owned by women, and these figures continue to improve.

I encourage all Canadians, particularly those in government, education, and the private sector to recognize, stimulate and promote the entrepreneurship option to potential innovators.

[*Translation*]

AUDITOR GENERAL'S REPORT

IRREGULARITIES COMMITTED BY GOVERNMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, while the Government is making cuts in the Employment Development Program, while the Minister and this Government are cutting unemployment insurance benefits for older workers, and while the Government is refusing to make the early retirement program available to older workers, the Auditor General informs us that a Hongkong bank was able to avoid paying $200 million in income tax; that the Deputy Prime Minister (Mr. Mazankowski) was able to get his friends $5 million for an amusement park; that at National Defence, $35 million was improperly spent, some equipment was not necessary, and $8,613 worth of equipment was bought which could have been bought for $912.

Mr. Speaker, it is outrageous that a Conservative Government that now wants to cut funds that are directly earmarked for Canadians, should waste taxpayers money to do its friends a favour.

* * *

[*English*]

AIRPORTS

OTTAWA INTERNATIONAL AIRPORT—MAPLE LEAF LOUNGE—ABSENCE OF CANADIAN WINES

Mr. Joe Reid (St. Catharines): Mr. Speaker, Ottawa is the capital of Canada and is, or should be, the epitome, the essence of all things Canadian. It has a spanking new airport with the commodious Maple Leaf Lounge.

I have the wine list of that lounge in my hand and it reads: "Imported red and white wine", in both official languages, without a mention of Canadian brands being available. In fact, no Canadian brands are available. Upon special request a search was made and the response given: "We do not stock Canadian wines".

Just think what a positive force the Maple Leaf lounges across the country could be if each one of them carried a short list of Canadian wines and if imports were made available upon request only. Is this not what a Canadian would expect if travelling abroad? Why do we at home have to be so different, downgrading and indifferent?

If this approach continues to exist I urge all Members of the House to pick up a bottle of Canadian wine—they are becoming collectors' items.

AUTOMOTIVE INDUSTRY

AUTO PACT—POSITION OF NEW DEMOCRATIC PARTY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the Conservative MPs here in the House and outside in western Canada have been waging a despicable and offensive campaign against the Leader of the NDP (Mr. Broadbent) on the Auto Pact. They have been saying that the Auto Pact is an example of free trade—

Some Hon. Members: Oh, oh!

Mr. Waddell: —which Bob White, the Hon. Member for Oshawa (Mr. Broadbent), and others are denying to western Canada.

It is simply false to suggest that the Prime Minister's (Mr. Mulroney) trade deal is equivalent to the Auto Pact. The Auto Pact requires that the United States automakers maintain a certain level of investment in Canada, basically proportionate to their sales in Canada. If these U.S.-controlled automakers do not want to make such a commitment, they must pay tariffs to get their cars into Canada. Had the Government negotiated a free trade deal *à la* the Prime Minister in 1965, today many of the jobs and plants in the Canadian automotive sector would be found in Georgia or in Alabama.

My Leader and the NDP do not want western Canada to be just a resource hinterland. We want regional development and a diversified economy. In the past few days the Conservatives have been preaching a form of regional racism which is despicable, petty and false.

I dare them to call an election.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—COMMITTEE HEARINGS—STUDY OF FINAL TEXT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think we all agree after that in saying to the Hon. Member for Oshawa (Mr. Broadbent): "Ed, let him back in".

• (1420)

Yesterday the Prime Minister defended the nonsensical proposition that it is right for the parliamentary committee to have only four days to study the final text of the trade deal with the United States.

In this session the parliamentary committee studying the Radio Act amendments took two months, and, Sir, that Bill was only three lines long. The parliamentary committee studying the National Archives Act amendment took two

months. The committee on the reorganization plan of Bell Canada took six months. Three and a half months were spent on the Shipping Conferences Exemption Act.

Is the Prime Minister really defending his position in spending four days from the end of November until December 4 to study the final text of the trade deal which, we understand from Mr. Reisman, may run to 1,200 pages?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is, of course, misleading the House when he states that I defended the proposition that four days would be available. That is an absolutely fallacious statement. I made no such statement at all. The Leader of the Opposition, rather than indulge in this type of half truth, should stand up and tell the truth, because I made no such statement at any time. On the contrary, I indicated yesterday that ample time would be provided to all Members of the House to discuss this important national issue.

Mr. Turner (Vancouver Quadra): How much?

Mr. Mulroney: Now he says, "how much".

Mr. Turner (Vancouver Quadra): How much?

Mr. Mulroney: The Leader of the Opposition just stated that I said four days, and I said no such thing.

Mr. Turner (Vancouver Quadra): The end of November is when it is brought in. December 4 is when the committee—

Mr. Axworthy: How much time are we going to get? Five days, six days?

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, yesterday or Monday, all Members of the House gave a richly deserved compliment to the Hon. Member for Cambridge who chaired the committee on Meech Lake in very difficult circumstances on a most complex issue. The members of that committee did a tremendous job in a matter of some weeks.

There is ample time for a parliamentary committee to do the same thing on the question of trade. I would hope that the right hon. gentleman would be encouraging the participation of ordinary Canadians in this process, rather than discouraging, which is precisely what he is attempting to do now.

[*Translation*]

INQUIRY HOW DETAILED COMMENT CAN BE MADE ON SPECIFIC SECTIONS OF AGREEMENT WITHOUT HAVING DEFINITIVE TEXT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the parliamentary committee that examined the Meech Lake Accord had a definitive text. That is the point we are trying to make.

After more than two years of negotiations, lawyers for the two Governments have yet to agree on the exact wording of the final text. And now the Prime Minister expects the parliamentary committee to examine the entire text between the end of November and December 4.

The provincial governments still do not know what kind of programs and periods of adjustment will be provided for the clothing, footwear, agricultural and furniture industry. So how can they give detailed comments on specific items of the Agreement without having the final text?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Alain Dubuc said recently in *La Presse*, in referring to the position taken by the Leader of the Opposition on this question, that "his verbal excess was in reverse proportion to his comprehension of the issues".

I think the Leader of the Opposition is again showing his lack of comprehension with respect to a complex issue. The day after the Agreement in principle was signed, it was tabled in the House. There was considerable debate in parliamentary committees in Quebec. The Liberal Government of Ontario is sending a committee of six Ministers across the province to collect people's views, not withstanding the fact that the Government of Ontario does not have a final text. However, we know perfectly well that the final text will reflect all the demands that were negotiated and the Agreement in principle that was signed.

I think it is altogether normal and democratic that the House of Commons should receive the views of Canadians on the initial document, and in fact actively solicit such views, either positive or negative. It is a democratic exercise that is entirely consistent with our democratic principles in this House.

• (1425)

[*English*]

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister indulged himself in the citation of a personal comment. It is obvious that he wants to leave the House in the same position in which he entered it, namely, as president of an American subsidiary.

Everybody in the House knows that the Prime Minister supports this deal and that I oppose it. The only difference is that I am not afraid to give Canadians the time to study it, the time to express their views, and the time to form an opinion. That is the difference between the Prime Minister and myself.

The Prime Minister is forcing a parliamentary committee to conclude its hearings by early December because he wants to meet an American deadline of January 2. He has caved in on every other point to the Americans. Does he really have to force this Parliament to meet an American deadline?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when I was president of an American subsidiary I used to wave a lot to my hon. friend who was chairman of an American subsidiary.

It is well known that my right hon. friend is against the trade deal. It is well known that he does not have the slightest intention of trying to invite enlightened debate on it. It is well known that he wants to bring Canada back and protect us as a little Canada that will not compete in the world. It is well known that he believes in protectionism, and he is trying to drag us back into the 19th Century.

But I will have him know that the House of Commons is going to strike a committee which will go across the country. We are going to listen to Liberals, Conservatives, NDPers, and even Bob White. We are satisfied that Canadians will come back with a positive view of an instrument of liberalized trade that is going to bring Canada into the 21st Century and provide new wealth and new opportunities for all Canadians.

Some Hon. Members: Hear, hear!

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AUDITOR GENERAL'S REPORT

GRANT MADE TO WEST EDMONTON MALL AMUSEMENT PARK PROJECT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister who, yesterday, avoided legitimate opposition questions about the $5 million gift which the Deputy Prime Minister provided to Fantasyland by shamefully attempting—particularly shameful for a Deputy Prime Minister of Canada—to paint those who question his conduct as being anti-Alberta.

The facts are these. In 1986, some 1,200 Industrial and Regional Development Program applications across Canada, including 26 from the Province of Alberta, were rejected by the federal Government for funding because the applications did not meet the program criteria.

I ask the Minister: How is it that in the case of 1,200 applications from across Canada, including 26 from the Province of Alberta, the rules were sufficiently important to say "no", but in the case of the Deputy Prime Minister's pet project, Fantasyland at the West Edmonton Mall, the rules were clearly broken and, according to the Auditor General, an illegitimate $5 million taxpayer gift was given to the West Edmonton Mall Limited?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I certainly question the premise of the Hon. Member's question.

I should like to state that after consultation with my officials it is clear that the project was eligible under the Industrial and Regional Development Act. No rules were bent, as people are contending.

The application was received in December, 1983, and was initially not approved on the basis that the need for assistance was not proved. No formal rejection was issued, and the application was held in abeyance.

By mid-1985 economic circumstances had changed such that the Minister judged that the project would not be completed within the original time-frame and scope without government assistance. The Minister has discretion for such a decision under Section 8 of the Act.

The funding was directed toward portions of Fantasyland which were not completed at the time of the approval.

I might add that only 25 per cent of the original request was deemed appropriate at that time.

REASON FOR MAKING GRANT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, 25 per cent, 50 per cent, 75 per cent, or 100 per cent of an illegitimate taxpayer gift is still illegitimate.

The Minister has not cited the facts. He has cited something out of Fantasyland which bears no resemblance to the truth with respect to the grant. The original grant was approved by a Minister of DRIE who is no longer in the Cabinet, despite a Cabinet directive to the contrary. When the Deputy Prime Minister became Acting DRIE Minister he had a choice.

• (1430)

Mr. Speaker: Perhaps the Hon. Member could put his question.

Mr. Tobin: Mr. Speaker, when the Deputy Prime Minister became Acting DRIE Minister and he discovered the rules had been broken and that the previous Minister had made an offer despite a Cabinet directive to the opposite, why did he not correct the problem? Why did he follow through on an illegitimate, illegal grant to a company not qualified for that grant under IRDP rules?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, it was fully eligible and fully warranted under the economic and social circumstances, and as well very beneficial for the whole economy of Edmonton and Alberta.

I would like to quote Mr. Frank Jackman, Alberta regional director of DRIE, an official of the Government. He said at that time on November 26, 1986, that "Ottawa decided to provide assistance because it was a good project that improved Edmonton's status as a tourist destination." He further goes on to say that "had the Government of Canada not made this contribution, we clearly didn't think at the time that this project could go ahead."

APPLICATION OF REGULATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the same Minister. According to the Auditor General's Report, it was in July, 1985, that the Cabinet reviewed the project and directed that funds be restricted to the Canada-Alberta tourism agreement. That entailed, according to the Department's regulations, provincial participation. The provincial Government had declined to participate and reached the decision, so we are told elsewhere, that the project was going to go ahead anyway.

Notwithstanding what the Minister has just told the House, isn't the decision taken by the then Acting Minister quite inconsistent with the regulations laid down in the Department as they affect tourist projects and two other principal criteria which the Department itself laid down? Isn't the decision that was taken inconsistent with the rules?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Not at all, Mr. Speaker. I think those allegations are totally false. It was well within the IRDP guidelines.

At the time the initial application was made in 1983 economic conditions were such that the Department felt the project was not eligible because the need for the funds had not been proved. When the application was finally approved, the need for the funds was clear. I have noted one of our top officials in the province saying that the money was needed to complete the project, a project that now provides 15,000 jobs in the Edmonton area. As a result, $200 million of tourist money is being spent in Edmonton alone and an awful lot of secondary economic benefits for Alberta and the west have accrued.

DEPARTMENTAL RULES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister said 1983. When the decision was originally made in 1983, the Minister says, economic circumstances were quite different. But the report, if the Minister will read it, does not refer to a Cabinet decision made in 1983. The criticism is made about one made in 1985, two years later. According to the Auditor General, it is at that time that the decision inconsistent within the rules was reached.

Since the Prime Minister is responsible for the over-all performance of Ministers acting consistently with the rules, is he in agreement that Ministers should follow the rules laid down in their own Departments, or are they free to break the rules if they think there is some short run political advantage to be gained?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first, I would like the Hon. Leader of the New Democratic Party to recognize that no rules were bent.

Some Hon. Members: You broke them.

Mr. de Cotret: We followed a very rigid process as we do in every case. When one talks about political advantage, I talk about economic advantage, social advantage, and building in Alberta a tourist attraction that is second only to Disneyland in California in drawing one million tourists. This attraction, with slightly less than one million tourists, brings great benefits to the whole region and province.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we are talking about a project according to the Auditor General, not Members on the opposition side, that had been rejected by the provincial Government, was inconsistent with the rules of the Minister's own Department and would have been proceeded with anyway. The Government in flagrant disregard of its own rules went ahead and made a $5 million grant.

Is the present Government of Canada saying that it will keep the rules only when they are convenient, otherwise they will be broken? Is that it?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member does not seem to understand that this decision was not inconsistent with the rules at all.

In 1983 it was believed that the project would go ahead without federal assistance. At that point the decision was held in abeyance. In 1985, and I quoted a senior official as saying it, in the best judgment of the Department at that point the project could not be completed without federal assistance.

I cannot understand what the Hon. Member opposite has against this Government's desire to create 15,000 jobs at a cost of only $5 million. Is that not in the interests of western Canada and in the interests of Alberta?

ELIGIBILITY OF PROJECT FOR FUNDING

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is on the same subject. It is directed to the Prime Minister in view of his concerns about morality in government. No matter how you cut it, this payment to Triple Five Corporation was immoral.

Mr. Speaker: I am not quite sure where the Hon. Member's suggestions or otherwise are leading.

An Hon. Member: To the gutter.

Mr. Speaker: I would indicate that the preamble perhaps should stick to facts or alleged facts and not become too argumentative. I also point out that it is improper to accuse a Minister of immorality or other things. I would ask the co-operation of the Hon. Member.

Mr. Nunziata: Mr. Speaker, the Minister in answering earlier questions said that the project was fully eligible, to use his words. The Auditor General in his report at Clause 16.94 said that the project was ineligible for funding.

Is the Minister saying that the Auditor General was wrong? Doesn't he consider it totally inappropriate for a Minister of the Crown to be contradicting an independent officer of Parliament?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first, I would like to commend the Auditor General on a very even-handed report and for continually doing a very good job.

Some Hon. Members: Hear, hear!

Mr. de Cotret: I would like to quote the hon. gentleman, Mr. Dye, who said yesterday at his news conference "I am advised it was within the Minister's prerogative to make the payment out of IRDP, and he did so or Cabinet did so." I find no illogical statement there on his behalf. It has nothing to do with the bending of the rules in any way, shape or form.

• (1440)

REQUEST THAT PRIME MINISTER ORDER INQUIRY

Mr. John Nunziata (York South—Weston): The report speaks for itself when it says the project was ineligible for funding. That is the bottom line. In view of the concerns of the Auditor General, in view of the fact that this multi-billion-dollar corporation did not need these public funds in order for this billion-dollar project to go ahead, and in view of all the shenanigans that have taken place, will the Prime Minister order an inquiry into this?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I think I have laid out the facts as they are, not as the hon. gentleman would like to believe they are. In 1983 the project was technically ineligible because at that point it was viewed that the project could be completed without federal assistance. By 1985, conditions had changed. The Minister at that point acted within the rules of the IRDP, as the Auditor General himself states, in the best economic and social interests of that area of the country to bring jobs, output growth, and tourism to an area that sadly needed it, an area that needed diversification.

AUDITOR GENERAL'S COMMENTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Prime Minister. The Minister has said that in 1985 DRIE officials said that conditions had changed and funding must be proceeded with. Why then did the Auditor General say in his report that the project was reviewed in 1985 by the DRIE internal board which recommended against support by IRDP, and that in July of 1985 the Cabinet reviewed the project and directed the federal funds to be restricted to the Canada-Alberta Tourism Agreement, not IRDP? In light of these things, why is the Minister saying the opposite thing to us in the House today?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I would like to answer in two parts. First, the Auditor General clearly said himself that he was advised it was within the Minister's prerogative to make the payment out of IRDP and he did so or Cabinet did so. Second, Frank Jackman, the Alberta regional director in the Department, says very clearly—

Ms. Copps: Blame the civil servants.

Mr. de Cotret: We get advice from our officials. On November 26, 1986, he said that in his judgment, had the federal Government not moved, that project would not have been completed, and we are talking about 15,000 jobs, $200 million in tourist spending in Edmonton alone, not including the money spent outside Edmonton in the whole region.

INELIGIBILITY OF TOURISM PROJECTS FOR GRANTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, there still was a breach of a Cabinet decision by the former Minister in charge of DRIE. I would also like to ask the Minister how they can make this kind of a grant to the Ghermezian brothers in Edmonton for Fantasyland when the rules that were Gazetted for the Department say very clearly that tourism operations are ineligible for contributions.

In light of the fact that the former Minister himself issued a press release in November of 1984 that said tourism projects are ineligible for these kinds of grants, how could they make this grant to the buddies of the Deputy Prime Minister for Fantasyland in Edmonton?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, any Cabinet Minister in this House would be happy to be able to create 15,000 jobs for a contribution of $5 million. What does the Hon. Member have against western Canada? What does he have against Alberta? Why is he haggling on this point? For 15,000 jobs, $5 million is a hell of a good deal for Canadians and a hell of a good deal for western Canada.

Some Hon. Members: Hear, hear!

* * *

AUDITOR GENERAL'S REPORT

ENVIRONMENT WEEK 1986—COSTS OF CAMPAIGN

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of the

Environment and concerns the juicy rake-off of $143,000 to a consultant which he made in the 1986 Environment Week publicity campaign.

Yesterday the Minister said in the House in his criticism of the Auditor General that an independent report commended the Minister for the project. Is it not true that the same report says that the Government paid invoices having no idea of the magnitude of the cost? Is it not true that $75,000 was paid for artists who had not charged for their services? Is it not true that the Department paid $370,000 to an outfit called *Paroles et Musique* without a copy of the contract, and is it not true that a television show was produced and never used? This being the case, how could the Minister rise in the House yesterday to try to make the people of Canada believe that nothing was wrong with this whole sordid affair?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member quotes selectively from an independent assessment, done at arm's length from my Department, of the program we launched for Environment Week in 1986. Let me quote from the same report: "We are satisfied that total costs were on the upper threshold of acceptable costs—the Department should be commended for having the courage to attempt what it did—we do not agree that the $1 million spent was a waste of money."

Mr. Boudria: Mr. Speaker, please do not let me hire that Minister as an accountant when he gets defeated because it is obvious that anyone would go bankrupt with that kind of mishandling of taxpayers' money.

Mr. Speaker: The Hon. Member will put his question.

[*Translation*]

ENVIRONMENT WEEK 1986—DEPARTMENT'S EXPENDITURES—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Canadians now know that $143,000 were uselessly paid in commissions, that expenses were paid without invoices being provided for anybody whatsoever.

Is the Minister now prepared to promise that each invoice concerning this case will be tabled in the House? Is he prepared to appear before the parliamentary committee to account for his departmental outlays in connection with the 1986 Environment Week? If not, why?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, in reply to the question, let me respond directly by saying that I would be pleased and proud to appear before the relevant committees of the House of Commons to defend my budget and my estimates, as I do as a matter of course and as any member of the Cabinet does as a matter of course.

The Hon. Member casts aspersions on a program that was designed to promote public awareness of environmental matters in direct response to a recommendation made to me and my Department and the Government of Canada by a group of environmentalists from one coast to the other who met in Ottawa in November, 1985. The group released a report which said that the public is not sufficiently aware of the extent or complexity of environmental issues or their possible solutions.

It urged the Government of Canada to use large-scale promotions through television, radio and newspapers to increase the public's awareness and understanding of environmental issues. We did so through an advertising campaign that won the Canadian Public Relations Society's highest award for public service advertising. It also won the United States National Advertising Agency Network award for public service advertising.

* * *

AUDITOR GENERAL'S REPORT

GRANT MADE TO WEST EDMONTON MALL AMUSEMENT PARK PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question deals with the Deputy Prime Minister. The record will show that yesterday the Deputy Prime Minister said he would debate the issue with me any time in Edmonton. I look forward to being in touch with his office so we can set it up.

Some Hon. Members: Hear, hear!

Mr. Blaikie: My question is for the Prime Minister who is ultimately responsible for the Deputy Prime Minister. Given the fact that we have the cumulative evidence of a press release from a former Minister, the wording in the *Gazette* and the words of the Auditor General himself with respect to the ineligibility of this proposal, I wonder what the Prime Minister has to say to the rest of Canada about the fact that one of his Ministers was so eager to break the rules. What kind of signal is the Prime Minister sending to Canadians in general if he is not willing to get up in the House here and now and disavow this kind of behavior on the part of one of his senior Ministers?

• (1450)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks what the Prime Minister has to say. I say that I can hardly wait for the debate in Edmonton.

Mr. Broadbent: Okay, let's have it.

Mr. Mulroney: When western Canadians have a choice between that Member and the Deputy Prime Minister of Canada they will choose the Deputy Prime Minister of Canada every time.

Some Hon. Members: Oh, oh!

Mr. Broadbent: Let's have the debate. Go ahead.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps the Hon. Member for Winnipeg—Birds Hill could put his supplementary question.

Mr. Blaikie: I was waiting for an answer to my question, Mr. Speaker, but it looks as though that will not be forthcoming.

PRIME MINISTER'S POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my supplementary question is directed to the Prime Minister. Given the fact there is amassed evidence to the effect that his senior Minister in his Government broke the rules, what kind of signal is the Prime Minister sending to all those communities which applied for funding for such projects and need jobs every bit as much as Edmonton, and some of which need them more, and did not get this kind of funding?

Some Hon. Members: Oh, oh!

Mr. Blaikie: What kind of message is the Prime Minister sending when one of his senior Ministers breaks the rules in order to give $5 million to a couple of "gazillionaires" who need the money like they need a hole in the head? What kind of message is that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the President of the Treasury Board and the Minister of DRIE have provided all of the objective data which I think should persuade my hon. friend of the very serious—

Mr. Broadbent: Oh, yeah?

Mr. Mulroney: —and I address myself to the Leader of the NDP—very serious misstatements being made by his Members which are quite at variance with formal statements made by senior public officials of DRIE and information provided by the Minister.

My question is why—

Mr. Broadbent: You answer the questions.

Mr. Mulroney: —is the NDP so desperately concerned with raising matters that damage western Canada?

Mr. Broadbent: That's regional racism. You know that.

Mr. Riis: Very divisive.

Mr. Broadbent: You're a disgrace.

Mr. Mulroney: The answer, I suppose—

Mr. Speaker: Order. Perhaps the right hon. gentleman could complete his answer.

Mr. Mulroney: Mr. Speaker, I was trying to answer the question. All of the objective data has been provided. If my hon. friend examines the data very carefully he will see that the Deputy Prime Minister and the former President of the Treasury Board conducted themselves entirely properly as has been confirmed by senior officials of DRIE. The objective was simple and straightforward although my hon. friend clearly disagrees with it. The objective was to assist entrepreneurs in Edmonton to provide thousands of new jobs and much needed diversification of the western economy.

I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada. That becomes clearer every day.

Mr. Broadbent: That's a lie.

Mr. Orlikow: That's why you're at 24 per cent.

Mr. Fulton: You're scum. You're lying scum.

Mr. Broadbent: No wonder you're at 24 per cent. That's the level of your argument.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Talk about racism.

Mr. Fulton: Go ahead and pump out more lies.

* * *

[*Translation*]

EMPLOYMENT

REQUEST THAT DRUMMONDVILLE REGIONAL OFFICE NOT BE AFFECTED BY STRUCTURAL REORGANIZATION OF DEPARTMENT OF EMPLOYMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of Employment and Immigration. In connection with next summer's employment structural reorganization of the Department of Employment and Immigration, the Minister assured me that the Drummondville district regional office would not be closed as a result of the reorganization. Is he now in a position to confirm this so as to reassure my constituents and the Drummond federal office staff?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the restructuration of employment centres and employment development centres is a nationwide project. Far from being complete in Quebec, it is still under way and any information to the effect that we intend to close Drummondville's district centre is unfounded. No such decision has been made concerning restructuration in Quebec.

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—BILL C-22—STATEMENT ATTRIBUTED TO NEGOTIATOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Prime Minister. This morning in a speech made to a trade conference in Toronto, Simon Reisman, the chief trade negotiator, stated that on October 3, the last day of the negotiations, the Canadian negotiating team was prepared to offer Bill C-22, the drug patent Bill, as part of a concession to have Canadians exempted from Section 337 of the Trade Bill.

Will the Prime Minister admit that that is a total contradiction of the statements made by Ministers of his Government in this House under their oaths as Ministers that Bill C-22 was never part of those concessions?

Now that this statement by the chief negotiator is on the record what action will the Prime Minister take against those Ministers who made those statements? Will he confirm that in fact Bill C-22 is still part of the concessions the Government is making to the United States to get a deal?

Mr. Clark (Yellowhead): Is this another Axworthy special?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, it has not been unknown in this House for the Hon. Member to shuffle the words before he states them. I do not accept his preamble. I categorically state again what I have said time and time before, that that which he attributes to the chief negotiator is false. We never offered any elements of C-22 or C-22 as a whole as any part of the negotiations. That has been gone through many times in this House. I stand by what is on the record of the House.

UNITED STATES OMNIBUS TRADE BILL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will direct my supplementary question to the Prime Minister because there is now a clear contradiction between statements made by the chief negotiator and the Minister of Finance.

Mr. Clark (Yellowhead): Give us the exact quote.

Mr. Axworthy: Mr. Reisman said that if Canada does not receive an exemption from the omnibus Trade Bill that the American Congress is presently considering there will be serious trouble and, in fact, there would not be a trade agreement.

Some Hon. Members: Read the quote.

Mr. Axworthy: Under those circumstances, why is the Government proceeding to sign the agreement without knowing what the results of the omnibus Trade Bill will be? Is the Government being precipitous in this case? Was Mr. Reisman stating government policy when he said that there should not be an agreement if we do not get an exemption from that omnibus Trade Bill?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the only contradiction that this House is hearing is that between this member of the Liberal Party and the 48 per cent of the members of the Liberal Party who support free trade.

IMPLICATIONS OF TEARING UP AGREEMENT

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, my question is directed to the Hon. Minister for International Trade. In recent days Leaders of the Liberal and New Democratic Parties have indicated that, given the chance, they would directly intervene without hesitation to destroy any previously ratified Canada-U.S. trade agreement.

As we all know, Canada has a fine tradition of honouring the commitments and agreements it formulates with the U.S. and all countries. We have achieved a very high degree of respect for doing so.

What would be the implication for Canadians—

Mr. Turner (Vancouver Quadra): Hypothetical.

Mr. St. Germain: —of tearing up this historic trade agreement?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Out of order.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, that is a very timely question.

Some Hon. Members: Oh, oh!

Miss Carney: It was answered today very well by *The Globe and Mail* which pointed out that they would be tearing up the new Canada-U.S. Trade Commission to monitor trade. They would be tearing up the new binational trade courts ready to make binding decisions.

• (1500)

They would abolish the obligations of American politicians to specify Canada when they take side-swipes against the rest of the world. They would abolish and replace the group which will be writing new trade laws between the two countries. They would be reimposing high tariffs on many Canadian goods entering the United States. They would force the reimposition of all those quotas and tariffs on meat, pork and fish going into the United States. They would be turning down the $4 billion procurement package we negotiated. They would expose the Auto Pact to the attacks of American politicians, and they would say at the end of the day that they have saved Canada.

AUDITOR GENERAL'S REPORT

GRANTS MADE TO EDMONTON AMUSEMENT PARK AND OTHER PROJECTS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Prime Minister. The Auditor General's report points out that not only was there this $5 million special deal for Fantasyland in Edmonton, as a result of a small survey that he and his staff conducted, there were 14 other projects that were also approved, which he says were inconsistent with the Act, inconsistent with regulations, and inconsistent with internal policy.

If the Prime Minister is convinced that there has not been a rather fast and loose way of dealing with the rules, is he prepared to table this list of 14, with the explanations attached to them?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, if the Hon. Member wants the list of the 14, I suggest he ask the Auditor General. After all, he is the officer of Parliament and he is the one who suggested that there were 14. He must have identified them and I suggest that the Hon. Member take the opportunity he already has to ask the Auditor General directly for the list.

Mr. Riis: Of course, as the Hon. Minister knows, the Auditor General will not provide that. He considers them to be private. If the Minister was confident in his decision and his Cabinet colleagues' decisions, certainly he would provide these for the scrutiny of the Members of the House of Commons.

ELIGIBILITY OF EDMONTON PROJECT FOR GRANT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Minister. He has indicated the tremendous boon to tourism that this provided for the city of Edmonton. Since the regulations make it perfectly clear that IRDP grants are not supposed to be for the development of tourism infrastructure, and most Members of Parliament know from applications by their own constituents regarding tourism infrastructure that they are told there is no money available for this type of use, will he explain how it was available for this particular project, particularly when it went against the recommendations of his own staff?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology) Mr. Speaker, I would be very happy to answer the Hon. Member. The department notes state: "It is noted that the application for assistance for this project was received on December 7, 1983". It goes on: "While the tourism aspect was dropped from the IRDP on November 9, 1984, the application was protected under the grandfathering provision of the changes".

It was very clear that projects submitted before December 9, 1984, were eligible for IRDP grants, and this project qualified under that grandfathering clause.

The Hon. Member is quite right that today tourism projects are no longer covered by IRDP. Those are the regulations, and we followed them.

Mr. Speaker: I must advise Hon. Members that Question Period has ended.

* * *

QUESTIONS OF PRIVILEGE

WITHDRAWAL OF UNPARLIAMENTARY LANGUAGE

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, my question of privilege concerns yesterday's Question Period. In view of the statements yesterday by the Member for Kamloops—Shuswap (Mr. Riis), withdrawing his comments accusing the Deputy Prime Minister (Mr. Mazankowski) of kick-backs, I have no hesitation whatsoever in completely withdrawing the unparliamentary comments I made yesterday during Question Period with respect to the Hon. Member for Kamloops—Shuswap. I wish also to apologize to you, Mr. Speaker, and to my colleagues in the House of Commons for this unfortunate breach of parliamentary tradition.

Some Hon. Members: Hear, hear!

Mr. Speaker: I want to thank the Hon. Member for Athabasca (Mr. Shields) for acting in the best traditions of this place and for extending the complete and unequivocal apology and withdrawal, which he has done.

* * *

PRIVILEGE

STATEMENT BY MINISTER—PROVINCIAL COMPLIANCE WITH CANADA HEALTH ACT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I served notice of a Question of Privilege. During a committee meeting on April 27, 1987, in response to a specific question from me the Minister of National Health and Welfare (Mr. Epp) promised that he would provide Parliament with the report on provincial compliance with the Canada Health Act. My concern in raising the issue was that there seemed to be no federal accountability for breaches that were occurring in Alberta, British Columbia and other provinces with respect to user fees. On April 27, the Minister committed that he would provide such an assessment to Parliament.

You will notice in the Auditor General's report, with respect to the issues relating to health and welfare, there is a specific

reference to the Minister's refusal, or certainly negligence, in not complying with the requirements of the Canada Health Act in ensuring that all provincial governments are not breaking the Act by charging user fees. There is a specific reference that the Minister of National Health and Welfare is negligent in not reporting to Parliament on specific requests from Members.

I submit that certainly as a Member of Parliament and critic for Health and Welfare, my privileges are being abused when I cannot get the basic information from the Minister about how many provinces are charging user fees, in what areas they are charging user fees and how much it is costing the people of Canada.

The Auditor General's report indicates that Canadians are paying user fees in the millions of dollars, and the Minister's refusal to provide this information to Parliament is in breach—

Mr. Speaker: Of course, I hesitate to interrupt the Hon. Member but I felt that her remarks were getting well beyond what was the actual question of privilege.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the Hon. Member has expressed some points of view which simply do not square with the facts or my responsibilities under the Canada Health Act. The Canada Health Act came into effect in July, 1984, and contained provisions that did not make illegal either extra billing or user fees.

The act provided that an amount of money commensurate with that collected through extra billing or user charges by any given province would have to be withheld by the federal Government, relative to the amount of money collected under those two terms.

I became Minister on September 17, 1984. No province at that time had been in conformity with those two provisions under the Canada Health Act. Specifically, there had been no changes prior the passage of the act. The federal Government indicated that it would first reduce the amount of acrimony and division between the federal Government and the provincial governments in the area of health. Therefore, I discussed exactly that fact with provincial Ministers of Health.

Today, and in fact prior to the end of the three-year hiatus period for which the Act provided, there is not one province today reporting extra billing. There is not one province today reporting user charges. Therefore, under the terms of the act, that money is not being withheld.

Second, the Auditor General stated that I had to make an annual report, which I have done.

I could go another route, and perhaps this is what the Hon. Member is suggesting, that I now ask the new Minister for health in Ontario, for example, to report on a daily, weekly or monthly basis on how the province is running its health care system. Is the province meeting its obligations under the health care system? What I am doing is asking provincial Ministers of health to give me a report and, under all Parliamentary traditions and rules, when our provincial Ministers, our provincial colleagues, our federal Ministers, our federal colleagues, put their reports on the Parliamentary table, it is accepted as their word, and I intend to do that, too.

• (1510)

Ms. Copps: Mr. Speaker, first, I would like to remind the Minister that I asked him on April 12, 1987, for a list. I have been waiting ever since. He promised it to me.

I would like the Speaker, in making his decision on this matter, to refer to Section 12.146 of the Auditor General's report in which the Auditor General is very specific about the faulty reporting mechanisms of the Department of National Health and Welfare. He suggests that because the Operational Plan Framework contains no reference to non-insured health benefits, despite the fact that they represent 40 per cent of this activity's costs, that information to Parliament about the $400 million Indian and Northern Health Services activity is inadequate.

It is the Auditor General who has suggested that the Ministry is deficient in reporting to Parliament and it was, indeed, the Minister himself who gave me a commitment last April that he was going to provide Parliament with the tools with which we can examine whether in fact the Canada Health Act is being complied with. We believe that there are breaches going on under the nose of the Minister because he is trying to shield the provinces rather than laying all the facts on the table for Parliament to make a judgment.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) has raised a matter and I have, of course, listened carefully. The Hon. Minister has replied. I am not completely satisfied that it is a question of privilege. However, I will, out of courtesy to the Hon. Member, consider carefully the *Hansard* report of the exchange and shall return to the Chamber with the matter as soon as it is appropriate.

I thank the Hon. Member for Hamilton East and I also thank the Hon. Minister for rising in his place and putting his own explanation of this matter at the service of the Chair.

* * *

PRIVILEGE

ALLEGED ACCUSATION BY MEMBER

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I rise with relation to a question of privilege of which I gave notice earlier today pursuant to Section 20(2) of the rules of procedure. My question relates to statements made by the Hon. Member for Kamloops—Shuswap (Mr. Riis) during and immediately after Question Period yesterday. I raise this question of privilege at the

earliest opportunity after I have been able to review the record of yesterday's proceedings.

The record clearly indicates that the Hon. Member for Kamloops—Shuswap, during Question Period yesterday, twice accused the Government side of the House of "kickbacks" in relation to the funding of a tourism project in Edmonton. I would like to quote very briefly from page 10436 of *Hansard*:

> MR. RIIS: A $5 million kickback.

Later on:

> MR. RIIS: Five million dollar kickback.

Immediately after Question Period, and in response to a question of privilege raised by my colleague, the Deputy Prime Minister (Mr. Mazankowski), the Hon. Member for Kamloops—Shuswap denied he had intended to accuse the Deputy Prime Minister of taking a kickback. However, at no time did he deny making the statement and at no time did he withdraw. Rather, and specifically, he withdrew any suggestion that he intended to refer to the Deputy Prime Minister. I would like to quote from page NN-2 of the "blues" in which Mr. Riis is reported as having said:

> —I cannot imagine any scenario where I would ever accuse the Hon. Member of kickbacks. I did not in the past. I did not today. If there is any suggestion that I did, I want to completely withdraw it. I want to make it completely clear that I have the most respect for the hon. gentleman.

He was very specific in making his references relate to the Deputy Prime Minister.

In dealing with the question of privilege raised by the Deputy Prime Minister you, Mr. Speaker, also limited it to the issue of whether or not the Deputy Prime Minister had been the focus of the accusation. You said, and I quote from page LL-11 of the "blues":

> It often depends on exactly how it was put and in what context. The Hon. Member for Kamloops—Shuswap said that he did not in any way mean to imply that the Hon. Deputy Prime Minister took a kickback—

In other words, it was recognized by yourself, Sir, as it had been made clear in the statement by the Hon. Member for Kamloops—Shuswap, that his reference was exclusively, in his response to the question of privilege, to the Deputy Prime Minister.

The record shows unequivocally that twice the Hon. Member for Kamloops—Shuswap accused someone on the government side of taking kickbacks. He says he did not mean the Deputy Prime Minister. He must then have been referring to another Minister from Alberta, to all Ministers on the government side or, indeed, to a Member of Parliament of this House. That, Sir, is a very serious allegation, an allegation made not casually but made twice, an allegation of criminal activity which remains on the record until it is unconditionally withdrawn by the Hon. Member for Kamloops-Shuswap.

I would ask the Hon. Member to unconditionally withdraw his allegations of kickbacks so that the record is set straight.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there is absolutely no question. I certainly do that. I withdraw any accusation, any implication that that term might suggest for either the Deputy Prime Minister or any other Member of Cabinet.

* * *

PRIVILEGE

ALLEGED IMPROPER ACQUISITION OF LETTER

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise to suggest that the privilege of all Members of this House has been infringed upon. During statements by Members today the Hon. Member for the Battlefords—Meadow Lake (Mr. Gormley) made reference to a letter, supposedly received today by himself, written by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp). I understand that letter expressed my colleague's concern regarding the Canada-U.S. trade agreement. However, that is not the issue.

That letter was sent to printing last Friday. It was returned to my colleague's office this Monday afternoon. Those letters remain in that office. Those letters have not been mailed out to the constituents to whom they are ultimately to go.

I believe we should be able to utilize the services with which your office provides us, Mr. Speaker, according to the rules of the House, having the knowledge that whatever we send to printing, whatever goes from printing to our offices, and whatever remains in our offices, is in fact secure. If we cannot have faith in that, then our ability to function as Members of Parliament is reduced accordingly.

I would ask you, Mr. Speaker, to investigate the process, to inquire of the Hon. Member the manner in which the letter was received in order to determine whether or not there has been a breach of privilege which affects not only the Hon. Member for Thunder Bay—Nipigon in this particular instance, but all Hon. Members. If we cannot feel secure in using the printing services, then we cannot function as Members of Parliament.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I listened with great interest to my honourable friend's point of view. I would have to say his "point of view" because it would seem to me if there is any breach of privilege, it should be brought by the Hon. Member who alleges the breach affected him or her.

Mr. Keeper: It affects us all.

Mr. Lewis: This is all hearsay.

Mr. Manly: You heard the Member opposite.

Mr. Lewis: I have no difficulty with the Hon. Member who claims the letter came out of his office raising a question of

privilege, but this is all hearsay and allegations. None of it comes from the Hon. Member who is allegedly complaining, reasonably quickly, I might add, for a Member—I am not suggesting he was not in the Chamber, I just suggest it is not the Member himself bringing the point of privilege.

Second, I find it rather strange that we as Government are continually beset by "a leaked document", "a brown envelope". My goodness, we did the same when we were over there. They are the fare of the Opposition.

Mr. Keeper: You know it was a brown envelope?

Mr. Lewis: I am sorry, Mr. Speaker, this may have come to our attention through a brown envelope, just as the Hon. Member from Yorkton, with a grin from ear to ear, always has brown envelopes. I am sorry, is the "brown envelope" routine only good when it goes one way?

Mr. Keeper: Did it come in a brown envelope?

Mr. Lewis: Is it only good one way? It is like Standing Order 96(2); they only want a committee to study something when it suits them. When we want a committee to study something, it does not suit them.

• (1520)

I am sorry, Mr. Speaker, there is no question of privilege. I say that because it was not brought by the Member who is alleging a question of privilege.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I thought I may be able to offer a few words, I hope, to assuage the concerns of the Whip of the New Democratic Party—

Mr. Angus: Thank you for the demotion!

Mr. Gormley: I am sorry, I have either promoted or demoted him. I am referring to the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) who raised the question of privilege.

First, I concur with what the Minister has said. I think it would be more appropriate if the question of privilege were brought by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp), a copy of whose correspondence I spoke about in the House today.

I would like to clarify, Sir, that I did not in my statement to the House refer to when the letter was received. I simply said that the letter was dated today.

With respect to one's own office security and one's own privileges, because we have not heard from the Member who wrote the letter, I think that the Hon. Member for Thunder Bay—Atikokan who has raised the point may have inadvertently caused a great deal of concern about the actual security of a Member's own office. That, indeed, would be a very serious charge. I would like to at this point state unequivocally that this matter has nothing to do with the security of one's own office being breached, as in the case of one having entered an office surreptitiously to obtain a document. That is clearly not the case.

Mr. Keeper: Where did you get it from?

Mr. Gormley: Where did I get this letter? That is the question held by many concerned New Democrats.

I am delighted to share with the House that the tradition of leaking documents, that citizens consider odious and obnoxious in content and against the principles of Parliament, is alive and well. The document came into my hands as a result of someone who felt that the Government should make public correspondence that the NDP is issuing and, might I add as well, using the House of Commons printing service which is paid for by the taxpayers of Canada, as well as the the frank, something which we all take very seriously.

Mr. Angus: Mr. Speaker, I have listened with interest to the comments of the Hon. Members. I believe that this is a matter which affects all Hon. Members. There are one or two scenarios which are possible, given the comments by the Hon. Member for The Battlefords—Meadow Lake that this letter was not obtained directly from the Member's office, that is, the office of the Hon. Member for Thunder Bay—Nipigon. There are only two sources by which the document could have been obtained.

The first is that employees of the Hon. Member for Thunder Bay—Nipigon could have sent to the Hon. Member for The Battlefords—Meadow Lake a brown envelope. The second possibility is, an employee of the House of Commons who is involved in the process of taking documents from a Member's office to the printing service where they are printed and then returned. This letter has not been mailed out yet. It has not gone beyond the precincts of Parliament. Those are the only two options.

My colleague, the Hon. Member for Thunder Bay—Nipigon, is not here. He is in his riding. However, he is paying attention right now I am sure in front of a television.

I believe that the matter is important enough, Mr. Speaker, that you should review the situation to determine if there has been a breach of privilege. If the privilege of the Hon. Member for Thunder Bay—Nipigon has been breached within the confines of the House of Commons, as a result of the actions of employees who are charged with the responsibility of serving Members in a non-partisan way, then I think it is very important that Your Honour examine the issue and report back to the House. I am not talking about a government department in which a disgruntled employee believes that the Opposition needs certain information. I am talking about employees of the House of Commons who are charged with the responsibility of serving Members in a non-partisan way.

Mr. Speaker: I will consider carefully the representations of Hon. Members. I have some doubt as to whether this is really a question of privilege. However, I am concerned about the

suggestion that there may have been a breach of security or that this particular document might have been obtained from a Member's office.

I have listened carefully to the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley). I thank him for the clarification which he gave. I will look into the matter carefully and report back to the House.

* * *

POINT OF ORDER

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a point of order. Earlier in the Question Period the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) made reference to the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) and used the term "deceitful" in his representation. As you will know, Mr. Speaker, and as the Hon. Member well knows, the term "deceitful" or the use of the word "deceit" according to Beauchesne's Fifth Edition is a term which we have agreed is unparliamentary. I simply ask the Hon. Member to withdraw that term.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, in reference to the use of my language, I did indeed use the word "deceitful". I know that it is a time-honoured parliamentary tradition that one talks about a dispute of fact. The material in the letter was adjudged by me to be deceitful and dishonest. I know that it is not appropriate to use that language. Thus I would withdraw the use of the word "deceitful".

Mr. Speaker: I wish to thank the Hon. Member.

ROUTINE PROCEEDINGS

[*English*]

STATUS OF WOMEN

TABLING OF 1986-87 ANNUAL REPORT OF ADVISORY COUNCIL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, on behalf of the Minister of State responsible for the status of women, pursuant to Standing Order 67, I am pleased to table, in both official languages, the 1986-87 Annual Report of the Canadian Advisory Council on the Status of Women.

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I am tabling, in both official languages, the Government's response to petitions, Nos. 332-3118, 332-3133, 332-3148, 332-3220, 332-3234, 332-3235, 332-3241, 332-3242 and 332-3244.

I wish to make it very clear that Petition No. 332-3220 tabled by the Hon. Member for Comox—Powell River (Mr. Skelly) was certified on July 22, 1986, and submitted to the House on October 1, 1987.

Petition No. 332-3241—

Mr. Riis: So what?

Mr. Lewis: I will tell the Hon. Member what. There are three petitions all with respect to the decommissioning of lighthouses in British Columbia.

Mr. Manly: A very important issue!

Mr. Lewis: Right, it is a very important issue. Members of the public who sign these petitions have every right to think that they will be tabled in the House properly and quickly—

Mr. Riis: Properly? They were tabled properly.

Mr. Lewis: —and have a Government response, which we are giving.

Mr. Riis: It is not for you to determine when we can table a petition. What arrogance!

Mr. Lewis: Fair enough.

Petition No. 332-3148 regarding the transfer of dangerous goods in the Vancouver Harbour certified on November 28, 1986, by the Hon. Member for Vancouver East (Ms. Mitchell), was tabled in the House on September 25, 1987.

Mr. Riis: You cannot control everything in the House.

Mr. Lewis: The Government is responding to all of those petitions within 45 days.

Mr. Riis: Big deal!

* * *

REMEMBRANCE DAY

COMMEMORATION OF SERVICE MEN AND WOMEN

Hon. George Hees (Minister of Veterans Affairs and Minister of State (Senior Citizens)): Mr. Speaker, as it will be necessary for me to leave tomorrow for Europe to take part in various remembrance services on that continent, representing

the Canadian Government there, I would request the indulgence of the House to make a short statement on the meaning and importance of Remembrance Day which is coming up, as we all know, on November 11. I will, of course, be representing the veterans of the country at that Remembrance Day service at eleven o'clock on November 11 here in Ottawa.

• (1530)

On November 11, we will once again have the sacred opportunity to pay silent tribute to the more than 110,000 Canadian men and women who died in the two world wars and in Korea.

Nearly 48,000 of those who died are buried in France, and this year we were reminded twice of the great respect such men and women won for Canada in the battles in that country.

The seventieth anniversary of the capture of Vimy Ridge recalled that triumphant Easter Monday when the brightest and the best of a pioneering generation showed what our young nation could achieve. Those of us who had the privilege to accompany some of those First World War veterans back to Vimy last April were in the presence of nation builders in every sense of the word.

Then, in August, Canadians commemorated the youth of another generation lost in World War II. Dieppe saw all three of our services in battle together for the first time. In spite of this terrible mission, the fact remains that the Canadians involved at Dieppe could not have done more.

Nearly 4,500 Canadians had their hopes and dreams extinguished at Vimy and Dieppe. Thousands more were wounded or taken prisoner, and yet more thousands back home had to learn to cope without a parent, spouse, bread-winner, or other loved one.

For Veterans Affairs every day is Remembrance Day as we help the spouses and dependants of those who did not make it home from the horrors of war.

To me, Mr. Speaker, no words could better express the horror of war and the hope that we will never experience it again than Lt. Col. John McCrae's poem entitled "In Flanders Fields". He wrote the following immortal words:

In Flanders fields the poppies blow
Between the crosses, row on row,
That mark our place; and in the sky
The larks, still bravely singing, fly
Scarce heard amid the guns below.
We are the Dead. Short days ago
We lived, felt dawn, saw sunset glow,
Loved and were loved, and now we lie
In Flanders fields.
Take up our quarrel with the foe:
To you from failing hands we throw
The torch; be yours to hold it high,
If ye break faith with us who die
We shall not sleep, though poppies grow
In Flanders fields.

[*Translation*]

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, speaking on behalf of the Official Opposition, it is an honour and a privilege to add a few words to the speech by the Minister of Veterans Affairs (Mr. Hees).

Today, I would like to draw the attention of all Members of this House and all Canadians to the very meaning of Remembrance Day, the day on which we honour those brave men and women who served Canada during two world wars and the Korean War.

Mr. Speaker, in his speech the Minister stressed the importance of the anniversaries of Vimy and Dieppe, and he recalled our contribution in the Korean War. Canada earned its reputation as a nation at Vimy. It experienced the tragic bloodshed at Dieppe and showed its courage to the world. It finally obtained the recognition it deserved at Kapyong, in Korea.

It is only fitting that this House and all Canadians across this great country of ours stop for a few moments to meditate, to be thankful and to pay tribute to those young Canadians who gave their lives in defence of the freedom we enjoy today.

[*English*]

While remembering those who died, let us not forget those Canadians who returned home full of anticipation and hope, eager to forge a renewed life in an atmosphere of freedom and peace. Included in these returnees were those who suffered life-long handicaps and disabilities. We should never forget the heavy price that these veterans paid for freedom.

I wish to take this opportunity, Mr. Speaker, to recognize the role of the veterans' associations such as the Royal Canadian Legion, the War Amputations of Canada, the National Council of Veterans' Associations, and the Army, Navy, and Air Force veterans in Canada. All of those groups are genuinely concerned with the plight of Canadian veterans. I salute them for their continuing efforts in promoting the cause of our veterans.

[*Translation*]

Mr. Speaker, 22 years ago, Pope Paul VI addressed the General Assembly of the United Nations, beseeching those present to pay attention to those memorable words he spoke: "No more war—never again!"

Mr. Speaker, it has been 42 years since the end of World War II. We must remain forever mindful of the words of Pope Paul VI, if we are to maintain peace in this world for present and future generations of Canadians.

On Wednesday, November 11, Canadians from all walks of life will stop a few moments to remember those of our fellow

citizens who fought and survived on foreign beaches and also those who fought and died in the service of our country.

And when twilight comes and when day breaks, we shall remember them.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, on behalf of the New Democratic Party, I am pleased to join with the Minister of Veterans Affairs (Mr. Hees) and my colleague from the Official Opposition in reminding all Canadians of the importance of November 11, Remembrance Day.

While public attitudes about the observance of this special day have changed over the years, the significance of this day has not. At the eleventh hour, on the eleventh day, of the eleventh month, Canadians will pause at cenotaphs and places of work to remember the supreme sacrifice made by more than 110,000 men and women who fought for freedom and peace in two world wars, and in Korea.

Veterans, their families, friends and relatives of both lost loved ones and returning soldiers, sailors, and airmen, will recall special memories. We, too, will remember them and pray that war will never again happen.

To those veterans who returned home to begin life anew, we shall be eternally in their debt. We in this Party commend the Government for its non-partisan attitude and approach in working with all Members of the House to ensure an even better life for our 640,000 surviving veterans.

As we approach Remembrance Day, it is also important to remember that the day will come when we will be helping more widows of veterans than the total number of veterans themselves. Even now 30 per cent of all recipients of disability pension benefits, and nearly 40 per cent of those in receipt of War Veterans Allowance, are widows.

I bring those figures to the attention of the House as a reminder that Canada's debt to veterans will not be repaid in full when the last veteran passes away. The lives of tens of thousands of families were disrupted and perpetually affected by war. As Members of Parliament and concerned citizens, it will be our ongoing duty to provide help to those families.

• (1540)

The best testimonial we could give to those of whom we speak today would be to redouble our efforts to bring economic and social justice to all people, so that the conflicts which occur will be lessened and we bring about real peace in our world.

As we recall the deeds of those who have gone before us, we are reminded of the words of Rudyard Kipling, as inscribed on the War Memorial in Sault Ste. Marie, Ontario. They read:

From little towns in a far off land we came,
To save our honour and a world aflame;
By little towns, in a far land, we sleep,
And trust those things we won to you to keep.

We will remember them, Mr. Speaker.

Some Hon. Members: Hear, hear!

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF EIGHTH REPORT OF CANADA-EUROPE PARLIAMENTARY ASSOCIATION

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the eighth report of the Canada-Europe Parliamentary Association.

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

* * *

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Jim Manly (Cowichan—Malahat—The Islands) moved:

That the first report of the Standing Committee on External Affairs and International Trade, presented to the House on Thursday, May 28, be concurred in.

He said: I wish to make a few remarks in support of my concurrence motion. The report entitled "For Whose Benefit" was tabled on May 28 after more than a year's study of Canada's Official Development Assistance Program. The study was done by the Standing Committee on External Affairs and International Trade.

The committee held extensive hearings across Canada at which a wide cross-section of non-governmental organizations, businesses, individuals, and government officials presented their views. The committee also travelled to Africa where we visited aid projects in Tanzania, Ethiopia, and Senegal. It also travelled to Washington and New York for briefing sessions with officials from such organizations as the International Monetary Fund, the World Bank, and the United Nations Development Program.

The report "For Whose Benefit" cannot pretend to be an exhaustive study, but it reflects the results of a major piece of work by a committee of the House. At this time I should like to express appreciation for the work of the staff in helping us with our hearings and with the presentation of the report.

I think it is important that all Hon. Members of the House recognize the very difficult job which many Canadians are doing in the field in helping to carry on Canada's development assistance program in all continents of the world. It is a difficult and complex process.

Generally we felt that CIDA is doing a good job, given the kind of context within which it works. CIDA is the assistance link between the wealth of Canada and the poverty of many nations around the world. It handles a budget of some $2.5 billion per year.

We expect that CIDA is going to reflect Canadian values. Sometimes those values are more honoured in rhetoric than they are in reality. However, we expect that CIDA will reflect Canadian values in terms of moving toward greater equality for women, access for women, and greater concern for the environment. Sometimes in trying to implement Canadian values in a foreign context development assistance workers have a fairly difficult time. At the same time we give CIDA a mixed mandate, because in addition to protecting these values we also want to protect Canadian commercial interests.

The importance of development assistance cannot be overemphasized in the House today. Perhaps it could be symbolized by a poem which was published in *The Christian Century* about 20 years ago, written by Claire Van Breemen, in which a North American mother looks down at her one-year old child. I should like to read it. It is called *For Jeremy, Age One* and reads:

Sun-gilded Buddha with the gamin smile,
Fat diety of plenty and sure trust
Somewhere
(Where? Half a continent away, or half a world?)
Nemesis crawls
With groping baby fists
Searching for food-scraps in the gutter slime,
Or wakes to cry unhushed,
Frail moth-hands beating
At the terror and the dark.
Small son,
So long as any child
Suckles but bitterness
And wakes to fear,
You are not safe.
You are not wholly fed.

The poem suggests very clearly what we all know, that hunger and poverty in the Third World represent a nemesis for our civilization and for our children unless we find some effective way of dealing with it.

It is very important that Canada should maintain its aid program, that we should work with other nations in helping them to develop a more effective international aid program, and that our aid program should be as effective as it possibly can be.

The major findings, with the exception of the last chapter which dealt with the level of Canadian assistance, were concurred in by members of all three Parties. I should like to outline some of these major findings.

First, it said that Canada should establish a development charter with the following aims:

> i) The primary purpose of Canadian official development assistance is to help the poorest countries and people in the world.
>
> ii) Canadian development assistance should work always to strengthen the human and institutional capacity of developing countries to solve their own problems in harmony with the natural environment.
>
> iii) Development priorities should always prevail in setting objectives for the ODA program. Where development objectives would not be compromised, complementarity should be sought between the objectives of the aid program and other important foreign policy objectives.

In other words, the charter would establish the basic principles under which we want to operate. We say that development assistance should be the priority and that it should not be subjected to other foreign policy objectives. We also say that all our aid projects should be directed toward what we call human development. There should be a shift in CIDA funding from large-scale capital projects to more emphasis on primary health care and education at all levels. Where we have large infrastructural programs, they should have built-in training programs to ensure long-term maintenance and good management of the facilities. Providing hardware to Third World countries without providing proper training for use and upkeep is worse than useless.

I remember when the committee visited a water filtration plant in Tanzania which was to be providing a major source of water for the capital city of Dar es Salaam. It was supposed to have been a state of the art filtration plant, but somehow in providing it we never got around to making sure that sand was provided for the filtration. BInstead of filtration there was only a certain degree of settlement for purifying the water. The value of that plant was cut down to a fraction of its capacity.

• (1550)

We recommend that there should be a greater emphasis on projects directed at women and developed by women, particularly at the grass roots level and particularly for rural women who are often involved in subsistence agriculture. A very high percentage of subsistence agriculture in our world is performed by women and yet in the past women have been neglected by our development priorities.

Perhaps one of the central recommendations of our committee was that CIDA should establish a much closer link between development assistance and the human rights situation in the recipient country. The report recognizes the complexity of the human rights issue as it relates to aid, but it cannot be a straight line drawn between human rights and development assistance. There are always some subjective elements in human rights. We recognize that. We also say that as Canadians, as citizens of the western world, our understanding of human rights has to be more broad than simply that of civil, political and individual rights. Our understanding of human rights should also include socio-economic and cultural rights and that there are certain obvious minimum subsistence and security rights.

I would like to read what the commission recommends as far as human rights are concerned. Emergency humanitarian aid continues to be given on compassionate grounds without preconditions, but that it be monitored closely to prevent abuses. Even in situations where we have a very bad human rights situation emergency aid should continue to be given on humanitarian grounds. Victims of human rights violations should not be forgotten when decisions are taken to reduce or deny long term development aid to governments. Somehow we have to try to accommodate the victims so that they do not become doubly penalized.

Human rights criteria should be developed coherently as part of over-all Canadian foreign policy, and that these be applied in a universal consistent and transparent manner. Such criteria, embracing both individual, civil and political rights and socio-economic and cultural rights, be derived from established standards of international human rights law and convention.

Verifiable reports of violations, not ideology or strategic interests, be the basis for unfavourable assessment of human rights observance. We are all aware of the game sometimes played between the two major powers in our world where one accuses the other of human rights violations and does so on the basis of ideology. I think we want to move beyond that and say that our assessment should be based on verifiable reports of violations.

More generally, progress on human rights should be considered part of development, with assessments of the human rights situation in a given country being related to the over-all record of development, particularly from the vantage point of the poorest people. In other words, we try to assess human rights from the way in which development impacts on the poorest people of a country.

The committee suggested that there be human rights units within CIDA, and goes on to suggest that the Government should develop a human rights grid under which recipient countries would be in one of four categories. First, human rights negative. These would be extreme cases judged by the international community to be guilty of persistent gross and systemic violations. These countries would be ineligible for government aid. Some basic needs assistance might continue through non-governmental organizations working directly with the poor. Second would be a category called human rights watch. This would involve cases of lesser or variable concern in which serious allegations have been made, but there are many gray areas and development progress is still possible. Any direct bilateral assistance would be very carefully targetted and monitored. Third is what we would call human rights satisfactory in which specific human rights problems may arise as they do in all states but in which the over-all development context is judged to be acceptable. The full range of aid channels could be employed.

Fourth, we suggest that there should be a category called human rights positive in which the human rights record of the Government is exemplary or in which there has been a marked and sustained improvement in the human rights situation and developmental orientation of the Government. In the latter cases aid might be increased selectively in order to strengthen those positive directions.

We urge that External Affairs along with CIDA prepare an annual ODA human rights review which would be tabled in this House and then referred to the appropriate committee. We say that those countries which are judged to be human rights negative would be ineligible to receive government to government assistance, although non-governmental organizations might still be able to work in those countries and receive matching funds from CIDA.

We recommend that the Government should work for changes in international financial institutions, such as the World Bank and the International Monetary Fund that would allow human rights concerns to be placed on the agenda as part of the criteria that had to be met for loans.

We reiterate the recommendations from the special joint committee on Canada's external relations which were accepted by the Government. There should be an international institute of human rights and democratic development. This would be a pro-active institution that would seek to offer advice and help to countries attempting to develop human rights institutions. We are concerned that while there has been some movement on this, the movement has been very slow by the Government although it has announced it is in favour of that institute.

Finally with regard to human rights we say that military exports should be prohibited to any country which is regarded as being ineligible for development aid because of the human rights situation. The whole relationship between the military expenditures and development assistance is something that concerns all members of the committee. As we see the spiralling costs of military expenses throughout our world, both in the developed world and in the Third World, we have to take whatever action we can to dampen that. We made a number of recommendations regarding aid and trade.

While supporting the general principle that all other factors being equal, Canadian goods and services should be purchased in preference to those of other countries, the committee recommends that the Government relax to 50 per cent the current rule requiring that about 80 per cent of the bilateral country program budget must be spent on goods and services purchased in Canada. Eighty per cent of tied aid is one of the highest percentages of tied aid anywhere in the world. We feel that this is not acceptable and does not lead to good development processes for the Third World.

With regard to the least developed countries of the sub-Saharan Africa, we urge that CIDA be able to waive completely the tied aid requirements. We urge that Canada continue to support OECD attempts to restrict the practice of using a mix of aid and commercial financing, the so-called mixed credits, to make Canadian exports more attractive in the Third World; that is, taking aid and mixing it in with

concessional financial terms and using aid as a way of moving our products in the Third World. We do not believe that this is appropriate. Canadians do not want their aid program to be used as an adjunct to the program of international trade. We recognize the importance of international trade but we believe that the aid program has to stand on its own two feet. It should have its own validity and criteria and should not be subjected to the criteria of international trade.

• (1600)

In providing aid to other countries, there always has to be a certain policy dialogue with those countries. We believe that there has to be more emphasis on long-term economic and environmental sustainability of capital projects. Programs for structural adjustment should be consistent with our development assistance goals.

Too often we have pushed upon Third World countries a form of structural adjustment in accordance with the IMF that results in cuts in wages and social services and a reduction in the standard of living of the very poorest of people. Again, we recommend that Canadian representatives on international financial institutions ensure that structural adjustment policies take into account their effect on the poorest people. The burden must not fall on the poorest people.

The report commends the Government for the five-year moratorium on ODA debt for sub-Saharan countries in Africa. We recommended that 2 per cent of our aid should continue to be set aside for international emergencies but that an additional 1 per cent of our aid budget, approximately $25 million, should be available to match voluntary relief contributions of Canadian agencies. This is what happened in 1984 with Ethiopian relief.

Except in emergencies, food aid should not exceed 10 per cent of our ODA budget. In recent years, it has gone beyond 15 per cent. Food aid is superficially attractive to countries like Canada. Our farmers and fishermen produce good food, sometimes more than we are able to sell on world markets. We do not like to see good food go to waste and Canadians do not like to see people in other parts of the world go hungry so they ask what would be more natural than to use CIDA funding to buy Canadian surplus food and send it to countries with hungry people.

The other side of the coin is that for the receiving country, food aid creates a dependency on imported food. It depresses the prices paid to local farmers, driving them out of business and leaving the country more dependent than ever on imported food.

I see you are giving me the signal that my time is up, Mr. Speaker. In conclusion, I would like to say that we disagree strongly with the refusal of the committee to go back to the Government's original commitment to move toward devoting .7 per cent of Gross National Product to development assistance by 1990. Africa, Asia and Central America are all crying out for help. The Government made a commitment three years ago at the United Nations that it would move toward that .7 per cent. It has not done so. Instead, it has moved the goalposts. We are now talking about reaching .6 per cent by 1995. Instead of the Government accepting even the modest suggestion of the committee that it move more quickly to reach that .6 per cent, it rejected it.

The Government has accepted some of the recommendations of the committee but it has not accepted the very important recommendation for decentralization. I wish I had more time to talk about that. The committee talked about decentralizing to the specific countries involved rather than decentralizing to regions, leaving a great deal of authority in Hull.

The Government has not really accepted our recommendation that human rights should be put front and centre in the whole development assistance question. In other areas where it has accepted our recommendations, it has done so with so many qualifications that we have to wonder what will really happen.

I see you are giving me the signal to conclude. I hope that the Government will continue to examine closely the report's recommendations, and we look forward to hearing the step-by-step announcement the Government has said it will be making to implement those recommendations which it has said it will accept.

Mr. Heap: Mr. Speaker, I thank the Hon. Member for his comments and I know that he speaks from a great background of experience, not only from his study and work in the committee and his attendance at committee meetings to listen to the witnesses who spoke to the committee on this matter in its tour across Canada, but also from his visits to the countries of the Americas and Africa to learn at first hand about the work of the committee, the ODA.

I was concerned with the Hon. Member's closing comments in which he said that he regretted that the Government had paid little attention to or given little support to the recommendations the committee made for linking the giving of aid to the finding of human rights conditions. I recognize that it is a very difficult subject, one on which we might make some progress, and I would like to ask the Hon. Member if he could comment further on why, in his understanding, the Government has not yet taken up those recommendations positively and whether he thinks there are certain respects in which the Government may be moving in the direction of the recommendations.

Mr. Manly: Mr. Speaker, we had recommended, for example, the establishment of a grid, but in the response, the Minister said that the Government believes that the establishment of a grid and especially the classification of countries according to such a grid would not serve the over-all interests of Canadian development assistance or of Canadian foreign policy and made similar comments about the suggestion that there be a report tabled in the House of Commons that looks at the human rights situations in recipient countries.

The Government says that it wants to pay attention to the human rights situations in recipient countries, and that where there are gross violations it will continue to monitor the situation, and if the violations are persistent then those countries will not receive bilateral aid. However, it does not want to open up the process so that the Canadian people and Parliament will see what the Government is doing.

When we travelled across Canada, and I am sure all members of the committee will back me up on this, we heard many organizations indicating that they were very concerned about this whole question of human rights, and these organizations came from all sides of the political spectrum. It is not a question of left or right, it is a question of the Canadian people being very concerned that our aid money should not be used to prop up Governments that are persistent violators of human rights and in fact that we are in a situation where—

Mr. Lewis: El Salvador.

Mr. Manly: The Hon. Minister mentions El Salvador. I presume he has read the editorial in this morning's *Globe and Mail* which points out the continuing violations of human rights in El Salvador. The Government moved to give El Salvador $8 million worth of development assistance a couple of years ago against the advice of people who have worked there and know of the kind of persistent and gross violations of human rights that take place there.

The Government does not want to be up front with its concerns about human rights. It says it wants to handle these concerns from some back room in External Affairs, without coming clean and saying to the Canadian people what it really believes about human rights.

I think the Canadian people want to know where the Government stands, what its criteria are for determining human rights violations, and they want to see a much more clearly established link between development assistance and the human rights records of the recipient countries.

• (1610)

Mr. Heap: Mr. Speaker, I appreciate the background that the Hon. Member gave in his response to my question. I would like to ask a more specific question about the first recommendation of the committee, that emergency humanitarian aid continue to be given on compassionate grounds without preconditions but that it be monitored closely to prevent abuses.

Some people see a contradiction in that sentence. How do you prevent abuses if you are giving aid without preconditions? Monitoring may not have any effect one way or the other. If you monitor and find violations of human rights or monitor and find no violations of human rights, the reports would be of concern to a lot of people.

Would the Hon. Member comment on how such reports would be applied, if not in a sort of punitive way, which is considered to be ruled out by saying "without preconditions"? Apart from saying that we do not like the moral conduct of government x, what may be a ground for saying that we would discontinue giving aid to government x? I am speaking, of course, of bilateral aid.

Mr. Manly: Mr. Speaker, it is important to distinguish between long-term development assistance and emergency humanitarian relief. We believe very strongly, and I think anyone involved in development would agree, that long-term development cannot take place in a system where there is repression and gross and systematic violation of human rights, because the two are contradictory. However, there are countries which have extremely poor human rights records, such as Ethiopia, which are also faced with dire emergencies. In the case of Ethiopia millions of people are at risk. We are talking here about providing emergency relief assistance and monitoring it to ensure that it goes to the people for whom it is intended. When assistance was given to Ethiopia during the 1984-85 famine crisis there was extensive monitoring by people involved in delivering that emergency assistance to ensure that it got through to the people for whom it was intended. Canadians can be assured that that was indeed the case. That is the kind of situation toward which our recommendation is directed.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I do not rise with any joy to participate in this concurrence debate. The Standing Committee on External Affairs and International Trade put much time and effort into its report "For Whose Benefit?" on Canada's official development assistance policies and programs. We take the position that when a committee spends a great deal of time and effort and a great deal of the taxpayers' money to make and submit a report, and the Government goes to the effort of replying to that report, debate on it should be informed debate after all parties have been given notice and have had an opportunity to prepare themselves.

The House will know that the Government gave notice today of its intention to deal with the Royal Canadian Mint Act, which we thought would be dealt with very quickly, and then with a very important Bill which would benefit the Province of Nova Scotia.

My colleague purports, with pious unctuousness, to support the efforts of External Affairs in development assistance around the world. He supports a regime in one of the South American countries where there is no democratic use of radio and many other abuses. I am surprised that he would raise this issue in the House for debate without any notice to his colleagues in the House, without any effort to have an informed debate—

Mr. Manly: Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) on a point of order.

Mr. Manly: Mr. Speaker, I informed the Chairman of the Standing Committee a week ago that I intended to raise this at some point in the near future.

Mr. Lewis: Mr. Speaker, if that is my hon. colleague's definition of "near future" and "notice", it may come back to haunt him some day. We will utilize that definition. I had thought better of my hon. colleague. He purports to be interested in the plight of the poor and underdeveloped nations, yet has the audacity to raise this issue for debate without any notice to anyone else in the House that he would raise it on this particular day. If my hon. colleague wants an informed debate, why does he not inform people about the debate? It is a mockery of the work of that committee and my hon. colleague's friends from all Parties on that committee and the efforts they put into that report that he does not have the honour and courtesy to notify them that he is prepared to bring it forward for debate today. If my hon. colleague wants to enter into debate, he should give notice.

Under those circumstances, Mr. Speaker, I move, seconded by my hon. colleague, the Minister of Public Works (Mr. McInnes):

That the House do now proceed to orders of the day.

Mr. Heap: Mr. Speaker, on a point of order.

Mr. Lewis: There is a motion on the floor, my friend.

Mr. Deputy Speaker: I will hear the Hon. Member in a second on the point of order.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Lewis) which was agreed to on the following division:

• (1620)

(*Division No. 288*)

YEAS

Members

Attewell
Belsher
Bertrand
Blenkarn
Bouchard
Bourgault
Brightwell
Brisco
Caldwell
Cardiff
Clark
(Brandon—Souris)
Collins
Cooper
Côté
(Lac-Saint-Jean)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
Desrosiers
Domm
Dorin
Duguay
Edwards
Ellis
Epp
(Provencher)
Fennell
Fontaine
Fraleigh
Fretz
Friesen
Gervais
Girard
Gormley
Guilbault
(Drummond)
Gustafson
Halliday
Hockin
Horner
Jepson
Johnson
(Bonavista—Trinity—
Conception)
Kempling
Lawrence
Layton
Lesick
Lewis
MacDougall
(Timiskaming)
MacKay
Malone
Mayer
McCain
McCuish
McInnes
McKenzie
McKnight
McMillan
Merrithew
Minaker
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Peterson
Plamondon
Porter
Price
Redway
Reid
Reimer
St. Germain
Schellenberger
(Wetaskiwin)
Scowen
Shields
Sparrow
Stackhouse
Suluk
Taylor
Thacker
Towers
Tremblay
(Lotbinière)
Van De Walle
Vankoughnet
Vézina
Vincent
Weiner
Wilson
(Swift Current
—Maple Creek)
Winegard
Witer—90

NAYS

Members

Allmand
Althouse
Blaikie
Boudria
Broadbent
Caccia
Cassidy
de Jong
Dewar
Finestone
Foster
Frith
Fulton
Garneau
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Johnston
(Saint-Henri—
Westmount)
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Manly
McDonald
(Broadview—
Greenwood)
McLaughlin
Mitchell
Nicholson
(Trinity)
Nunziata
Nystrom
Orlikow
Parry
Penner
Pépin
Prud'homme
Riis
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—47

• (1650)

Mr. Deputy Speaker: I declare the motion carried.

Orders of the day.

Mr. Riis: Mr. Speaker, I wish to move that the Hon. Member for Nickel Belt (Mr. Rodriguez) be now heard.

Mr. Deputy Speaker: Order, please. First, I must rule that the motion moved by the Hon. Member for Kamloops-Shuswap (Mr. Riis) is out of order at this time.

I wish to inform the House that, because of the ministerial statement, Government Orders will be extended by 12 minutes.

GOVERNMENT ORDERS

[*English*]

ROYAL CANADIAN MINT ACT AND CURRENCY ACT

MEASURE TO AMEND

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)) for the Minister of Supply and Services moved that Bill C-46, an Act to amend the Royal Canadian Mint Act and the Currency Act, be concurred in.

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

On debate, the Minister of State (Mr. Lewis).

I am sorry to say that it is not a debatable motion. I will reread it. Mr. Lewis for the Minister of Supply and Services moved that Bill C-46, an Act to amend the Royal Canadian Mint Act and the Currency Act, be concurred in. It is not a debatable motion.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis (for Mr. Côté (Langelier)) moved that the Bill be read the third time and passed.

[*Translation*]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I move that Bill C-46 be read the third time and do pass. I want to take this opportunity to thank the members of the Legislative Committee on Bill C-46 for their good work.

I shall be brief. The purpose of Bill C-46 is to amend the Currency Act and the Royal Canadian Mint Act, so as to consolidate all technical matters pertaining to coins within one piece of legislation, to improve financial arrangements for the Mint and give it more operational flexibility, and finally, to simplify the marketing process for new projects approved in the Mint's corporate plan.

These changes are desirable to permit the Mint to continue its record of success, both commercially and technically.

As far as technical matters are concerned, it is desirable to allow the Mint to respond quickly to situations of metal shortages and to make minor changes in the size and composition of circulating coins. Any major changes in circulating coins will remain subject to the authority of Parliament.

All technical aspects of producing new coins will now be consolidated within the Royal Canadian Mint Act, while the Currency Act, under the authority of the Minister of Finance (Mr. Wilson), will be concerned only with matters relating to our monetary system.

Among the changes that will improve the financial and operational flexibility of the Mint is a provision that will permit the Mint to issue $40 million in shares which may be purchased by the Minister of Supply and Services.

These shares will provide the Mint with the funds it needs to meet its financing requirements. The Mint's borrowing authority will be raised from $35 million to $50 million, which may be borrowed from the private sector or the Consolidated Revenue Fund.

To provide further financial flexibility, the Mint will also be authorized to use its surplus operating capital to cover capital and other expenditures, instead of turning the surplus over to the Consolidated Revenue Fund.

The Bill also provides that the Government may authorize the Mint to produce precious metal coins to augment its series of gold coins.

The Mint will have the authority to borrow, rent or lease precious metals to ensure the interrupted production of coins such as the Maple Leaf.

Finally, the number of members sitting on the board of directors will be increased from seven to eleven, and it will no longer be necessary for three of those members to come from the Public Service. These changes will help provide all the expertise required for the proper functioning of an organization operating according to the rules of the market-place. Mr. Speaker, the principal mandate of the Royal Canadian Mint is to provide Canada with coins of the highest possible quality. However, the excellent record the Mint has acquired is also, if not primarely, due to its success in providing other products and services. These related activities have made the Royal Canadian Mint one of our most profitable Crown corporations on a year-to-year basis.

All the changes proposed in Bill C-46 will serve to give the Mint an up-to-date legislative environment that will permit it to continue its record of success.

• (1700)

[*English*]

Mr. Deputy Speaker: The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins).

Mr. Riis: On a point of order—

Mr. Deputy Speaker: The Hon. Member for Kamloops—Shuswap (Mr. Riis) on a point of order.

Mr. Riis: Mr. Speaker, I move:

That the Hon. Member for Prince Albert be now heard.

Mr. Deputy Speaker: The motion is in order. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1710)

(*Division No. 289*)

YEAS

Members

Althouse	McDonald (Broadview—Greenwood)	Riis
Blaikie	McLaughlin	Rodriguez
Dewar	Mitchell	Skelly
Fulton	Nystrom	Young—18
Heap	Orlikow	
Hovdebo	Parry	
Keeper		
Manly		

NAYS

Members

Boudria	Guilbault (Saint-Jacques)	Nunziata
Caccia	Hopkins	Prud'homme
Finestone	Kaplan	Robichaud—13
Frith	Nicholson (Trinity)	
Gauthier		
Grondin		

• (1720)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Lawrence: Mr. Speaker, I rise on a point of order. I would just like my constituents to know that I was here but abstained to show the stupidity of the delaying tactics.

Mint and Currency

Mr. Deputy Speaker: On debate, the Hon. Member for Prince Albert (Mr. Hovdebo).

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Saint-Jacques (Mr. Guilbault), on a point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I move that the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) be now given the floor.

Mr. Deputy Speaker: I must declare the motion by the Hon. Member for Saint-Jacques out of order.

[*English*]

In the meantime, there having been no intervening proceeding, the Hon. Member for Prince Albert (Mr. Hovdebo) has the floor.

Mr. Hovdebo: Mr. Speaker—

Mr. Shields: I rise on a point of order, Mr. Speaker. I would also like to have it recorded for my constituents that I am in the House but I refrained from voting also because I wanted to point out the stupidity of the delaying tactics of the NDP.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I understand that under the rules, I have unlimited time to speak.

Some Hon. Members: Hear, hear!

Mr. Hovdebo: I am very pleased to speak on—

Some Hon. Members: Oh, oh!

Mr. Shields: Take all night, Stan.

Mr. Hovdebo: I have lots of time. I will wait until it gets quiet. I can wait, I have unlimited time.

Mr. Deputy Speaker: Order, please. We will give some time for those Hon. Members who wish to clear the House to do so. On debate, the Hon. Member for Prince Albert.

Mr. Hovdebo: Mr. Speaker, the Mint was established in 1908, and since then—

Some Hon. Members: Hear, hear!

Mr. Hovdebo: At that time, it was developed to produce coins. In 1969, it was made a Crown corporation. In the past, the Government sold Crown corporations which were making money. Regardless of its ideology, this is one Crown corporation the Government does not intend to sell, even if it is making money.

The Government sold Canadian Arsenals a year or so ago because it made money. I hope the new company will make shells that shoot straight. The Auditor General's report suggests that it is no longer making shells which the Department of Defence can use to fight a war.

• (1730)

The Government also sold Teleglobe which made money as well. The ideology of the Government is that if a Crown corporation makes money we should get rid of it because if we do not get rid of it it may contribute to the profits of the Government and help get rid of the deficit.

Consequently, it was surprising to us that this Bill was not part of the Government's privatization policy. Instead of that, the Government included in this Bill a number of provisions which do a lot to tidy up the operations of the Mint. This is an adequate Bill in that it allows the Crown corporation to operate as a Crown corporation should. I suppose that once the Government has this model of a Crown corporation in place it will not have to privatize any others because all the Crown corporations will be making money and eliminating the deficit.

The Mint operates almost entirely without direction from the Government, although it reports to Parliament through the Minister of Supply and Services (Mr. Côté). The responsibility of the Mint is to produce the coins which we use every day. The production of money in Canada is presently controlled by two Acts, the Royal Canadian Mint Act and the Currency Act. This Bill tidies up the operation of the Mint to a certain extent. The Government is putting almost all of the control into the Royal Canadian Mint Act.

In addition to producing the coins which we use in Canada, the Mint produces coins for overseas. These coins are produced for profit, and through their production the Mint has made a considerable amount of profit over the years. The changes in the Act will give the Mint more scope to mint coins for special occasions and for other countries.

Over the years the Canadian Mint has developed a reputation as a major coin producer in the world. It has contracted with many countries to produce their official coins. In addition to that, the Mint makes coins for Klondike Days and other special occasions around the world. Recently, of course, the Mint has produced a series of coins which is being sold to help finance the Olympics.

Under the present structure the Mint has a certain amount of corporate power to control the currency used in Canada. The main mandate of the Mint is to produce and arrange for the production and supply of the currency of Canada. It is also empowered to produce coins for other countries, which has become a major portion of its operation.

Until a few years ago, only the Mint was able to melt and refine gold, silver and some other metals. This has changed considerably over the years, but that is still part of the corporate responsibility of the Mint. Under the Act the Mint has the authority to buy and sell gold. It can refine, store, and deal with gold, silver, and other metals. The buying and selling of these precious metals is handled by the Mint for the Government of Canada.

One of the concerns of the Mint over the years has been that if it needed more metals to produce coins it had to go through a rather involved procedure to obtain them. The new Act will shorten that process considerably by giving the Mint more power in that area. The Mint prepares, stores, and ships coins of gold, silver and other metals. It makes medals, plaques and other articles. These products are of such high quality that they are sought after by collectors around the world. The sale of those articles has increased the contributions of the Mint to the government coffers.

There is a catch-all clause in the mandate of the Mint which allows it to do all other things which are incidental and conducive to attaining the objectives and exercising of the powers of the Mint.

• (1740)

Over the years the Mint has developed a world-wide reputation and its coins have been very much sought after by collectors.

Bill C-46 is basically a housekeeping Bill which makes a few language changes and technical amendments to the Mint Act and Currency Act. This includes the transfer of a number of sections from the Currency Act into the Mint Act and vice-versa.

While certain portions of the Act were unexplained during the committee proceedings, we have allowed them to stand without amendment because they seem to pose no harm. One such clause in the Bill allows the capitalization of the Mint at $40 million, with 4,000 shares at $10,000 each, which will be held in the name of the Minister.

Some may suggest that this provision is unnecessary if there is no intention to privatize the Mint at some point, and there is no doubt that this process of capitalization proposed by the Government would facilitate the possible future privatization of the Mint. While further amendments to the Mint Act would be required if privatization were the aim of the Government, this capitalization structure certainly makes it possible to sell shares in the Royal Canadian Mint.

I find it hard to believe that even the present Government, with its ideological approach to the privatization of Crown corporations, would allow a private corporation to produce our currency.

As I said, this corporation may be the model the Government can use as a Crown corporation that can be profitable and help to decrease the deficit which gets larger every year. As such, the Government would not have to lean so heavily on its ideological approach to privatization.

The Bill states that the selling of shares is to be done in such a way that the Minister would purchase all the shares and then may ask for them to be redeemed. This was somewhat confusing, and not explained adequately by officials of the Mint or Members of the Government in the committee. The clause remains in the Bill as it was written.

It is difficult to understand why the Government would capitalize the corporation to this level and then state in clause 3.1(3):

> The shares of the Mint are not transferable—

Therefore, no one else can have them:

> —and when issued to the Minister in accordance with this Act shall be registered in the books of the Mint in the name of the Minister and held by him in trust for Her Majesty in right of Canada.

That is a rather logical approach. Clause 3.1(4) states:

> No shares of the Mint may be issued otherwise than as expressly authorized by this Act.

Clause 3.2(1) then states:

> The Mint shall, at the request of the Minister after consultation with the Board, redeem such number of shares issued to the Minister in accordance with this Act as the Minister may direct.
>
> (2) The price to be paid for each share redeemed by the Mint pursuant to subsection (1) is the issue price of the share.

It is a very confusing capitalization structure. The Mint is capitalized up to $40 million, the shares are sold to the Minister and may be redeemed. It appears that the Government believes the Mint may not be worth the $40 million in the future and allows the Minister to seek funds to replace the shares.

It seems as though the shares would disappear, since there is no suggestion that the Mint should be able to hold shares in its own right because it is a Crown corporation.

While the process set out in this clause seems very confusing, it does not make much difference to the Bill and it is not worth trying to amend.

The second major amendment included in the Bill concerns the board of directors. This is another reflection of the ideological philosophy of the Government, because it is suggested that public servants should be dropped from the board, and the board increased from seven to eleven members.

There have been occasions when the board of directors has been dominated by civil servants. If those officials are too closely connected to the Minister, the Minister appears to have direct control over the Crown corporation, which contradicts the policy of the previous Government, as well as this Government, of an arm's length relationship between Crown corporations and government.

The idea that a Crown corporation should operate without direction from the government has caused problems with many Governments. It caused the previous Government considerable trouble in the case of Canadair. We had the Minister offering letters of comfort which allowed the Canadair Corporation to borrow almost unlimited funds without any reference to Parliament. As the Hon. Member for Simcoe North (Mr. Lewis) will know because he was a member of the Public Accounts Committee at the time, a corporation such as Canadair could borrow funds which eventually had to be paid by the Government of Canada. It was a form of expenditure which did not have to pass through Parliament.

• (1750)

I must say that I and other members of the Public Accounts Committee at that time were pleased, after kicking up enough of a fuss, that the Government did remove letters of comfort from the procedures which it had been using to finance Crown corporations. The other side is that if we do not have a close enough connection between the corporation and the Government, we may still have this kind of thing happening because we give executive power to the board of directors of the Crown corporation so it can go out and borrow money, which is money the Government of Canada would have to repay if there was any forfeit. Consequently there is some concern about the fact that public servants will not be asked nor expected to be members of the board of directors, although this Bill does not suggest it is impossible to have a member who is a civil servant.

Why the board has been increased from seven to 11 members is unclear. The suggestion I received from my research and investigation into this area is that the Mint has operated very well, very thoroughly and effectively with seven members for a long time. I really would like to believe that this has nothing to do with having another place where the Government can put one of its particularly favourite citizens, although it is a possibility, and the board has not really needed that increase in the past. Perhaps because of the expansion which the Mint suggests it may do in the future it will need a larger board. We will give them the benefit of the doubt.

The third area of operation, as far as this Bill is concerned, is the precious metal coins. Gold and subsidiary coins are presently authorized under the Currency Act. The change made is to switch that authority from the Currency Act and put it under the Mint Act. The base metal coins are also moved from the Currency Act to the Mint Act, which is a very logical move because it will mean one operation instead of two.

The control of the size, weight, standard and margins of tolerance will be set by the Cabinet after this Act is passed. At present the requirement is that a change in the size and weight of a coin, even the make-up of a coin, is to come before Parliament. This Bill gives the authority to the Governor in Council, and consequently saves some time as far as the production of the Mint is concerned.

One of the problems one could see with respect to the Mint was the fact that under the present Act, the provision for the production of gold coins, such as the gold coin that has been so popular lately, bringing in a considerable amount of income to the Mint and consequently to the Government of Canada, had

a sunset clause. After a certain date, it could no longer be produced. One could see what would happen in a situation like that. The Mint would set up the production of these coins, and if they were selling as well as they are today and as they have been for the last number of years, it would know that at some date it would no longer be able to produce those coins. This would make it impossible for the Mint to plan because when the sunset clause came into effect it would no longer be in business. Consequently, the Mint would lose a certain amount of its income and it would also be in a situation where it could not plan for production over a long period of time. What this Bill does is to take off that sunset clause. It makes the production and sale of gold coins a continued and secure business.

Again, I have to say I am glad to see that the Government is putting in place the kind of business structure for these Crown corporations which makes them accountable but still productive and income producing. I can think of no better way of getting rid of the deficit than by having Crown corporations continuing to make money over a long period of time.

One of the things we have learned by being in government in Saskatchewan and other provinces is that the democratic socialist approach is to recognize that there are some areas where Crown corporations are necessary, and if we operate them well, they will help to pay for the social services required in the province. That was the basis of operation of Saskatchewan Crown corporations up until 1982 when we, unfortunately, changed the Government of that province, which started to sell off those corporations, and its credit rating, which was based on those Crown corporations, went from a triple A to a single A. The effect is that as long as the lending powers of New York and the financial world figured that we had enough assets to pay our debts in Saskatchewan, even if those assets were in Crown corporations, they had no hesitation in lending money to us. Now that the Crown corporations and the buildings are disappearing from the assets of the Province of Saskatchewan, the province is losing the power to borrow money.

• (1800)

Mr. Althouse: It did not run deficits either.

Mr. Hovdebo: As my colleague suggests, during the time of the New Democratic Party Government in Saskatchewan we did not have any deficits either. Of course, that pleases the people who lend money.

Some have suggested that this is a very capitalistic approach or statement. There are no better free enterprisers in the country than New Democrats.

Some Hon. Members: Oh, oh!

Mr. Hovdebo: Many of us are free enterprisers. We recognize that an individual who owns his company, his farm, his store or whatever makes a great contribution and in so doing probably operates a business very well. It is the large multinational corporations that do not operate in the best interests of the country that are of concern to us. The people who exploit the resources of Canada are not the type of people that we think should be given full rein to do so. They must use part of the proceeds from that exploitation to help pay for the social services of the country. Consequently, among those who support New Democrats are a great many farmers, small businesses, and those who recognize that their real support is from the New Democratic Party which allows them to operate and which assists them to operate. It does not give unlimited action to the large corporations which have only one bottom line. That bottom line is profit for themselves and no particular concern for the Government. If the Mint were to be privatized, that is exactly what would happen. We would find ourselves being exploited in one more area by the private sector if it decided that that was the best way it could make a profit in this area.

I have a number of other concerns that I wish to put on the record with regard to this Bill. There are a number of areas in which the Government has not taken any action. One of them is that, traditionally, the Mint has used Canadian metals to make the coins of Canada whenever it can. However, with respect to coins that are made by the Mint but which are not used in Canada there is no provision in the Act or in the regulations which suggests that there must be Canadian content in the manufacture of those coins or, for that matter, with regard to any coins made for Canada.

I would like to see such a provision in the regulations. I accept that traditionally that has been the case and that most likely it may not be done any other way. However, as of late I have come to doubt that. There might be some need to put such a provision in place.

I say that because we have before us at the moment a free trade agreement which suggests that coins, metals or any resource can be brought into Canada without the use of quotas or barriers of any kind. In fact, if I read the free trade agreement properly, it appears to me that if we were to suggest that all our coins must be made from Canadian metal then that would abrogate the agreement. If we said that Canadian products must be used then that would prevent the use of American metals which that country might want to send us. Perhaps it wishes to rid itself of some of the gold it has in Fort Knox and send it to Canada in order to make coins since we are making more money on our coins than that country is on its coins.

We would not be able to say, "We will only use Canadian gold to make the coins under the free trade agreement". At some time it might be in order to include in the regulations and in the Act a provision which suggests that any coins which are to be used in circulation in Canada be made from Canadian metals and that any coins sold as the product of Canada be made from Canadian metals.

At the moment gold can be brought in from South Africa or from the United States, Canadian coins can be made from it

and they can be sold on the world market. There is nothing in the Act or in the regulations relative to the Act which suggests anything different. Consequently, particularly under the stresses of a possible future ban on Canada being able to do that, it would be worth-while to put in place such a provision to tell our American friends that this is one area in which we will use Canadian inputs as far as possible.

Most of the other clauses in the Bill are straightforward. When the Bill was first introduced, the Parliamentary Secretary gave us a very straightforward outline with respect to the main changes that were to be made. However, at that time he did not seem to be able to give us the real reasons behind the changes, nor was he able to do that later in committee. In the regulations we will be looking to some very specific definition with respect to what the Mint can and cannot do in the future.

I must say that I have no quarrel with the main objectives of the Bill and what it is intended to do. The points I have made with respect to Canadian content, the board of directors and capitalization are issues which I think the Government could explain to us at the third reading stage. In order that the people of Canada and Members of Parliament understand exactly why it has done the things it has done the Government should explain them to us.

It is interesting to note that in the past in the process of making coins the Mint had to borrow or lease metals and then go to the Department of Finance for authorization to purchase metals which it would use in coins to be offered for sale. To some extent the process made sense in that this meant that the Mint did not need a large amount of capital to operate. There is no understanding in this Bill that, although this will be changed, or may be changed, the capitalization will be used to allow the Minister of Finance (Mr. Wilson) to lend money so that it means something.

• (1810)

It being 6.12 p.m., I will move on from here the next time I speak.

Mr. Deputy Speaker: The Hon. Member will continue on unlimited time the next time that this matter is debated.

It being 6.12 p.m., the House stands adjourned until tomorrow, at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Thursday, October 29, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF SIXTH, SEVENTH AND EIGHTH REPORTS OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the Sixth, Seventh and Eighth Reports of the Standing Joint Committee on Regulations and other Statutory Instruments in both official languages.

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

* * *

PETITIONS

OPPOSITION TO TAX ON FOOD

Mr. Nelson A. Riis (Kamloops—Shuswap): I have the honour to present a petition pursuant to Standing Order 106 from a number of people in Alberta communities, including Grande Prairie, Valleyview, Spirit River and Wembley.

These petitioners are concerned that the federal Government's White Paper on Taxation includes tax reform that would still permit 60,000 profitable corporations to pay no income tax at all and they draw to the attention of Parliament that the federal Government is still planning to levy a tax on food and other essential items through a national sales tax and is also failing to provide full indexation to the personal tax system.

Therefore, they call upon the Government of Canada to reject these proposals and especially reject a tax on food. They are asking consideration for the restoration of full indexation to the personal tax system.

REQUEST FOR LEGISLATION PROHIBITING DISCRIMINATION ON BASIS OF SEXUAL ORIENTATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a certified petition from a number of Canadian citizens in a number of locations across Canada pointing out that in February, 1985, the Government ordered the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights in Canada. In October of that year, the subcommittee on equality rights submitted a report to the House recommending that the Canadian Human Rights Act be amended to prohibit discrimination on the basis of sexual orientation in all areas under federal jurisdiction, including the RCMP and Canadian Armed Forces and in age of consent legislation.

In March, 1986, the Government accepted this report and its recommendations, saying it would take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination. The Government has yet to introduce significant legislation acting upon these recommendations supported by the Government.

The petitioners humbly pray and call upon Parliament to ensure that Government and Parliament act to implement the recommendations contained in the report.

[*Translation*]

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have the honour of tabling a large number of petitions from the riding of Saint-Léonard—Anjou, from Western Quebec, Ontario, the South Shore and Vancouver, totalling several hundred signatures.

Your petitioners humbly inform the House that Canada Post's new corporate plan has created two classes of citizens by installing its super boxes in urban and rural areas; that closing rural post offices deprives Canadians of a unique federal presence and reduces postal services that are vital to rural areas; and that rate increases, especially for second class mail, jeopardize the distribution by mail of many newspapers, weeklies, regional papers, magazines and religious publications.

Wherefore your petitioners humbly pray that Parliament reject Canada Post's plan and urge the Corporation to deliver the mail to all Canadian taxpayers, without exception.

• (1110)

[*English*]

REQUEST FOR IMMEDIATE ROYAL ASSENT TO BILL C-22

Mr. Murray Dorin (Edmonton West): Mr. Speaker, pursuant to Standing Order 106, it is my honour and privilege to present a duly certified petition on behalf of residents of Edmonton, Alberta, most of whom are employed in the pharmaceutical industry. The petitioners call upon Parliament to ensure that the Senate stops delaying the passage of vitally important legislation, namely, Bill C-22.

The petitioners clearly state their desire for the House of Commons, the duly elected body representing the Canadian people, which has passed amendments to the Patent Act, to urge the Senate to stop its stalling tactics in order for the benefits of Bill C-22 to be realized. More than $100 million and several hundred high technology jobs will benefit the Alberta economy. The petitioners are anxious to benefit from the medical advances the legislation will create and they urge immediate Royal Assent of the legislation.

[*Translation*]

HOUSING—REQUEST FOR IMMEDIATE GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the petition I am tabling today was signed by residents of Ville Saint-Laurent, Westmount, Saint-Léonard, Ville Mont-Royal, Pierrefonds, Saint-Hubert and Montreal North. Your petitioners deplore the fact that in 1986 over 100,000 people were homeless in Canada; that the number of young people, women and entire families who are homeless is increasing steadily; that the amount of affordable accommodation is still declining; and that the Government has yet to do anything to deal with this problem.

Therefore, your petitioners humbly pray Parliament to take immediate action, so that all Canadians will be housed in accommodation that is sanitary and adequate and to introduce social adjustment programs to help these Canadians in need back into the mainstream of Canadian society.

[*English*]

REQUEST FOR RE-OPENING OF CANADIAN EMBASSY IN ECUADOR

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty to present a petition signed by approximately 525 residents of Metropolitan Toronto who are concerned that the Canadian Embassy in Ecuador has been opened and closed twice in the past 10 years and is now closed, causing hardship to many people seeking visitor or immigration visas to Canada, particularly because the waiting time for an interview at Bogota, the nearest consular point in Colombia, would be about six months.

Therefore, the petitioners humbly pray and call upon Parliament to express support for the reopening of the Canadian Embassy in Ecuador and to urge the Secretary of State for External Affairs (Mr. Clark) to reverse the decision to close the embassy. As in duty bound your petitioners will every pray.

UNIVERSAL ACCESS TO FAIR ORAL HEARINGS BEFORE REFUGEE BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from a number of people in Metropolitan Toronto who are concerned that Bill C-55 threatens Canada's traditional commitment to assisting refugees and sets out measures designed to keep most refugee claimants out of the country as opposed to ensuring that genuine refugee claimants are given protection.

Therefore, the petitioners call upon Parliament to ensure that Government and Parliament will withdraw Bill C-55 and substitute legislation embodying the principles of fair and quick oral hearings of the claims of refugee claimants before a refugee board, independent of the immigration commission, universal access to these hearings for every applicant in Canada and the right to appeal on the basis of fact. In duty bound your petitioners will ever pray.

CANADA POST—OPPOSITION TO REDUCTION IN SERVICE TO RURAL AREAS

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have the honour to present a petition to the House of Commons and Parliament assembled. The undersigned residents of Canada, at Wilno, Ontario, now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your House will therefore provide a remedy, and relevantly declares that the Canada Post Corporation has already started reducing services in certain rural areas of Canada.

The Canada Post Corporation intends to continue systematically to close an important number of post offices in small municipalities. The population is firmly opposed to any reduction in the postal personnel and the normal services to which the rural citizens are entitled. The population does not accept and will not accept at any time that the small communities be penalized by the planned reductions.

For those reasons they ask Parliament to give an immediate answer to their request regarding the fact that their rural communities will not have to suffer any form of discrimination to the quality of their postal services. They ask that Parliament agree that the rural municipalities will not be penalized by the closing of their post offices.

They finally ask that the rural communities which have already been badly affected by the reductions will recover the complete postal services to which they were accustomed. The fight for the Wilno post office is the fight of every rural community in Canada. They want to retain those services.

Mr. Speaker: The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins), a senior Member of this place, has presented, as is his right, a petition on behalf of certain Canadians with respect to certain matters. However, I would

ask Hon. Members to keep in mind that it has been traditional here, and I think it is appropriate, that while some remarks are made giving us some indication of what the subject matter of a petition is, it is not customary to go through the entire petition. I am sure all Hon. Members would want to co-operate with the Chair on this matter.

OPPOSITION TO PROPOSED CLOSURE OF CN SUBDIVISIONS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a petition signed by a very large number of constituents from the riding of Glengarry—Prescott—Russell. Actually, there are 745 signatures. This petition is in addition to a previous petition signed by 250 residents which I tabled in this House. That comes to a grand total of 995 petitioners.

These people are very concerned with internal documents of CN Rail which suggest that this corporation wants to shut down the Alexandria subdivisions in my constituency and the Alderdale subdivision in the riding so well represented by the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins). The petitioners are asking for the Parliament of Canada and the Government to ensure that the Alderdale, Beachburg and Alexandria subdivisions of CN Rail remain open so that the constituency I represent and the constituency the Hon. Member for Renfrew—Nipissing-Pembroke represents, can keep on having train service so that our industries can continue to prosper. Without this, our areas will be in serious financial difficulty.

[*Translation*]

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I have quite a few petitions from people in New Brunswick who are opposed to Canada Post's new corporate plan which creates two classes of citizens by installing super boxes on a permanent basis, both in urban and rural areas.

[*English*]

The people all over the province of New Brunswick are extremely concerned. They are asking that the Government reject the corporate plan proposed by Canada Post Corporation and instruct the corporation to proceed with mail delivery to all Canadian taxpayers without discrimination.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the petitions I would like to submit this morning are from a number of citizens in many communities in Ontario, including Scarborough, Agincourt, Don Mills, and Pickering. The petitioners protest the plan on the part of the Government to close rural post offices and ask the Government to reconsider such a decision because of the negative consequences that decision would have.

[*Translation*]

OPPOSITION TO TAX ON FOOD

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour and the privilege of tabling, pursuant to Standing Order 106, a petition that is one in a series of several dozen similar petitions which I have seen as my duty to table, and this petition reads as follows:

Whereas since September, 1984, the federal Government has imposed on Canadian taxpayers 25 new taxes or tax increases, in particular on medical and dental supplies, snack foods, candy and soft drinks;

whereas the federal Government in its tax reform proposal is studying the possibility of imposing on Canadians a general tax on goods and services, including food;

whereas food constitutes a vital element in day-to-day life and the imposition of this tax would have the effect of seriously penalizing certain categories of taxpayers such as the aged, families, the unemployed, low-income taxpayers and youth;

wherefore the undersigned petitionners humbly pray and call upon Parliament to reject all measures that would have the effect of imposing a sales tax on food products.

• (1120)

[*English*]

Mr. Speaker: The Chair has received a request from the Hon. Member for Lévis (Mr. Fontaine) that we revert back to presenting reports from committees. The Hon. Member was unable at that time to present the report. The Chair would ask if the Hon. Member has consent of the House to do that.

Mr. Riis: No.

Some Hon. Members: Agreed.

Mr. Riis: If it was anybody else in the House of Commons I would say yes.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the following questions will be answered today: Nos. 156, 183, 190, 199 and 201

[*Text*]

FINANCIAL ASSISTANCE UNDER INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

Question No. 156—**Mr. de Jong:**

For the period April 27, 1986 to March 19, 1987, did (*a*) Chassé Inc. (*b*) Imprimerie Interglobe Ltée (*c*) Les Fibres de Verre Crorak Inc. (*d*) Equipements Industriels de Beauce (*e*) Acrylica Inc. (*f*) Créations Méduse Inc. (*g*) Télésystem National Ltée (*h*) Gestofor Inc. (*i*) Les Industries Rancourt Ltée (*j*) Tisbek Vertical Ltée (*k*) Solarco Inc. (*l*) Les Industriel Paquet Ltée (*m*) Wilfred Paquet et Fils Ltée (*n*) Carold Pichette et Fils Ltée (*o*) Les Rôtisseries de Café de Quartier Inc. (*p*) Clermond Hamel Ltée (*q*) Boa Franc Ltée (*r*) Béton Bolduc Inc. (*s*) Les Constructions Beauce-Atlas Inc. (*t*) La Chemise Lapointe Inc. (*u*) Les Industries Unik Inc. (*v*) Les Industries

P.B.L. Inc. (*w*) Sovebois Inc. (*x*) Les Séchoirs Montmorency Inc. (*y*) La Compagnie de Machinerie Rennel Inc. (*z*) Décalco Inc. (*aa*) Les Moulures Bégin Ltée (*bb*) Enerco Fibre Inc. (*cc*) Bomem Inc. (*dd*) Pro-Pac Ltée qualify for financial assistance under the Industrial and Regional Development Program (IRDP) and, if so (i) what were the specific criteria under which it qualified and has it met the criteria (ii) has it received the full amount of the financial contribution?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): For the period April 27, 1986 to March 19, 1987 all of the above-mentioned companies, with the exception of Bomem Inc., have accepted an offer of financial assistance under the Industrial and Regional Development Program.

(i) In order to qualify for financial assistance under the Industrial and Regional Development Program, the projects submitted must meet the program criteria listed below: —the elegibility of projects is determined in accordance with the Industrial and Regional Development Act and Regulations;—assistance is strictly reserved for projects which, for reasons involving their site, scope, or scheduling, could not be implemented without outside support;—the project must be considered commercially viable within reasonable bounds of risk; and—the project and the exploitation of the results of the project must represent significant economic benefit to Canada.

(ii) None of the companies mentioned have received the full amount of financial assistance. The terms of payments are detailed in Section XII of the Regulations on the Industrial and Regional Development Program.

DIND—GRANTS AND/OR LOANS TO METROPOLITAN TORONTO AREA

Question No. 183—**Mr. Redway:**

Since September 4, 1984, did the Department of Indian Affairs and Northern Development make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): The department made grant payments since September 1984 as follows:

Period	Recipient	Amount	Purpose
Sept. 4 1984 to March 31, 1985	4 Individuals	$ 253.00	Mobility and Occupational Skills Training
April 1, 1985 to March 31, 1986	5 Individuals	500.00	Mobility and Occupational Skills Training
April 1, 1985 to March 31, 1986	David Rubben	$ 1,750.00	Cultural Grant
April 1, 1985 to March 31, 1986	University of Toronto	5,700.00	Northern Science Training Program
April 1, 1985 to March 31, 1986	York University	46,000.00	Northern Science Training Program
April 1, 1986 to March 31, 1987	9 Individuals	1,700.00	Mobility and Occupational Skills Training
April 1, 1986 to March 31, 1987	Ryerson Polytechnical Institute	24,500.00	Northern Science Training Program
April 1, 1986 to March 31, 1987	University of Toronto	56,500.00	Northern Science Training Program
April 1, 1986 to March 31, 1987	York University	47,000.00	Northern Science Training Program
April 1, 1986 to March 31, 1987	Native Business Summit Foundation	1,500,000.00	Native Trade Show
April 1, 1987 to date	20 Individuals	1,790.69	Mobility and Occupational Skills Training
April 1, 1987 to date	University of Toronto	48,000.00	Northern Science Training Program
April 1, 1987 to date	York University	40,000.00	Northern Science Training Program
Total of Grants		$ 1,773,693.69	

Only one loan was approved in Metropolitan Toronto, under the Indian Economic Development Fund, on February 2, 1987 for Northern Hides Incorporated in the amount of $75,000 for Hide Collection Program Marketing.

BUSINESS EXCELLENCE AWARDS CEREMONY

Question No. 190—**Mr. Henderson:**

1. In (*a*) 1984 (*b*) 1985 (*c*) 1986 (*d*) 1987 to date was the Business Excellence Awards ceremony, sponsored by the Department of Regional Industrial Expansion, held and, if so, on what date and in which location?

2. For the same years, (*a*) did the Department of Supply and Services issue the request for proposals for the staging and video-taping of the Awards ceremony and, if so (i) on what date (ii) how many firms submitted proposals (*b*) did the department award the contract and, if so (i) on what date (ii) on what date was the successful firm notified (iii) what was the value of the contract?

3. In (*a*) 1985 (*b*) 1986 (*c*) 1987 to date, were contracts relating to audio-visual productions awarded to Steve Shaw Productions of Toronto by the department and, if so, how many?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): I am informed by the Departments of Regional Industrial Expansion and Supply and Services as follows:

1. The presentations for the Canada Awards for Business Excellence were held in the following cities and on the dates indicated below:

1984	Toronto	May 25
1985	Montreal	November 5
1986	Vancouver	October 9
1987	Halifax	September 22

2. Supply and Services awarded four audio-visual production contracts for the Business Excellence Awards ceremony over the past four years:

1984 (a) A request for proposal was sent out April 26 to five companies; three responded. (b) A contract was signed for $20,000 on June 14; the winning firm was notified of its selection May 25.

1985 (a) No request for proposal was issued because by the time the decision to use an audio-visual presentation was made, there was not enough time to do a request for proposal. A supplier was sole sourced based on guidelines. (b) A contract was signed for $36,739 on October 16. An amendment for $6,000 additional work was signed February 17, 1986.

1986 (a) A request for proposal was sent out June 23 to eight companies; three responded. (b) A contract was signed for $44,895 on August 12; the winning firm was notified of its selection July 16. The contract was amended for $1,000 additional work on December 12.

1987 (a) A request for proposal was sent out June 25 to five companies; all five responded. (b) A contract was signed for $69,660 on August 18; the winner was notified of its selection on July 13.

Not all four contracts were for staging and videotaping. The audio-visual productions evolved over the four years from a simple slide show transferred to videotape to a complex multi-image presentation including slides, videotape, master of ceremonies, staging, and original award presentation music.

3. In fiscal years (1985-1986) (1986-1987) and this fiscal year to date, five contracts have been awarded to Steve Shaw Productions for audio-visual presentations. All five contracts were competitive.

Order Paper Questions

WELL DRILLINGS OFF ATLANTIC COAST

Question No. 199—**Mr. Howie:**

1. From January 1, 1986 to date, how many drillings have been carried out off the Atlantic coast in search of oil pools?

2. How many of these drillings found an oil pool large enough for future oil production there to be financially feasible?

3. What is the anticipated yield, in barrels, of these oil reserves?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): 1. During the period January 1, 1986 to September 29, 1987, a total of 24 wells were drilled off the Atlantic coast. Fifteen of these may be regarded as exploratory wells in search of new oil and gas; the remaining nine were delineations of existing discoveries.

2. & 3. Under Section 101, subsection 7, of the Canada Petroleum Resources Act, tow years must pass from the well termination date before information or documentation in respect of an exploratory well can be released. Also, such information would not include an estimate of oil reserves in a particular field as it would require an interpretation of data which might prove prejudicial to commercial interests.

FEASIBILITY OF PARKING GARAGE ON PARLIAMENT HILL

Question No. 201—**Mr. Scott (Victoria—Haliburton):**

Since 1970, has the government investigated the feasibility of building a parking garage for visitors to Parliament Hill and (*a*) if not, for what reason (*b*) if so, what was the result and for what reason is there still no visitors' parking on the Hill?

Hon. Stewart McInnis (Minister of Public Works): In so far as Public Works Canada is concerned:

A traffic and parking study for downtown Ottawa and the Parliamentary Precinct was undertaken by Public Works Canada and the National Capital Commission in March, 1982. The consultant was M.M. Dillon Ltd. (Reference Summary report #7 by NCC/PWC). The purpose of the study was to identify traffic patterns and volumes to assist in the future development of the Parliamentary Precinct. As this was essentially a planning study, no proposals for a parking garage for visitors were made.

A long-range development study by NCC and PWC is under way to develop and integrated approach for possible locations for new buildings, pedestrian circulation, traffic, and parking structures in a manner which would be appropriate to the heritage importance and character of Parliament Hill.

The over-all administration of parking is the responsibility of the Speakers of the Senate and House of Commons.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA-NOVA SCOTIA OFFSHORE PETROLEUM RESOURCES ACCORD IMPLEMENTATION ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of Energy, Mines and Resources) moved that Bill C-75, an Act to implement an agreement between the Government of Canada and the Government of Nova Scotia on offshore petroleum resource management and revenue sharing and to make related and consequential amendments, be read the second time and referred to a legislative committee.

Mr. Gauthier: I rise on a point of order, Mr. Speaker. I rise to bring to the attention of the House that it is sometimes difficult for Members of Parliament to prepare for debate when the Order Paper published for the good conduct of business of the House is changed at the last minute by the Government. I object strongly to that procedure because it is difficult enough for Members to cover committees of the House without having somebody playing games with the agenda of the House.

I see this morning that we have on the Order Paper a motion to resume debate on Bill C-46, a motion of the Minister of Supply and Services. I have in place my spokesperson, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins), who is able and willing and able to proceed with this motion. I see that the Government has changed the order to Bill C-75. I find that not only unfair but totally not in keeping with the normal proceedings of this House. I object strongly, Mr. Speaker, to this procedure being undertaken by the Government in the future.

Mr. Lewis: Mr. Speaker, I rise in reply to the same point of order.

The offices of both Parties were informed early this morning, I would say about 9.30 a.m., to the effect that we would not be proceeding with Bill C-46 but that instead we would proceed with the back-up legislation from yesterday, legislation which is very important to the Province of Nova Scotia, which was unfortunately held up yesterday—I would not say longer than necessary but by a longer than planned debate on Bill C-46. Therefore we are going to proceed with second reading of Bill C-75 today.

Both Parties were informed that this would happen at 11 a.m. We think that we should be able to get through that quickly and send it off to a legislative committee and then proceed with Bill C-87.

I appreciate that my hon. friend is inconvenienced, but we did try to notify the offices as soon as possible. Naturally, we try to stick to the projected order of business wherever possible. I am sorry if there was any inconvenience, but we did notify the offices at, I would say, approximately 9.30 a.m.

Mr. Riis: Mr. Speaker, on the same point of order, I want to indicate that while the Order Paper indicates that we will be discussing Bill C-46, legislation in respect of the Royal Canadian Mint Act, that the—

Mr. Lewis: Projected order of business.

Mr. Riis: That was the projected order of business. I simply want to indicate that there was an effort by the Deputy House Leader to inform the opposition Parties about 9.30 this morning that he was intending to change the order of business. Again, I just want to confirm that. Yes, an effort was made.

However, I want to take some issue with the point made by the Deputy House Leader that our debate on Bill C-46 was rather protracted. Rather, we have just started the debate on the Mint Act, Mr. Speaker, as you well know. Our representative from the New Democratic Party was simply making the case that we have to debate this at some length now because of the implications of free trade.

It would appear that the Government is now setting the stage to privatize the Mint which, of course, would then make it eligible for an American firm to purchase our Mint. We are very concerned that the United States might gain control of the Canadian Mint as a result of this legislation.

So I am simply saying to the Chair, who is concerned about the procedure and the work of the House, that we do not plan necessarily to expedite this debate in light of the free trade threat to the Mint of Canada.

Mr. Hopkins: Mr. Speaker, on the same point of order, I am standing in my place to say a word on this matter because it does affect my privileges as a Member of this House, as it would other people in similar conditions.

We were proceeding with this matter yesterday and games were being played in here by the New Democratic Party. The Government moved yesterday to proceed with Government business and we had votes in the House yesterday afternoon over all these procedural matters. I can only say that I was prepared to speak yesterday. I am prepared to speak today.

As my Whip said, we have dozens of other things to do, yet we have to come in here which wastes the time of Members of the House of Commons. With our time as precious as it is to get our other work done I think it is totally unfair to be changing this at the last minute.

If we are going to have a good debate on the Mint, then let us go ahead and do it. But let us understand that we will do it

decently. Yesterday we were ready to proceed with this matter without any problem whatsoever. The NDP started moving motions and the Government tried to proceed with business. Really, Mr. Speaker, if the Canadian Mint were run the way that this House of Commons was run yesterday it would go broke.

I think that the Canadian people should know what kind of tactics are going on in the House of Commons. We are here to do work. We came here yesterday prepared to do work and then we ran into games all the afternoon. This Parliament is not for that purpose. This Parliament is to debate the issues of the nation and to say our piece, make our points and do the best we can in Opposition against the large number of government Members.

Mr. Speaker, I want to make it very clear that if this keeps happening I am going to be on my feet every day opposing it. The Members of this House have a right to know what is definitely going to be on the Order Paper today, tomorrow, and so on. That is why we have consultation among House Leaders. If these commitments are changed on the spur of the moment then it disrupts all our own schedules that we have to go through in the day-to-day process.

All I ask is that we have fair play in the House, that Members know what the Government is going to do and that when we have debate we debate seriously.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Regarding the point of order raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier), I think the Hon. Member is aware, having been a Member of this House for a number of years, that the Government's prerogative to determine the orders of the day is absolute, and even if we do have this projected order of business, the Government may change the order at any time, without notice. I think the House is aware the Government gave notice to the Opposition this morning. I am sorry, but I will have to reject the point of order raised by the Hon. Member for Ottawa—Vanier.

• (1130)

[*English*]

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I am delighted to again address this House to encourage the passage of Bill C-75 at second reading. It deals with the implementation of the agreement between the Governments of Canada and Nova Scotia on offshore petroleum resource management and revenue sharing.

Moreover, this Bill contains certain measures from previous agreements which were retained and modified to make them consistent with the new agreement.

As this second reading will broaden the debate, it seems to me normal that the Minister responsible for this sector, who I am representing today, should put forward the necessary information as a representative of the Government of Canada. The Minister together with his provincial counterpart will be responsible for enforcing the application of the Act which is under his responsibility.

I wish to discuss briefly the heart of the Bill. The passage of this Bill, which was tabled before the House for first reading on June 26, 1987, will enable the Government of Canada to respect its commitment to the Government of Nova Scotia whose corresponding provincial Act was passed on May 19, 1987. In fact, this legislation is mirror legislation to that passed by the Nova Scotia provincial Government on May 29, 1987. It will show the manifest solidarity of the Government of Canada with the Government of Nova Scotia in terms of the importance that we attach to the legislative framework within which resource exploitation will take place.

The accord which we seek to ratify today will replace the Canada-Nova Scotia Agreement of 1982 on offshore petroleum and gas resource management and revenue sharing. This new accord contains several improvements, which I will discuss later in detail.

If I may be permitted, Mr. Speaker, I will cite a few now. First, it will ratify the creation of an independent body to administer and regulate all aspects of offshore petroleum and gas activities. Second, it will modify the development fund so that $200 million will no longer be considered as a loan, but will now be considered as a grant. Third, it will authorize the payment of the sum of $25 million by the Government of Canada to Nova Scotia Resources Ltd. which will enable it to participate in the exploitation and development of offshore activities.

This agreement, which is intended to build on the Atlantic Accord, will give concrete form to a co-management concept which both levels of Government wish to make effective and efficient. Furthermore, it will be consistent with this Government's over-all approach to the management of eastern Canada's offshore resources.

When the Prime Minister, (Mr. Mulroney), signed the agreement on August 26, 1986, he correctly observed that, "This accord constitutes a clear improvement over the 1982 agreement, in that it makes Nova Scotia a full partner in the development of its offshore area".

As you can see once again, Mr. Speaker, the era of confrontation with the provinces, fueled in the past by the previous Government, is well and truly over. Only through co-operation, actively encouraged by this Government since September, 1984, will we build a strong and united Canada. The fundamental option that we took as a Government at that time means that today we can reap the fruit of our efforts, and make them work, not only for Nova Scotia but for Canada as a whole.

To achieve this end we have adopted the simple philosophical principle of Jules Lequier, "What one does, one

becomes . . . " Therefore, we have not dragged our feet in energy matters; we have helped to bring harmony to a country that had been previously divided. One only has to be reminded of the national energy policy perpetrated on the country by the previous administration to understand what we mean when we talk about division.

I wish to discuss briefly the objectives of the agreement. The Governments of Canada and Nova Scotia have therefore agreed, through this accord, that the petroleum and gas resources of the offshore area must be developed in such a way as to harmonize the interests of all Canadians, particularly those in Nova Scotia, and that a durable and profitable socio-economic infrastructure is essential.

The agreement is designed to establish a fair tax system and consistent administration of the petroleum resources which are based on the same principle of equity and parity that prevail with the other producing provinces, taking into account the special situation of the offshore area.

The sanction by Parliament of this Bill will endorse the development of the petroleum resources at the earliest opportunity, in the interest of both Governments, and will thus contribute to the security of our energy supplies. It will also confirm Nova Scotia as the principal beneficiary of the activities related to the petroleum resources, and will enable its Government, among other things, to see the benefit of the measures adopted, as if the resources were on land.

Finally, it will reaffirm the equality of the two levels of Government with respect to the actual management of the resources and the maximization of the economic and industrial benefits for Canada and Nova Scotia.

I wish to discuss the key elements of the agreement. The Bill that we are proposing today takes into account the Canada Petroleum Resources Act, which deals with the management of petroleum rights, and which we passed earlier this year, as well as the Canada Oil and Gas Production and Conservation Act, which deals with the technical regulation of offshore petroleum activities.

As the provisions of the Crown share contained in the 1982 agreement with Nova Scotia were repealed in 1985, we negotiated with the provincial Government a new arrangement which makes it eligible to receive from the Government of Canada annual payments equal to the share of net profits that it would have received under the previous arrangement with respect to offshore projects. This measure should reflect more accurately the actual costs and revenues of the projects in question. It will remain in effect until Nova Scotia reaches the average of the tax level of the other Canadian provinces.

The result is that the Nova Scotia Government is given the responsibility for setting and collecting royalties, as if those resources were on its territory and, therefore, administering the revenues from petroleum and gas activities. The provisions on equalization contained in the 1982 agreement are maintained in this agreement.

• (1140)

I should like to explain briefly the Canada-Nova Scotia Offshore petroleum board for my colleagues. The actual concept of co-management will take on its full meaning in the creation of an independent body which will replace the present Canada-Nova Scotia Petroleum and Gas Resources Board. The mandate of the new board will be to make decisions on matters directly affecting the management of offshore petroleum resources. The offices and personnel of the board will be in Nova Scotia and will perform the functions previously performed by the Canadian Oil and Gas Lands Administration with regard to all offshore operations in Nova Scotia.

The body in question will be called the Canada-Nova Scotia Offshore Petroleum Board and will be composed of five members including a chairman appointed by both Governments. The latter will appoint two members respectively and may appoint alternate members to act as members of the board in the absence or incapacity of any of the regular members. Furthermore, not more than two members of the board may be public servants of the signing Governments.

The board will make decisions on announcing discoveries. It will regulate activities in the petroleum fields and exercise special powers in emergencies. It will also approve the technical aspects of development plans. It will collect royalties. It will carry out public inquiries designed to elucidate matters related to its mandate. It will make recommendations in respect of possible amendments to the Act or regulations flowing from the agreement.

Certain decisions of the board considered vital will require the ratification of both Governments. Examples would be the call for tenders, the ensuing issuance of exploration permits, the definition of specifications related to major discoveries and to production licences, as well as the final approval of development plans. As the decision related to certain Nova Scotia projects is specified in the Bill, they will require only the approval of the provincial counterpart, the Minister responsible for energy in Nova Scotia.

Like other producing provinces, Nova Scotia may now, as a result of the passage of this Bill, participate fully in the negotiations and consultations with the Government of Canada in all matters related to offshore petroleum.

The 1982 agreement saw the creation of a development fund of $200 million to put in place the necessary infrastructure, but before any petroleum and gas production would begin. In the new accord the Government of Canada renounces that condition.

I will now refer to the drilling fund. We had agreed, within the framework of the drilling fund created with a view to bringing offshore petroleum rapidly into production, to pay a sum of $25 million to Nova Scotia Resources Ltd. so that it could participate in the exploration and bringing into production of petroleum in the offshore area of Nova Scotia.

We included in this Act the provisions related to environmental protection contained in the Oil and Gas Production and Conservation Act which guarantee the same protection for all other frontier lands. In the event of an offshore disaster, the future Act provides for a financial compensation plan for fishermen, or other persons affected, for any damage resulting from wastes or spills.

Subject to ministerial directives, the board will determine the need for a public review in relation to the exercise of any of its powers or the performance of any of its duties when such a review proves necessary. The board may establish terms of reference in a timetable which will permit a comprehensive review of all aspects of the matter and appoint the commissioner or commissioners.

It may require the person who proposed the potential development to submit a preliminary development plan, an environmental impact statement, a socio-economic impact statement, as well as a benefits plan. Finally, it may require that the commissioner or commissioners hold public hearings in the province or elsewhere in Canada and report on them to itself as well as to both Governments.

I should like to make a brief statement on access to production. Aware of the need to reduce substantially Nova Scotia's dependence on foreign oil, the two Governments agreed to encourage within that province the use of oil and gas produced off the East Coast. Furthermore, in the event of a shortage of petroleum in the province, when deliveries are insufficient, Nova Scotia will be given first choice in purchasing under market conditions offshore petroleum not included in a contract.

I should also like to allude to some of the benefits. I see that both parties finally agree to ensure the maximum of the benefits related to offshore petroleum activity for all Canadians, particularly for Nova Scotians. The benefits plan submitted to the board by companies fully involved in offshore exploration must indicate that first consideration will be given to competitive goods and services produced in Nova Scotia and, consistent with the Canadian Charter of Rights and Freedoms, that workers in that province will be given first consideration for training and employment.

In conclusion, Mr. Speaker, I think you can see that the passage of the Act will mark another milestone in the history of the country, the now more harmonious history, I might add, of federal-provincial relations. The Act will finally sanction the regional development to which Nova Scotia is entitled that in turn will result in the creation of new jobs. The economic and industrial benefits are significant for both Nova Scotia and indeed for Canada.

Although Martin Heidegger maintained that "the will to do something is tantamount to accomplishing it,"—and that is from page 102 of *Essays and Lectures* by Gallimard—it seems to me that we must take one more step in the right direction by ratifying as quickly as possible this important accord, because the Government and the people of Nova Scotia are awaiting its passage.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is a pleasure to have an opportunity to speak on this piece of legislation, Bill C-75. I find this to be rather perplexing in that we are dealing today with a piece of legislation which is completely irrelevant at the present time because of the policies of this Government toward the offshore, particularly the offshore off the East Coast of Canada.

The short title of the Bill we are debating today is the "Canada-Nova Scotia Offshore Petroleum Resources Accord Implementation Act". Not only is the Government's policy completely incomprehensive, it practically made the short title of the Bill incomprehensive.

I am very concerned about quite a few things in respect of the offshore and the Government's policy. First, I would like to deal with the way the Government has tried to frustrate the implementation of energy policy in the country. In January there was an Energy Ministers' conference, which was to be the way that energy policy would be formulated. The energy Ministers of the ten provinces and the federal Minister of Energy met, and they were to meet again during the summer to formulate the ideas which the various public servants and bureaucrats of the respective provinces had formulated during the intervening period.

• (1150)

They met in January. Of course, there were the discussions, all the talk and the completely ridiculous statements the Energy Ministers made about how they would solve the energy policy problems of Canada. To begin with, the federal Minister of Energy did not even wait for the summer and a second meeting of energy Ministers to say what he wanted to do. In June he came out with a paper entitled *Energy Security in Canada* which does not deal with the question of security of supply at all. In fact, the main thrust of this publication by the Minister is to stockpile oil in case there is a shortage of it in Canada, but I will get into that later.

First, we have the Minister instigating a meeting of Energy Ministers. He did not wait to meet a second time before coming out with his own policy. When the second meeting took place in St. John's in August it fell flatter than a pancake. Then we have the second attempt in the spring of 1987 before the first attempt was completed. The second attempt was "Energy Options" and a well known individual on Bay Street, Mr. Thomas Kierans, was asked to head a committee and make recommendations for energy policy. If you want to get someone to determine energy policy in Canada, Bay Street is not the best place to go. Nevertheless, this is what the Minister of Energy did.

There was a meeting in Calgary in June and since then there have been other meetings. The hearings will be wound up in Montreal in December. We do not know what will be brought

forward, but that did not stop the Government with respect to the Energy Ministers.

A third link was started. The Government brought forward the recommendations of the White Paper on Tax Reform which are completely contrary to developing energy security. The Government when it was in Opposition said that there should not be grandiose energy programs in Canada, such as the Petroleum Incentive Program, that they are too costly and there are better ways of developing energy reserves and encouraging some energy security in Canada.

The present Government said in the 1984 election campaign that it would do it through the tax system. But what did the Government do? It came out with a White Paper and cut back tax programs to encourage the development of oil and gas. While it knows it is cutting back the incentives to develop oil and gas projects in Canada, the Government feels the projects should be encouraged through special programs targeted to those particular or respective energy projects. The Government has reversed itself completely.

In 1984 during the election campaign the Conservatives said that oil and gas development should be encouraged through the tax system, yet in this year's White Paper the Government said no, that it wanted to cut back the assistance through the tax system to target various projects. Not only did this break the promise in the election campaign about help through the tax system, it changed the Government's position completely about not targeting for special projects.

Mr. Shields: You are grasping at straws.

Mr. MacLellan: Now the Government is saying that it is going to target special projects. But we really do not know what the Government means because the Government has not done anything constructive to date. What is the Government doing through the White Paper? First, it has cut back on the put in use rule which was very important in Canada because it was targeted largely to major projects. The put in use rule said that you cannot use deductions for major projects until they are actually put in use.

If you have an offshore project, perhaps a Hibernia, where a gravity based drilling operation is to be put in place costing between four and five billion dollars, the developers, Mr. Speaker, cannot use deductions until the platform is actually put in use, costing the developers millions of dollars.

The Government said that the rule would apply to property acquired after 1989 and stipulated that neither the capital cost allowance nor the income tax credits could be used prior to an asset being put in use or, if earlier, the year in which the construction of the asset is completed.

In addition to the put-in use stipulation, the Government cut the rate of capital cost allowance for these types of projects in drilling and exploration facilities from 30 per cent to 25 per cent.

Third, in the White Paper, with respect to the investment tax credit, the Government did not touch the actual rate of 25 per cent for high cost exploration. That is unchanged, but the Government proposed that the investment tax credit could only be applied to one-half of the federal tax payable.

With these three stipulations, the Government of Canada has greatly reduced the inclination of possible developers from going to the East Coast and developing oil and gas reserves existing in that area. That applies not only to the East Coast but to the Beaufort as well. That was the third attempt at trying to set some energy policy.

Fourth, the most recent one, is the free trade agreement. It completely nullifies and makes obsolete the other ideas which the Government said it would bring forward, not that those ideas were ever going to come forward. We have only the Government's word that there would be any ideas coming forward. I would like to deal with the free trade agreement later on, but I want now to concentrate on the offshore.

We have a tremendously serious situation because of lack of activity. I want to refer to some things said by the Parliamentary Secretary. He said that things are wonderful now because there is no confrontation with the provinces. We are talking about an agreement between Canada and Nova Scotia which replaces an agreement entered into between Nova Scotia and the previous Liberal Government. Not only that, the agreement between Nova Scotia and the former Liberal Government was entered into in the final days before the election in 1984. Nova Scotia obviously wanted to enter into that agreement. There was no confrontation or bad feeling between Canada and Nova Scotia at that point. In fact, the way it looks right now Nova Scotia would have done better by sticking with that agreement than entering into this second one with the present Government.

We criticize the Crown's share and say that the Crown's shares are no longer applicable. The present agreement says that Nova Scotia will get something, but the federal Government is doing absolutely nothing to promote the offshore. Until the federal Government does something to promote the offshore, to create some activity, there will be no activity, and Nova Scotia will reap none of the benefits from the production of oil and gas. What the Government has been saying about the relations between the Province of Nova Scotia and former Liberal Governments is just not true. In fact, those relations were most cordial.

• (1200)

This Bill will do to develop oil and gas on the offshore. There is nothing here. It is only a means of conducting meetings and of regulating what will happen if perchance exploration and development does take place, but it is not taking place. Until actual exploration is carried out in Nova Scotia and there is development of the oil and gas reserves, this Bill will just be an academic exercise.

The Parliamentary Secretary said as well that this Bill will cut Nova Scotia's dependence on foreign oil. That is just not true. This Bill will not do anything to cut Nova Scotia's dependence on foreign oil. For instance, at the present time we in Atlantic Canada are dependent almost exclusively on imported oil. In fact, in 1986 the whole of Atlantic Canada relied on foreign oil for 99 per cent of the oil that was used. The Province of Quebec relied on foreign oil for 60 per cent of the oil it used in 1986.

In Atlantic Canada, 180,000 barrels of foreign oil a day were imported in 1986. In the first nine months of 1987, that increased from 180,000 barrels per day to 200,000 barrels per day. The actual dependence on foreign oil is increasing.

We have the reserves but nothing is being done to develop them. The one puny utterance from the Minister of Energy, Mines and Resources (Mr. Masse) was contained in this document, *Energy Security in Canada*, in which he advocates stockpiling oil. He does not advocate moving ahead to develop the reserves that exist in the offshore. He wants to stockpile foreign oil. That is fine as an interim solution, but that is no plan for developing the energy security of this country.

The Parliamentary Secretary said that this Bill gives Nova Scotians, in times of shortages of supply, the ability to have the first option on oil produced in Nova Scotia. I would like to refer to Clause 39 of the Bill which is entitled "Regional Security of Supply." Clause 39(2) reads:

> (2) Where there is a shortfall of petroleum deliveries in the Province, the Provincial Minister may, after consulting with the Federal Minister, give notice to holders of production licences in the offshore area that the consumers and facilities referred to in paragraphs (1)(a), (b) and (c) that are specified in the notice have, during the term of the notice, the first option to acquire, on commercial terms, petroleum produced in the offshore area unless a sales contract with respect to that petroleum has been entered into prior to the giving of the notice.

For one thing, of course, it is dependent upon a sales contract not having been entered into. That, of course, is a very big "if". Second, it flies in the face of the Government's free trade agreement with the United States. The Government cannot now make assurances to Nova Scotia or to any other province that it will get this kind of priority access to its own reserves. The Government saw to that. It gave away any right that Nova Scotia or any province would have to the first option to production in its jurisdiction. We do not know where that oil will go or where the natural gas will go. The free trade agreement makes sure of that.

I would certainly agree that the Parliamentary Secretary stated the philosophy of his Government when he said the will to do something is tantamount to accomplishing it. The will is the only thing it has, because it has not accomplished anything in developing the offshore of this country. If the will exists, it is certainly a well-kept secret.

This summer we were supposed to have, according to the statements of the Minister of Transport (Mr. Crosbie), some agreement with the developers and the owners of Hibernia. We did not get anything. The Minister of Transport said, as reported by his local newspaper, that they are asking too much, they are not being fair. This coming from the same Government that says we should let the private sector develop our energy opportunities. This is the same Government that says we should let Petro-Canada operate as a private sector corporation and not restrict it to being an arm of public policy. Yet at the same time, it will blame the lead players in the development of Hibernia for not doing anything.

We do not know what this Government is doing. We certainly have not heard anything from it as to what it will be doing to try to help develop the oil and gas reserves off the East Coast of Canada.

It is completely ridiculous that the Government would say that it is doing something to develop these reserves. Just recently, when he was in St. John's, the Minister of Energy told the people of Newfoundland that the free trade agreement would be good for the development of Hibernia. He said that with the free trade agreement, Hibernia will have all sorts of new markets. Atlantic Canada is 99 per cent dependent on foreign oil. Quebec is 60 per cent dependent on foreign oil. What is wrong with the markets that already exist?

Is the Minister saying that the oil and gas off the East Coast of Canada is not good enough for Atlantic Canadians and the people of Quebec, that it should not be wasted there but should really be sold in the United States if it is to have any major purpose whatsoever? That is just ludicrous and it is an insult to the people of eastern Canada.

We have been told that under the free trade agreement, even in times of energy shortages, the United States is to get a proportionate amount of Canada's energy. That is quite significant, particularly with respect to oil. This country is rapidly running out of supplies of light and medium crude. It is not the policy of the Liberal Party to say that we should not be selling oil to the United States. Up until the free trade agreement, we had the National Energy Board to tell us when we would be running short and when we would have a scarcity of supply. We relied on it to do this job.

The Liberal Party was the first Party to endorse the decision of the National Energy Board to do away with the surplus test. We felt that that was the best way to go. It was fair to the suppliers of natural gas and it was in the best interests not only of the sale of Canadian natural gas to the United States but to the development of new reserves.

We did not and could not, nor could anybody, accept the Conservative Government's agreement to completely gut the National Energy Board. We will not know when we are running short and, if we do, we will not be able do anything about it.

We have said that we will give a proportionate amount of our energy to the United States and we do not know how much that will be. Let us just look at some of the rumours we have been hearing about energy. Supposedly there will be a block period which will indicate what percentage will be going to the

United States. We do not know when that block period will be, or for how long it will be, but supposedly that is what it will be. If that block period is the first six months of 1987, then 37 per cent of all oil produced in Canada will be earmarked for the United States, because in the first six months of 1987, 37 per cent of all the oil produced in Canada was sold to the United States. That means we are obligated even at times when we do not have security of supply for our own needs.

• (1210)

The Government is backing away from developing an energy policy, which means we do not have the assurance that our supplies of light and medium crude are going to be replaced through new projects, such as oil and gas on the East Coast, the tar sands, the Beaufort, or through upgrading. We do not have that assurance because the Government has waffled for three years on this question. We are no further ahead now than we were in September of 1984, regardless of all the government statements, commissions, committees, brochures, periodicals, and free trade agreements with the U.S.

The Atlantic Accord did nothing to help the oil and gas industry off the coast of Newfoundland. Now we are talking about the Nova Scotia offshore and this Bill will not make any difference at all. In 1987, this year, only $33 million has been spent on the Nova Scotia offshore. It is only because of the grandfathering of the Petroleum Incentives Program that we have that. That was put in place by the former Government. In 1984, $600 million was spent on the Nova Scotia offshore, so it is completely ludicrous for the Government to say it is concerned about exploration in the Nova Scotia offshore.

Under this agreement the Government turned the $200 million loan under the former agreement into a grant, but look at where the money was spent. Some of it went into things that were not even within miles of the Nova Scotia coastline. That is not easy because it is almost completely surrounded by water. The money was turned into a political slush fund.

What about the $25 million for Nova Scotia Resources Ltd. to develop its reserves in Nova Scotia? That, unfortunately, is woefully inadequate for that company which has a very high debt. Unless it is able to take part in some kind of profitable development of oil or gas very soon, the situation is only going to get worse.

What we want is to develop the reserves to add to the security of supply in Canada, which is minimal at the present. We want the Government to stand by what it said it was going to do—develop security of supply. Do not tell me that the major players in projects like Hibernia and Venture do not want to go ahead. It is up to the Government to develop a fiscal regime that will encourage them to do so. After all, it is the Tory Government that said the private sector was going to do it.

It is no good to say that the Government will give loan guarantees to Mobil. That company does not need loan guarantees. It is not going to go broke. What they want is a plan. They also want to make money, of course, and the Government said there is nothing wrong with that. If Mobil makes a profit, that is great. However, there is something very important at stake here and that is energy security for Canadians. The Government has to do what it said it was going to do, get development going on the East Coast. This legislation is not going to have any effect at all until the Government develops the political will to do something for Nova Scotia.

A great deal of this legislation is similar to the wording in the Atlantic Accord. There are a few things in there that I question and I will do that in committee, but that is the easy part. The difficult part is to get the Government to realize the importance of the offshore to Nova Scotia as well as Newfoundland, indeed to all of Atlantic Canada, and to start honouring the commitments it made, take them seriously and not just try and slough off this very important industry in Atlantic Canada.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to say a few words on behalf of my Party concerning Bill C-75, which implements the agreement between the Government of Canada and the Government of Nova Scotia dealing with the offshore.

Before I do that, since this is the first time I have had an opportunity to say a few words in my new capacity as energy critic for the NDP, I want to pay tribute to the Hon. Member for Vancouver—Kingsway (Mr. Waddell). For many years he was a very competent spokesman on energy for our Party. I want to say how much I, my Leader, and all of us in caucus appreciated the contribution he made in this field. He had some expertise in this area gained in the work he did before being elected to this House and made a great contribution, not only on behalf of his Party but on behalf of all Members of Parliament, to understanding the problems of energy in this country. The Hon. Member has done some good work on this particular issue, offshore resource development, made a few speeches and raised a number of questions.

As the House already knows from those speeches and others, our Party of course supports the agreement we have before us today. This is simply mirror legislation to that already passed in the Nova Scotia Legislature a number of weeks ago. The most important thing we can do today is raise some questions about the future of energy in this country and then send it off to committee for detailed study. There we can call in experts and government officials and make sure we scrutinize the Bill very closely.

This Bill is very similar to Bill C-6, an agreement between Canada and the Government of Newfoundland on the Newfoundland offshore. It is very similar as well to the Atlantic Accord which has already been dealt with in this House.

As I said, we support this arrangement but we have a number of questions we want to raise in committee. Those

questions will be positive, of course, and I want to say a couple of very positive things about the Bill before us today.

First, I am glad to see that there is an agreement between the Government of Canada and the Government of Nova Scotia. There was a time in the 1970s and early 1980s when this kind of agreement was not possible. I am not going to place the blame for that squarely and solely on the doorstep of the former Government. The 1970s were very turbulent times in the oil business around the world and in Canada. It was very difficult at that time to come to this kind of agreement. It was also a time when a great constitutional debate was taking place and these kinds of agreements were more difficult to achieve.

• (1220)

The second positive aspect about this agreement is that it now includes provincial involvement in the offshore business in Canada. I believe provincial involvement is very important, and I suggest that we should try to carry this a step further and consider a constitutional amendment to enshrine provincial control of offshore resources in the Constitution of Canada. That is very important to provinces like Nova Scotia and Newfoundland.

I know how important it is to Saskatchewan for the Constitution of Canada to include some control regarding energy. In 1981 our Party was instrumental in persuading the government of the day to insert in the Constitution of Canada an amendment which provided for some control over resources for provinces like Saskatchewan and Alberta. I believe that was a very important step in terms of our controlling and husbanding resources such as gas and oil and potash which are so important for our development.

I know the importance of this control because in Saskatchewan we have a gas and oil industry and a potash industry. We have many other natural resource industries. Such control is also important to Alberta, and we should seriously consider a constitutional amendment extending the same kinds of rights to people in Newfoundland and Nova Scotia in regard to offshore energy.

I want to raise a number of questions about the Bill which I know have been raised in Nova Scotia, and before in the House. For example, it is not clear whether there is enough protection in the legislation for aboriginal land claims in the Province of Nova Scotia. I suggest the committee should closely examine the Bill to make sure that the rights of aboriginal people, our original Canadian citizens, are adequately protected in Bill C-75. I also want to make sure that there are some public rights to inspect development and benefit plans in the Province of Nova Scotia, and that there is adequate access to information and adequate benefits in terms of royalties to the Province of Nova Scotia. We must have enough details and information about how these programs regarding royalties and other benefits will be carried out under this legislation.

My third concern is that, according to my understanding of the legislation and the comments I have heard, there is no provision for an independent environmental impact assessment of what this will mean in the offshore of Nova Scotia. There should be provision for an environmental impact study, because the environment is important not only to today's generation, but to the generations of the future.

My fourth concern is that there is no requirement for a public hearing process on applications. This is another question that should be considered at committee stage.

The fifth and probably most important concern of Nova Scotians about this agreement between their government and the Government of Canada is that there may be inadequate protection for the fishery on Georges Bank in relation to offshore drilling. The Georges Bank is one of the richest fishing banks, not only in this country but in the entire world. There is some concern in the Province of Nova Scotia that the Bill should provide more protection for this extremely wealthy renewable resource from offshore drilling.

For example, I am aware that Texaco is attempting to get permission to drill in the Georges Bank. While oil and gas is important to the future of Nova Scotia and this country we must never forget that the fishery is a much wealthier resource, a renewable resource and one that we must protect with all our ability so that it will continue to produce for many generations to come. I understand there was some protection for the fishery on Georges Bank in the previous accord five years ago. Although it may not have been adequate in 1982, that protection has now been removed.

Finally, I believe the committee should ask some serious questions about the protection of security of supply for the people of Nova Scotia. I am not convinced that anything in this legislation addresses the issue of adequate security of supply.

Let me conclude by making some general observations about this legislation. I have not seen from this Minister of Energy, Mines and Resources (Mr. Masse) or his predecessor, the Minister for International Trade (Miss Carney), any vision or plan for the future of energy policy in this country other than relying on the private sector and primarily the huge American multinational corporations to develop energy for us. I do not see any vision to Canadianize the industry, to control it for Canada, to plan our developments and, in some cases, conserve the gas and oil for future generations.

Rather than a true Canadian plan, I see something that makes me fearful as a Canadian. It is a continental energy policy in the free trade agreement between Canada and the United States that will develop our energy in this country lockstep with the energy needs of the United States of America.

As we debate this legislation before the House today, we must raise questions about the future security of supply for Nova Scotians, Newfoundlanders, Albertans and all Canadians. We must ask how we can use that resource to best develop

our country, create jobs, and provide energy supply at a reasonable price for Canadians.

The most serious aspect of the free trade agreement between Canada and the United States is the complete integration of the North American energy market in Canada and the United States. In fact, President Reagan said that this free trade agreement is the economic constitution of North America.

The Hon. Secretary of State (Mr. Crombie), the former mayor of Toronto, is in the House. I know that as mayor of Toronto he wanted substantial control at City Council in order for the people of Toronto to make decisions that affected their own lives.

I argue that the same thing pertains in this situation. Canadians should have the ultimate say on the price of energy in this country, and the ultimate say over security of supply. According to the free trade agreement, the only option available is to charge the same price to Canadian consumers as we charge to consumers to whom we are exporting in the United States.

I was in the House in the 1970s when there was a tremendous increase in the price of oil. Many people supported a two-price system at that time which kept the price for Canadian farmers in my riding, of whom there are thousands, at a much lower price than they would have had to pay if we were to charge our farmers the world price. People were able to heat their homes for a much lower price because we had a two-price system. People were able to pay a lower price for gasoline because we had a two-price system.

If we adopt this free trade agreement we will not be able to adopt such a system, because we will have to charge the same price for the person in Kamsack, Toronto or Halifax as someone in Los Angeles, Chicago or San Francisco. I believe it is detrimental to the future of Canada to give away our sovereignty.

While current situations may warrant similar prices now, we do not know if that will be the situation in the future. However, there may be a time when the Government and Parliament of Canada will have to introduce an act similar to that in the 1970s when consumers were cushioned from the crisis in the Middle East when oil prices went through the ceiling in a matter of months. It is beyond me how the party of Sir John A. Macdonald and John Diefenbaker can forever give up this sovereignty over the price of energy in Canada.

• (1230)

Mrs. Sparrow: They are not giving away sovereignty.

Mr. Nystrom: The Hon. Member from Calgary says they are not giving away any sovereignty. Just read the free trade agreement. It is a broad agreement to assure the freest possible bilateral trade in energy, including non-discriminatory access for the United States to Canadian energy supplies and secure market access for Canada to energy markets in the United States.

Mrs. Sparrow: The provinces have total control of it.

Mr. Nystrom: The provinces, under this agreement, can no longer charge a different price for consumers in Alberta than what they sell it for in the United States.

Mrs. Sparrow: We don't want that, anyway.

Mr. Nystrom: The Member from Calgary confirms that. She says they do not want it anyway. My argument is that we may want it. In the 1970s we had a Canadian price which was much lower than the price of exports to the United States. I support that kind of policy very strongly and there was massive support for that policy in the Province of Saskatchewan.

I would like to challenge any member of the Conservative Party to come into my riding and put the argument that my farmers do not deserve a lower Canadian price when prices go through the ceiling, as they did in the 1970s. I am really concerned about that. It is a debate that we are going to have. I see the Member from near Toronto, the Government House Leader (Mr. Lewis), smiling.

Mr. Lewis: Simcoe North.

Mr. Nystrom: I remember the anger of the Hon. Member for Simcoe North (Mr. Lewis) a few years ago when certain Albertans came out with a bumper sticker that said, "Let the eastern bastards freeze in the dark". There was a lot of anger in this House. I was angry. As a western Canadian, I thought it was a very unfair comment to make about central Canadians. But it will not be Albertans who will say that in the future. It could be the Americans because they control our energy policy, and I do not agree with that.

We could have long term contracts without giving up our right to set a Canadian price. We could have long term contracts without giving up our right to control supply in a time of crisis. What we are giving away in this particular free trade agreement is the right to security of supply because it says that in the time of crisis the United States must have proportional access to the diminished supply in Canada and we must not discriminate on price. We cannot use energy to develop in a discriminatory fashion the economies in Saskatchewan, Manitoba or Quebec because we must charge the same price in the United States.

I hope that becomes a major issue in the next election campaign. If it is, the Conservative Party will be tossed out on its ear because Canadians want their sovereignty and the right to set their own energy prices and to control their own security of supply. That is exactly what the people of this country want. They were very happy back in the 1970s to have a two-price system. The people in my riding were very happy to have that system and I was very proud to support a two-price system that provided the farmers of Kamsack with a price for their fuel that was much lower than they would have had to pay if the Conservative Party had been in power.

I want to campaign across this country for the right of Canadians to set their own price and to control their own security of supply. I am surprised that this kind of policy would come from the Party which fought so hard against free trade with the United States in 1911. The party of Sir John A. Macdonald and John Diefenbaker had a Canadian vision. Canadians want to control their own sovereignty and they want the power to make those decisions.

I will conclude by saying that this will be a long debate because it concerns the future of Canada. It is very surprising to me that my Conservative friends opposite want to give up the right to set our own price and the right to control our security of supply. That is an incredible thing. I ask my friends opposite if they are Members of Parliament of this country of Canada, or are they really Congressmen from the United States, because they are giving those rights to Washington and not to Canada? Our Party will fight them on that.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

CUSTOMS TARIFF

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of State (Finance)) moved that Bill C-87, an Act respecting the imposition of duties of customs and other charges to give effect to the international convention on the harmonized commodity description and coding system, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters, and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is my pleasure today to introduce Bill C-87 which will replace the existing Customs Tariff and incorporate the provisions of the Duties Relief Act. This is the bulkiest legislative measure ever tabled in the House—three tomes and 1,905 pages.

Mr. Speaker, this Bill reflects the Governmen't pledge to implement the new Customs Tariff by January 1, 1988. Parliament was made aware of the Government's intention through notices of ways and means motions tabled with the Budget documents on February 26, 1986 and February 18, 1987. The Bill will also enable us to enforce the detailed provisions of the notice of ways and means motion tabled in the House on Friday, October 2, 1987.

Since our customs legislation had to be overhauled, the Government is introducing measures designed to replace the entire Customs Tariff. The original approach of the new legislation will make it possible for the Government to set up a tariff structure which, as we near the turn of the century, is more in keeping with a modern, technology-based economy.

The Bill has been drafted to account for the principles underlying the Harmonized Commodity Description and Coding System. This system is the result of an international endeavour aimed at standardizing the tariff classification and the system of statistics pertaining to commercial exchanges among the world's major trading nations.

Under the harmonized system a given good will basically be classified according to its characteristic or nature rather that the use to which it may be put. It will be classified only once to avoid resorting to multiple choices.

The Harmonized System is an entirely new approach to commodity classification. It was developed in consultation with government and private sector experts, in order to allow for present-day technology and the range of products involved in international trade.

Together with its main trading partners, Canada is committed to implementing the new tariff system as of January 1, 1988. The tabling of this Bill in the House was an important step in a lengthy process that started in 1981, when the Canadian Government decided to adopt the Harmonized System.

In 1981, most countries were using a common commodity classification system for customs purposes. The system, developed in Brussels by the Customs Co-operation Council, was the predecessor of the Harmonized System.

Canada and the United States each had a different system for tariff classification. Both countries understood the advantages of using a system they would share with the rest of the world. That is why we participated in the development of the Harmonized System, together with the other members of the Council, including major trading countries such as the members of the Common Market and Japan.

Canada has an important role to play internationally by helping improve the climate of trading relations, and this Bill will help it play that role. The Harmonized System is an important step towards a more rational and more specific world trading system. Adopting this system will benefit our importers and Canadian business people in general.

The new Customs Tariff is set up in a more logical manner, which makes things easier for the importer and for the customs officers who have to classify imported goods and determine the applicable duty. This should simplify import formalities and

reduce the number of appeals from tariff classification decisions.

The Harmonized System also lends itself better to computerized import procedures. Revenue Canada has developed a brand new data processing system that will be introduced at the same time as the Harmonized System. The private sector has also taken steps to adjust its methods for processing imports and exports to the Harmonized System. As of January 1, 1988, importers will face fewer administrative formalities and be able to clear goods through Customs faster then was the case under the old system. The new system will also result in a savings to business and the Government.

As far as international trade negotiations are concerned, by adopting the Harmonized System, countries will be better able to understand their respective tariffs. The outlook for multilateral trade negotiations like the Uruguay Round in which Canada is participating today would be considerably brighter.

The Harmonized System also provides for a statistical coding system integrated in the tariff classification system, which will vastly improve the statistical data on Canada's imports and exports. This process will also make it easier to compare Canada's trading statistics with those of other countries.

The proposed new tariff was adopted only after close public consultation. A working paper highlighting the benefits flowing from the adoption of the new tariff classification system had been released in 1981. In 1984, draft tariff provisions covering all goods included in the current Customs Tariff, converted to the harmonized system, were submitted to the Tariff Board for public consultation. Board officials held public hearings on the Government's proposals and heard evidence from commercial organizations, corporations, consultants and customs brokers. Their testimony and the board's detailed analysis were the basis of recommendations contained in the four reports tabled in the House.

The Bill now before the House features a great many of the Tariff Board's recommendations. It also takes into consideration the results of the international trade negotiations to which Canada was party so that the rights of our trade partners will be respected throughout the conversion process.

Mr. Speaker, I should like to commend the Minister of National Revenue (Mr. MacKay) for his helpful co-operation. He did his utmost to keep importers aware of the Customs Tariff amendments we are proposing.

In 1986, Revenue Canada Customs and Excise officials launched a public information program featuring leaflets, briefings and training seminars. This program has been recently accelerated and expanded. Importers and customs brokers from coast to coast were convened to learn more about the impact of the new tariff on their day-to-day activities. They were also able to become familiar with the improved customs processing system scheduled to be set in motion by Revenue Canada on January 1, 1988.

Once the new system is operational, occasionally goods may be classified under an item not provided in the Customs Tariff. The Government will then use a special procedure to deal with any problems that may arise. To enable the Government to respond quickly and efficiently, the draft Bill included a provision that will authorize the Government to make any necessary changes in the schedules during the 18 months following the Bill's coming in to force.

I may also draw your attention to a provision in the Bill that would extend the prohibition on importing pornographic material or hate literature, as it appears in the present Customs Tariff, beyond the expiry date of December 31, 1987.

• (1240)

Mr. Speaker, as you no doubt recall, this provision, which appears in Schedule C of the present Customs Tariff, was last amended in 1986. The expiry date was to apply to this provision since it was expected that amendments to the provisions in the Criminal Code dealing with pornography would have become effective by that date. Hon. Members are of course aware that the legislation provides a more specific definition of pornography and that these definitions, as soon as they have been approved by Parliament, will be included in the Customs Tariff. Since amendments to the Criminal Code are subject to scrutiny by the House, the Government has preferred to extend the application of this provision for an additional period of six months to ensure effective control of imports of this kind of material.

There is another point I would like to mention. The revised legislation maintains the present tariff treatment for books and other publications. Hon. Members will notice that books and other publications are generally taxed at a rate of 10 per cent. Mr. Speaker, I may explain that despite this statutory rate, books will continue to enter duty free by order of remission. We found it necessary to maintain the 10 per cent duty because of the multilateral trade negotiations now proceeding in Geneva. The Government would consider reducing these tariffs in the course of these negotiations, in exchange for concessions by our trading partners.

The Harmonized System will bring about a fundamental change in the way goods are described for customs purposes. Under the new system, there will inevitably be a number of changes regarding the rate of duty applied to certain goods. However, we have tried to keep the impact on Canadian importers and producers to a minimum. Generally speaking, the conversion will have no impact on revenue.

I should like to deal now with the question of timing. Hon. Members are fully aware that the date set for implementing the harmonized system—January 1, 1988—is getting ever closer. This is why we will have to proceed with dispatch in our consideration of this Bill so that Canada be in a position to honour its commitments to its international partners. Hopefully Hon. Members will give due priority to the study and speedy adoption of this measure.

The Government acted as quickly as possible to be sure it would be able to have the legislation passed before January 1, 1988. Canada's trade sector, particularly importers and exporters, look forward to seeing this legislative measure in the statute books. Similarly our main trade partners who will also be switching to tariff systems based on the harmonized system next January 1 expect Canada to play its role in international development.

In concluding, Mr. Speaker, may I suggest that Bill C-87 is an important initiative on the part of the Government. It has the support of importers and businessmen who made a number of representations to pave the way for implementation on New Year's Day 1988. It deserves the full consideration of Hon. Members. After examination I am sure they will agree that this Bill will bring significant improvement to Canada's tariff statutes. Given the benefits which businessmen and Canadian industries stand to gain under the new system, I hope all Hon. Members will readily support the Bill.

[*English*]

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Ways and Means motion in this particular case looks remarkably intimidating and runs to two big volumes. However, the principle of this Bill is quite simple. It is one of harmonizing the descriptions of commodities and the coding system that are now used for tariffs. This is the first fundamental revision since Confederation.

Our present system is quite complex because goods are slotted into one of 12 groups according to end use. Therefore goods will often fall into more than one category which can cause confusion.

The decision to harmonize and to standardize so that the major industrial countries would be using approximately the same system was undertaken on a multilateral basis with the European Economic Community, the United States and Japan. In Canada work on this has been going on since 1981, although the international negotiations only began in October, 1986.

• (1250)

The Bill before us will increase the number of tariff items from 3,500 to 8,000, and that is simply the subdivision of items. Naturally, we all know that as a result of Canada's negotiations through the years with GATT more and more of our trade is free of tariff.

Also as a result of increasing the number of categories, this Bill will increase the accuracy of trade data. It should be easier for both importers and exporters to classify their goods, therefore, business should be free of the need to have classification appeals which are time consuming and expensive for industry, and also for government, because they eat up a lot of taxpayers' dollars.

The detailed categories should be easier to use. Also, there should be advantages, from the point of trading, because our major trading partners will be using the same classification system for tariffs. This does not necessarily mean that in each case the tariffs will be the same. In theory, this Bill before us is revenue neutral. That is one of the things that remains to be seen.

We are usually told when this type of Bill appears in the House that it is simple, it is technical, and no one disagrees on the principle and, therefore, we should be able to pass it quickly. We have all found through experience that a Bill which appears simple to officials and bureaucrats often has hidden costs and complexities; hidden that is from bureaucrats but very obvious to the business people using the Bill.

Although I do not feel that we need an extensive debate at second reading on this Bill, I would certainly suggest that it go to a legislative committee which would call witnesses. The witnesses who should be heard from would include the Canadian Chamber of Commerce, representatives of importers and exporters, and representatives of small business. Before we put this Bill in place we should know exactly what is involved in terms of costs and convenience for the users of this new system. We should be assured that they are satisfied that the advantages outweigh the disadvantages.

While the Minister has stated that the new legislation will be of significant benefit to Canadian importers, manufacturers, and producers, and that it will result in a more transparent "user friendly" tariff system, we should also know of any possible complications on the other side.

One fairly clear advantage of this new system, and of having it co-ordinated with systems of our major trading partners, is that for the first time statistical trade data will be compatible with the tariff. That should both improve Canada's trade statistics or the quality of reporting, and it should also make it easier to reconcile and compare trade statistics as between Canada and other countries.

Of course, having more accurate import and export data is an advantage in international trade negotiations such as the Uruguay Round of multilateral trade negotiations in which Canada is a participant. It has also been said that the new system is more compatible with modern automated customs processing procedures, and that it will form a fundamental part of National Revenue's new customs commercial system to be implemented on January 1, 1988.

Members in the House regularly receive complaints from importers about delays in getting their goods through customs. If this particular reform is part of anything that assists and speeds up that process, it would be a distinct advantage.

I stated at the outset that this is the first fundamental revision of our commodity description system since Confederation. As the Government is modernizing that system, it has also taken the opportunity to include in this Bill some updating of the legislative provisions to the customs tariff, some of which contain wording from the last century.

Another change in the Bill is the incorporation of the Duties Relief Act into the customs tariff, so that we now have brought together in one statute all the legislative provisions relating to the conditions under which customs duties on imported goods are either imposed or relieved.

We have been told that officials have consulted extensively on this Bill with trade associations, customs brokers, and interested parties. But I would repeat, no matter how extensive those consultations have been, they are no substitute for a committee of the House receiving witnesses, holding public hearings, and being quite sure that all the implications have been fully taken into consideration.

The Minister has stated that this was designed to be revenue neutral over-all, but within that some individual rates of duty will be increased or decreased. Before giving this Bill third and final reading, Members of Parliament should be very clear about the exact financial implications, and which sectors will be impacted by these increases and decreases.

This Bill does retain special preferences for the Commonwealth Caribbean countries. It should also be carefully reviewed in committee to ensure that the provisions for developing countries match those in the general preferential tariff.

There is another exception in that the Government has retained the current 10 per cent statutory rate of duty on books and related publications. This is an item on which many of us in the House disagree. But by virtue of a remission order, in fact the goods are entering Canada on a duty-free basis. We may wish to consider whether it is satisfactory having one thing in the statute, and a remission order to negative it, and whether it is not time to change the statute.

In his press release the Minister stated, that,—"given the magnitude of the tariff conversion that has taken place, some 'fine-tuning' may be required for a limited period following implementation on January 1, 1988". I would suggest that if we have good enough committee hearings, perhaps some of the necessary changes could be made now before the Bill comes into effect.

Mr. Deputy Speaker: It being one o'clock, I do not leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

THE CONSTITUTION

MEECH LAKE ACCORD—REQUEST FOR REFERRAL TO SUPREME COURT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on Monday, October 26, the Government defeated every opposition amendment which attempted to correct ambiguities and gaps in the Meech Lake Accord.

In particular, the Government refused amendments which would have protected the Charter of Rights from any possible impact by the Accord. I personally do not believe that the Meech Lake Accord impacts adversely on the Charter, but others do, and there is legal uncertainty as a result.

In the circumstances, in order to clarify these matters, and to prevent time-consuming and costly litigation, I ask the Government to make a reference now to the Supreme Court of Canada to get an interpretation ruling on these important questions.

This was done with the constitutional process in 1981 and should be done again. If the court rules that there is a serious derogation from the Charter, then that can be corrected at the next constitutional conference.

* * *

SMALL BUSINESS WEEK

TRIBUTE TO HARD WORK OF ENTREPRENEURS

Mrs. Mary Collins (Capilano): Mr. Speaker, I should like to draw to the attention of the House that we are presently in the middle of Small Business Week. Small Business Week is an excellent way to inform and promote one of our most valuable assets—our entrepreneurs. Some Hon. Members might be surprised to know that there are over three-quarters of a million small businesses in our country, employing 40 per cent of our labour force and providing 26 per cent of the total wages paid.

In my home Province of British Columbia small business is even more important. There are relatively few corporate headquarters or large manufacturing operations, so we rely on the 128,000 small and medium-sized enterprises for employment and economic growth.

Small Business Week provides a forum in which to establish and reinforce the environment where we can all appreciate the qualities of the small business owner. In today's world, qualities such as creativity, hard work, and the desire to succeed should be actively encouraged. In light of the free trade agreement with the United States these values take on increased importance.

Our Government is committed to promoting these values and maintaining a positive economic environment. Lower interest rates, a fairer tax system, and increased investment opportunities ensure that Canadian small businesses will have the opportunity to meet the challenges ahead.

* * *

TRADE

SOFTWOOD LUMBER EXPORT TAX

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the continuing willingness of the Canadian Government to let the United States of America control our trade agenda appals me. This past Tuesday the Minister of State for Forestry and Mines (Mr. Merrithew), in a speech to the Canadian Wood Council, said that Canadians are not speaking from a position of strength in discussions with the United States pertaining to the export of Canadian softwood lumber.

The Minister suggested that the U.S. lumber sector is likely to reject the formula worked out between the federal and provincial Governments to replace the 15 per cent softwood export tax with a system of provincial levies. This formula, I might add, has not yet been presented to the U.S. negotiators.

The Minister admitted that the free trade agreement will not assure our current share of the U.S. softwood market. The Government's supine approach to the softwood lumber issue astounds me. When will it wake up and emulate the actions of the U.S. Government and industry by vigorously negotiating our side of the issue?

* * *

AUDITOR GENERAL'S REPORT

GRANT TO EDMONTON AMUSEMENT PARK PROJECT—OPPOSITION MEMBERS' QUESTIONS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I am perplexed by the insinuations and aspersions which have been cast upon the Deputy Prime Minister (Mr. Mazankowski) during recent Question Periods. I am disappointed that supposedly experienced Members of the House have stooped so low as to impugn the integrity of someone who has served Canada so well and for so long.

The owners of the West Edmonton Mall and Canada Fantasyland complex in Edmonton have also been on the receiving end of the Opposition's ill-informed barbs. I want all Members to know that I resent any slurs which may indicate that these people are anything but tremendous assets to our community. This incredible facility has brought over 9 million visitors to Edmonton in the last year alone, resulting in untold millions of dollars being pumped into an economy which sorely needed it.

It is significant to note that out of a 1.25-inch thick Auditor General's report, all the Opposition can criticize is a grant to a corporation which has created 15,000 new jobs, injected over $200 million back into a stagnant economy, reduced the provincial tourism debt by 50 per cent, and given Canada an attraction that can only be described as the eighth wonder of the world.

* * *

• (1405)

AUDITOR GENERAL'S REPORT

FAVOURABLE AUDIT OF CANADIAN BROADCASTING CORPORATION'S FINANCIAL STATEMENTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I would like to congratulate the CBC on the very successful handling of the Corporation's financial affairs during the last fiscal year. As you know, last year the CBC experienced tremendous difficulties in implementing a very complex new financial information system which prevented it from receiving a complete audit from the Auditor General.

The board and staff have worked hard and well since then to sort out and perfect the new system and this year have earned the complete approval of the Auditor General who remarks in his report released this week that the CBC:

> —has provided to the Government and, ultimately to Parliament, a reliable account of its stewardship of public moneys for the fiscal year ended March 31, 1987.

The report also states that the CBC has been rendered:

> —an unqualified audit opinion on the 1987 financial statements.

The CBC was severely criticized last fiscal year for its audit problems, and I think we should be just as ready now to congratulate the chairman of the board, the president, and the staff for their work over the past year and to assure them that they have more than lived up to the confidence placed in them by Parliament and Canadians. Our public broadcast TV and radio networks are the lynchpin of Canada's culture and identity. They are a source of top quality news, drama and music, and all Canadians are very proud of the CBC.

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PENITENTIARIES

FERNDALE INSTITUTION—INMATES' ASSISTANCE IN FIGHTING FOREST FIRES

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, the men and women serving sentences in our correctional institutions tend to be forgotten by the person on the street unless their presence is highlighted by a sensational incident. However, some, even from within the constraints of such an environment, manage to provide society with a helpful

hand at critical times. I would like to acknowledge some of them today.

Over the last few weeks about 40 federal inmates from the Ferndale Institution in Mission, British Columbia, have been putting in 12-hour days assisting the B.C. Forest Service in fighting fires in the Norrish Creek area. These inmates were trained by the B.C. Forest Service in firefighting techniques. This training program has not only provided a worth-while opportunity for inmates to acquire some new skills and use their time productively while incarcerated, but it has also demonstrated that they can continue to make a valuable contribution to the community while serving their sentences.

Such demonstrated personal commitment and community awareness on the part of staff of the Correctional Service of Canada and the inmates participating should be praised. They are setting a unique example for other institutions as well as for the general public.

Let us thank them and tell them to keep up the good work.

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AUDITOR GENERAL'S REPORT

GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, yesterday the Minister of Regional Industrial Expansion and Minister of State for Science and Technology (Mr. de Cotret) told the House that his $5 million grant to Fantasyland created 15,000 jobs. Curious about this 15,000 jobs I called the personnel office at Fantasyland to inquire about the number of people employed by the Ghermezians. My request for information was flatly denied.

I am concerned about a Government that violates its own grant eligibility guidelines to open the public purse to friendly developers. I am concerned about a Minister who boldly asserts that 15,000 jobs were created by the application of this grant but shies away from the particulars. I am concerned about an employer who has clearly instructed his staff not to release employment figures. Surly if the Ghermezians did create 15,000 jobs, they would be proud to affirm this fact to the public. Perhaps their reluctance to reveal the size of their labour force is prompted by the knowledge that the 15,000 figure does not hold water unless, of course, the dolphins are on the payroll.

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HISTORIC EVENTS

COMMEMORATION OF SLOVENE INDEPENDENCE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on Thursday, October 29, Canadians of Slovenian heritage celebrate their Independence Day. In 1918, under the leadership of Dr. Anton Korosec, the Slovenes withdrew from the Austro-Hungarian empire and proclaimed their independence. Later in that same year they joined as equal partners with Serbs and Croats to form the Kingdom of Yugoslavia.

Over the years, Slovenian immigrants to Canada have contributed greatly to the growth and development of this nation, one example being Reverend Frederick Baraga, a Slovenian missionary who, in 1830, came to Canada to work among the Indians and later became the first Bishop of Sault Ste. Marie and Marquette. Today, the Slovenian community is a vital and thriving community within the Canadian mosaic.

Canadians of Slovenian heritage invite all Canadians to join with them in commemorating Slovene independence and its underlying reminder of the continuing struggle to establish freedom and justice for people of all nations.

* * *

• (1410)

AUDITOR GENERAL'S REPORT

RELEASE OF EMERGENCY DRUGS ON TO MARKET

Ms. Sheila Copps (Hamilton East): Mr. Speaker, Canadian consumers may not know that last year almost 10,000 drugs which were not properly tested by Government authorities were sold to the public.

[*Translation*]

This point has been raised by the Auditor General who said that close to 10,000 drugs sold in Canada this year have not been properly tested, which is another way of saying that the Government is playing Russian roulette with the health of Canadians because it has made cutbacks in health promotion.

[*English*]

The Auditor General pointed out that these 10,000 emergency drugs which were released on to the market actually created a potential risk for people. This shows that the Government is prepared to play Russian roulette with the health of Canadians by putting drugs on the market-place that are not properly tested because of cut-backs in health protection and promotion.

The health of Canadians is too sacred to be put at risk. We urge the Government to reinstate the full budget for the Health Protection Branch to ensure that drugs put on the market are properly tested. We do not want to have another thalidomide situation, and that could be the result of this very disastrous government cut-back.

SMALL BUSINESS WEEK

ALBERTA—INCREASE IN NUMBER OF SMALL BUSINESSES

Mr. Walter Van De Walle (Pembina): Mr. Speaker, October 25 to 31 is Small Business Week in Canada. I would like to take this opportunity to recognize the nation's entrepreneurs.

We are all well aware that small businesses are the core of Canada's economy. They are the source of new ideas, the cradle of innovation. In addition, small businesses provide the greater portion of jobs and opportunities for the people of this country.

In my home province, the Province of Alberta, there are approximately 120,000 small businesses of which 97 per cent employ less than 100 people. I was pleased to find that in the first part of this year Alberta saw an increase of 10,169 small businesses. This is indeed good news.

Small Business Week is a time to look at the accomplishments of the people who own and operate the nation's small businesses. Not only did they provide 70 per cent of the new jobs in the last two years, but they have also shown that individual determination and hard work can have a significant impact on the outlook of the entire nation.

The Canada-U.S. trade agreement will present new opportunities. Canadians as free enterprisers can look forward to a bright future of increased employment and productivity. Small business is big business in Canada.

* * *

REVENUE CANADA

AUDIT OF FARMERS' INCOMES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Minister of National Revenue (Mr. MacKay) is again harassing some 700 farmers who used the investment tax credit when they traded in old machines for new ones. The point at issue is whether or not the machinery dealers were offering too much for used machines. Revenue Canada thinks it knows this market better than the dealers. In the final analysis, it is the farmers who pay the taxes levied.

Since 1986, several Ministers have personally assured farmers that the audits begun in late 1985 would stop. They did for a time, but since then they have been on again and off again several times. Audits last stopped last spring but now they are on again.

The investment tax credit program helps in many deals. Unfortunately, Revenue Canada has never made it clear how it wants things handled. Its interpretations are retroactive and changeable, its actions are of questionable legality. What law permits it to rewrite legal contracts years after the fact?

S. O. 21

POLITICAL PARTIES

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF LIBERAL AND NEW DEMOCRATIC PARTIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, the NDP and the Liberals are trying to fool the people by saying over and over again that free trade will mean the loss of sovereignty, that we will lose our social programs and that the Americans will take our jobs. What nonsense!

Canada has had virtually free trade for a number of years in some red meats. We have not lost our sovereignty, none of our social programs have disappeared and no Americans have taken our jobs. On the contrary, this free trade with the United States has brought benefits in the way of more prosperous times for the ranchers, more jobs for the people and increased prosperity for the areas involved in both countries.

The NDP and the Liberals seem to think that if they tell a non-truth often enough, the people will believe it. Canadians are not naive. What free trade has done for the red meats can be repeated over and over again, bringing buoyancy to our economy, and prosperity and jobs to our people.

• (1415)

So keep right on, Mr. Prime Minister (Mr. Mulroney) and Progressive Conservatives. There is victory at the end of the road for free trade and a greater united Canada.

* * *

INDIAN AFFAIRS

FEDERAL-MANITOBA CHILD WELFARE ACCORD—REQUEST FOR GOVERNMENT ACTION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, this is to advise the House that in November, 1985, the previous Minister of Indian Affairs and Northern Development, the Hon. Member for Rosedale (Mr. Crombie), signed a political Accord on Manitoba Indian child welfare. The Accord was signed with Indian representatives and the provincial Minister of Community Services. It outlined a negotiation process for a new child welfare arrangement in Manitoba to replace the existing tripartite agreement which was about to expire.

Although that Accord was signed two years ago, there has been no progress towards the new arrangement which it provided for. The political-ministerial negotiations stipulated in the Accord have not taken place.

The Manitoba Indian child welfare agencies are currently operating with funding levels below those of their provincial counterparts. They are, however, expected to provide services according to provincial standards. Yet they do not have the resources that will allow them to carry out those responsibilities.

Therefore, Sir, I ask the Minister to fulfil his obligations under the Accord. Child welfare is a priority for Manitoba Indian people. Surely it ought to be a priority for the Minister and his Government as well.

* * *

[*Translation*]

FREE TRADE

ALLEGED INTERFERENCE BY SOCIALIST LEADER IN QUEBEC'S AFFAIRS

Mr. Gabriel Fontaine (Lévis): Last weekend, Mr. Speaker, the socialist leader—spending the money he gets from the auto workers who have been enjoying free trade since 1965—came to tell Quebecers and Premier Robert Bourassa that free trade will do no good to the hydro power sector.

Contrary to the statement made by the socialist leader, the free trade agreement does not force Quebec to export its energy in times of shortages. Contrary to what he has been saying, Quebec Hydro and the Government of Quebec retain full control over their resources. Contrary to what he has been saying, hydro rates will be set by the law of supply and demand.

The socialist leader did not read the free trade agreement, he cannot see the difference between renewable and non-renewable energy, and he could not care less about the management skills of Quebec Hydro and Premier Bourassa.

Mr. Speaker, should you care to seek further information about this interference of the socialist leader in the affairs of Quebec, I would refer you to Alain Dubuc's article published in *La Presse* of Wednesday, October 28, 1987.

* * *

[*English*]

FISHERIES

USE OF DRIFT-NETS ON PACIFIC COAST OPPOSED

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, for years fishing groups, both sport and commercial, have joined with environmental groups, notably Greenpeace, demanding that the Canadian Government negotiate an end to the use of drift-nets in the international fishery. Canadian representatives have, in recent years, discussed this issue with their American and Japanese counterparts in the International North Pacific Fisheries Commission. Due to Canadian efforts the agenda at next month's meeting will include the topic of marine debris and the issue of drift-nets.

However, the Canadian Government has also sanctioned an experimental drift-net fishery which, in 1986, claimed 49 marine mammals, including two killer whales and five pilot whales. Even after this destruction the Minister of Fisheries and Oceans (Mr. Siddon) approved another drift-net experiment in 1987. The death count this year is 90 marine mammals and 512 sea-birds.

How can the Minister be taken seriously when he is pressuring the international community to end this drift-net fishery and at the same time attempting to introduce the use of drift-nets on the Pacific coast? This hypocrisy and the use of drift-nets have to stop.

• (1420)

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—FRENCH PRIME MINISTER'S ANNOUNCEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. Last spring we repeatedly warned the Prime Minister of Canada not to negotiate with France about the sovereign rights of Atlantic fishermen. We warned him that any negotiations on this issue by Canada would be seen by France as an act of weakness, and that is exactly what has happened.

French Prime Minister Jacques Chirac has announced that French fishermen will now illegally take at least 36,000 tonnes of fish in our waters next year and that French fishermen will operate, to use his words: "under the best possible security conditions".

Mr. Turner (Vancouver Quadra): Will the Deputy Prime Minister admit that the weakness of the Prime Minister this spring led to this disgraceful situation? Will he tell us whether our Prime Minister has found out from Prime Minister Chirac of France just what the French Prime Minister meant when he said he would guarantee the security of the French fishing fleet in our waters?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, first, in connection with the hon. gentleman's question, Mr. Chirac said nothing about fishing in our waters, nor did his Minister of Fisheries. His statement was that they would fish for 36,000 tonnes of fish in the disputed zone of 3PS. The difficulty is that no one knows whose waters those disputed waters are, whether they are France's or Canada's.

Some Hon. Members: Oh, oh!

Mr. Tobin: What a sell-out!

Mr. Crosbie: That question will only be known when an international tribunal adjudicates it.

The Hon. Leader of the Opposition was in the Government in 1972 when the infamous treaty of 1972 was entered into,

which gave the French the right to take thousands of tonnes of fish in Canadian waters. He now has the audacity to get up and question our firmness, when we have closed Canadian ports to French fishing vessels, we have closed the Burgeo Bank to French fishing vessels, and we have closed all areas of 3PS outside the disputed zone to French fishing vessels.

On October 9 we told the French there would be no quotas in Canadian waters under the 1972 treaty, given to France by the Leader of the Opposition and his Government in 1972. There will be no quotas next year unless they show that they are reasonable and reach an agreement with us.

Mr. Turner (Vancouver Quadra): The Minister responsible for Newfoundland has just inaccurately rewritten history. In his statement he just conceded to France Canadian sovereignty over the Gulf of St. Lawrence.

INQUIRY WHETHER PRIME MINISTER CONTACTED FRENCH PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister promised to solve this problem with President Mitterand of France. He did not. The Prime Minister promised to solve the problem with Prime Minister Chirac of France. He did not. The Prime Minister of Canada promised to solve the problem at the Economic Summit, and then at the Francophone Summit. He did not.

My supplementary question is directed to the Deputy Prime Minister. Has the Prime Minister of Canada called Prime Minister Chirac within the last 24 hours to ask him exactly what he meant about this thinly veiled threat to Canada and what he means in refusing to stop the illegal French fishing, now to the limit of 36,000 tonnes, in our waters? Has our Prime Minister been in touch with the Prime Minister of France?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I think we might ask the Leader of the Opposition if he has been in touch with the Leader of the Liberal Party in Newfoundland who said that Canada is offering unreasonably small amounts of codfish to the French in 2J3KL. Has he been in contact with Mr. Wells on that question? I do not think he has.

With respect to the question of France, we are negotiating with France because we want to settle the question of how much fish is to be caught in the disputed area of 3PS. In that negotiation we have had no help from the Hon. Members opposite who have continued their contrived hysteria.

The Leader of the Opposition wants to tear up the free trade agreement with the United States before it is written. Why does he not want to tear up the agreement he entered into with France in 1972? Is that his next tear-up? What does he suggest to settle this matter?

Mr. Turner (Vancouver Quadra): I think the people of Newfoundland will find the Minister's answers totally unacceptable this afternoon. We have been in touch with Clyde Wells, and he wonders why the Minister does not get off his butt and protect the fishermen in Newfoundland.

Some Hon. Members: Hear, hear!

• (1425)

UNACCEPTABLE THREAT AGAINST CANADA

Right Hon. John N. Turner (Leader of the Opposition): Because I might, in the current circumstances, get a sensible answer, I want to return to the Deputy Prime Minister. The answers so far are simply not good enough. Cut it anyway you want, the Prime Minister of France has made an unacceptable threat against Canada. Our Prime Minister has not responded appropriately in the circumstances.

I ask the Deputy Prime Minister will the Prime Minister tell Prime Minister Chirac that if he thinks or even dreams of carrying through his thinly veiled threat that the consequences, in diplomatic terms, will be unacceptable to him?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Leader of the Opposition knows all about butts. He has had his hands on more butts than there are Members in this House.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With reference to the Leader of the Liberal Party in Newfoundland, I will quote what he said on the CBC last night:

> The EEC is giving up their share, some 9,500 tonnes,—

Which the Liberals gave the EEC in 1980.

> —that quantity can be used to bargain reasonably with France and give France a significant portion of that 9,500 tonnes and try and bargain reasonably without in any way impacting on the inshore fisheries or the Canadian fisheries in the area.

That is what the Leader of the Liberal Party in Newfoundland said.

With respect to Prime Minister Chirac, there has been no threat from the Prime Minister of France. I will tell you what the Prime Minister said—and I know him personally—

Some Hon. Members: Oh, oh!

Mr. Crosbie: He expressed his disappointment at the attitude of the Canadian authorities—we are too tough for them—which was delaying progress, he said, in the negotiations. He pledged that French boats would be able to carry on fishing in waters within French sovereignty "under the best possible security conditions".

It was the hon. gentleman's Government in June of 1984 which entered into an arrangement with France so that we would not interfere with its navy vessels when they went into disputed waters, the 3PS. Has he forgotten that now? He was in office for such a short period, I suppose he cannot remember these little incidentals.

REQUEST THAT CANADA ARREST FRENCH VESSELS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the record of this Government in dealing with the French over Canadian fish has been nothing short of humiliating. Mr. Chirac insulted Newfoundland's Lieutenant Governor, tricked this Government into supporting their nominee to the World Court; the chief French negotiator ordered the French negotiators to leave the table. Now he announces a new big French quota in Canadian waters and says he is going to protect it with the navy.

Canadian fishermen want to know when the Government is going to stand up to the French and arrest them if they violate their quotas, like we do everyone else. We are fed up with these Chirac attacks.

Hon. John C. Crosbie (Minister of Transport): Well, Mr. Speaker, we have been wondering since the middle of August where the Hon. Member was. It is like the return of Boris Karloff.

Some Hon. Members: Oh, oh!

Mr. Crosbie: We are going to follow the same practice as the Liberal Government that operated from 1974, when the hon. gentleman was elected, until it was removed in 1984, except for that brief terrific period of eight months when we were in power under my late, under my former Leader here.

Some Hon. Members: oh, oh!

Mr. Foster: And Joe isn't dead yet.

Mr. Crosbie: When the French leave the disputed zone, if they go fishing one iota, one jot, one tittle outside the disputed zone, we will arrest their vessels just as we arrest the vessels of other countries. We block them from the western gullies and we block them from the Burgeo Bank, and if they come outside to fish, we will arrest their vessels. If they stay in the disputed zone we will observe the Liberal agreement of June, 1984. We will not interfere with their vessels as long as they do not interfere with ours. That is the Liberal agreement we are carrying on, because we think it is sensible between two friendly countries that we do that. Never mind the bellicose hysteria, the hyped-up hyperbole of the Opposition.

• (1430)

CANADIAN POSITION

Mr. Baker (Gander—Twillingate): Mr. Speaker, the only contribution that I can think of that this Minister of Transport could make to discourage the French from Canadian waters would be to put him on the deck of one of our fisheries patrol vessels, give him a loudspeaker and ask him to speak in French. Or maybe we could convince them to use him as ballast—that might sink the entire French fleet.

Some Hon. Members: Hear, hear!

Mr. Baker: Mr. Speaker, I ask the Minister this. Is the Government of Canada going to arrest the French fleet if they do what Mr. Chirac said they were going to do, which was to catch 80 per cent of the entire total allowable catch out to 200 miles—six times their quota? Or are we just going to faint at the sight of the French flag?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): I think it was a French woman, Mr. Speaker, Marie Antoinette who said: "Let them eat cake". That is the closest the hon. gentleman has ever gotten to the French. She was the one French woman who liked bakers.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, it was George Bernard Shaw who said this: "No man fully capable in his own language ever masters another". Never was that more true.

Some Hon. Members: Hear, hear!

Mr. Crosbie: With respect to the French vessels, just to put this in the correct perspective, the French have threatened that they will set—something which they have been doing—their own quota in the disputed zone. We do not agree with it. We are going to protest it. We have barred their vessels from Canadian ports. They are suffering because of that. The mayor of St. Pierre and Miquelon is at odds with the French Government, putting the pressure on them to be reasonable.

Our course of action has been most appropriate. As long as the French do not come into our waters and attempt to fish, we are not going to arrest their vessels, as long as they stay in the disputed zone. What other steps we will take we will have to decide, if this happens, because 1988 has not yet arrived, although most Members opposite do not know that.

REQUEST THAT GOVERNMENT APPLY ECONOMIC PRESSURE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is also for the Minister of Transport. For Newfoundlanders and for Newfoundland fishermen in particular this is not a laughing matter.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: The Minister of Transport has said that the action of France in terms of announcing that they will drastically increase their overfishing in the waters off St. Pierre and Miquelon, in the disputed waters, is both irresponsible and provocative. In light of the fact that the Minister has already outlined certain measures which he intends to take, or which he has announced, we have on this side of the House no argument with that. We think they are correct.

I want to say this to the Minister now. Since it seems that the Government has decided that a major economic investment will be made in submarines, will it give some consideration, in light of its own thinking on this matter, to seeing what

economic pressures can be brought to bear on the French to get them back to the table so that we can get on with settling this contentious issue?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am glad to have a question from the hon. lugubrious Member. It is a serious question. It is a serious issue.

With respect to the situation, it is a disputed zone. That is why we are negotiating. That is the pressure on us. We are responsible. We are going to observe proper conservation measures. The Minister of Fisheries will have to set the Canadian TAC for that zone in December, when he sets it for all the other zones that are in Canadian waters. We will observe the Canadian TAC.

The French who, in the past, took 15.6 per cent of the catch in the disputed zone historically, now claim that they can take 60 per cent. We cannot stop them because it is a disputed zone under international waters. But we are going to protest.

With respect to French nuclear submarines, there has been no decision to buy them. The Ministry of National Defence is looking at the French version and the English version to see which best suits Canada. If it concludes the French model best suits Canada, then we can make a decision, if we are still in dispute with France over the offshore area, the fishing area, whether or not to go ahead with such a purchase. But it works two ways.

We are trying to sell things to France. We are trying to sell France water-bombers. If the water-bombers were built in the Hon. Member's district, he would not be so bellicose about cutting off sales of x to France, if water-bombers from his district were going to be cut off by France which would refuse to buy them from Canada. These things work two ways.

GOVERNMENT POLICY

Mr. John R. Rodriguez (Nickel Belt): My supplementary question is to the same Minister, Mr. Speaker. Yes, if my district or my area were involved, I would be up shouting and screaming for some action to be taken, just as fishermen in Newfoundland are standing up and asking for some specific action to be taken by the Government.

In light of the fact that there is a trade surplus in favour of Canada I want to ask the Government, again through the Minister, is the Government contemplating some economic measures which can be taken to force France back to the bargaining table? Or is he prepared to stand up and personalize his attacks on the Opposition and allow the fishermen of Newfoundland to lose their fishing, to lose their stocks?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman has a very remote knowledge of fishermen in Newfoundland. There is actually a Member in the House from the NDP from Newfoundland. This Hon. Member is from Sudbury.

Mr. Broadbent: Come on!

Mr. Rodriguez: Personalize it.

Mr. Crosbie: Is he not from Sudbury? He is from Sudbury, Mr. Speaker. Let me get to my answer.

Mr. Rodriguez: Regional racism again.

Mr. Crosbie: The fishermen of Newfoundland are closely associated with these negotiations. Their representatives have been at the negotiations. They were there on October 9. They have supported the position we took. They are supporting our negotiator, Mr. Fortier. They agree with us that there should be no quotas to go to France for next year because of its present attitude. They agree that the 1972 treaty is unworkable, the treaty that the Liberal Government entered into, because of the attitudes of the French. They agree with us that the French must reduce their catch in 3PS.

We have exerted tremendous pressure on the French by cutting off French fishing vessels from our ports so that trawlers in St. Pierre and Miquelon cannot get repaired in Marystown.

So the thing now is for Canada—

Some Hon. Members: Order!

Mr. Crosbie: —to wait, to see whether this pressure works or not, not a lot of vaporous hot air from the Opposition in the House of Commons.

Some Hon. Members: Hear, hear!

* * *

ENERGY

COME-BY-CHANCE OIL REFINERY—MARKETING OF PRODUCTS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I am from Newfoundland. Let me say at the outset that Newfoundlanders appreciate any Member from any part of Canada from any political Party who helps bring relief from this terrible, insensitive Government.

Some Hon. Members: Hear, hear!

Mr. Tobin: We do not believe in the creed, Mr. Speaker, of dividing region from region.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Tobin: My question is directed to the Deputy Prime Minister. It concerns—

Mr. Clark (Yellowhead): You cannot even unite your Party!

Mr. Tobin: —the manipulative actions of the Minister of Energy and how those actions have directly resulted in the loss of 300 jobs at the Come-by-Chance oil refinery.

I have today received a copy of a secret contract entered into between Newfoundland Energy, the operators of the Come-by-Chance oil refinery, and Petro-Canada. This contract contains restrictive provisions which prevent Come-by-Chance from marketing its product anywhere in Canada outside the Province of Newfoundland.

I want to ask the Deputy Prime Minister this. Why did the Government arrange a contract as part of establishing the Come-by-Chance oil refinery that makes that refinery located in Newfoundland, Canada's poorest province, the only refinery in Canada that is not able to market its products in the domestic Canadian market? How can we have free trade in energy with the United States when within Canada this refinery has been blackballed?

• (1440)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, in the absence of the Minister of Energy, I am acting on his behalf today.

The Hon. Member's facts are completely wrong. Some months ago, the Petro-Canada Crown corporation turned over lock, stock and barrel to the Newfoundland Government, to pass on to Newfoundland Energy Ltd., the Come-by-Chance oil refinery, and all the assets, for $1. Petro-Canada had invested more than $30 million in preserving that asset.

The new owners say that they plan to sell their product in the United States. There is a surplus of refining capacity in eastern Canada now. Three or four refineries had to close in Montreal.

As some condition of protection for the investment that it had in that plant, Petro-Canada made it a condition that, if the refinery wished to sell in mainland Canada outside the Province of Newfoundland and Labrador, it would enter into an arrangement where it would have the right of first refusal to any products sold on the mainland at a special price. Newfoundland Energy can sell on the mainland, but first it must offer to Petro-Canada—which gave them $30 million worth of assets for nothing.

That is a simple, reasonable, commercial condition that was accepted by the Province of Newfoundland, that was accepted by Newfoundland Energy, and it ill behooves them now to come complaining and giving little documents to the Hon. Member, the gentleman opposite, who does not know what to do with them.

PURCHASE OF JET FUEL BY AIR CANADA

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Newfoundlanders can only come to the conclusion that this Member is looking for a sinecure in the Senate, because he obviously does not intend and does not have the face to go back—

Mr. Speaker: The Hon. Member will put his question.

Mr. Tobin: Air Canada has reported to the National Energy Board that this year it has already imported 1 million barrels of jet fuel worth $200 million from outside this country because the jet fuel is not available within the existing refining capacity in Canada. Air Canada has attempted to buy jet fuel which is available at Come-by-Chance, but has been rebuffed because of the terms and conditions contained within this agreement.

Air Canada, which reports to the Minister of Transport, is spending $200 million outside the country because the Minister of Transport and the Minister of Energy will not allow Come-by-Chance to supply that fuel, even although the fuel is not available elsewhere in Canada.

What type of arrangement is that for the province with the highest unemployment in Canada, when the ability to market in Canada would mean 300 more jobs, $9 million more additional payroll, and a boost to an economy that is sick and tired of the wimpish attitude of this failed Newfoundland representative in the federal Cabinet?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a continuing rising tide of hysteria among the opposition Members.

The Come-by-Chance oil refinery is in my district. I asked Petro-Canada to turn the refinery over to the people who now have it, who wish the refinery to produce gasoline products and other products for them to sell in their Cumberland Stores down in the United States. That is why it was established there. If there is a sale, or if Air Canada needs to purchase jet fuel and they buy it on the mainland of Canada—

Mr. Tobin: Outside of Canada.

Mr. Crosbie: They can purchase the jet fuel from whom they like outside Canada. There is no impediment. Petro-Canada has not interfered with them buying jet fuel. Let me say that this is a concoction. There is no impediment. If they wish to sell in the mainland of Canada, they do it through Petro-Canada, which should have some chance to get some return on the $30 million that this Crown corporation, created by the Hon. Members opposite, put into that operation, which went for nothing to the people who now operate it, and who should stick to their agreement, be man enough to stick to it, and stop whining about it.

AUDITOR GENERAL'S REPORT

GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Minister of Industry, Science and Technology I have a question for the Deputy Prime Minister.

Two days ago the Auditor General produced a report in which he documented a very serious contention or judgment. He stated that the $5 million grant that had been made to Fantasyland in Edmonton was not justified in terms of the criteria established in general by the Department relevant for this grant. Second, and in particular, he stated that the project would have proceeded without the money.

Yesterday in the House the Minister of Industry, Science and Technology called those contentions into doubt. He stated that it was eligible, and that the project would not have proceeded had the money not been made available.

A few hours ago I spoke to the Auditor General and I asked him if he stood by his judgment. He said categorically yes. Specifically, I asked him if he had anything to say about whether or not the project would have been proceeded with. He stated that his officials checked again today, and these are his words, "That's not what the file says".

Second, I asked him if he stood by his claim that the project was ineligible for grants. Was there evidence to support the claim or the application? He said that there is no evidence to support the grant. In short, the Auditor General stands totally by what he said, after checking the facts today.

Does the Deputy Prime Minister have something to say about this?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, far be it from me to take issue with what the Auditor General has had to say.

For the record, it should interest all Members of the House to be aware of what DRIE officials had to say about this particular transaction. With your indulgence, Mr. Speaker, I wish to quote from a response that DRIE officials made to the Auditor General. This was prepared last summer in response to the audit that was taken.

The following statement was written by DRIE:

> —that the application for assistance for this project was received on December 7, 1983 and while tourism was dropped from IRDP on November 9, 1984, the application was protected under the grandfather provision. It is clear from file documentation that the necessary permits, construction contracts and actual construction on this project was/were not entered into prior to December 7, 1983 and therefore the project was not prior committed within the terms of Section 29(1) of the pre-November 9, 1984 Regulations to the IRDP.
>
> DRIE's position remains that the project continued to be eligible for assistance consideration under IRDP, notwithstanding the fact that construction was well advanced in August, 1985 when the DRIE Minister made the actual decision to assist.

It further states:

> The IRDP contribution facilitated the company in arranging the additional financing and consequently ensured that the project was completed within the originally proposed scope and timing. If DRIE had not offered the assistance at that time, it is highly probable that construction would have been delayed and the significant contributions that have accrued to Canada's economy over the past two years from this tourism facility would have been substantially lessened.

That is the position of DRIE. Obviously, the Auditor General has the right to consider that or to reject it. But that is the position of DRIE.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope the Minister will table the document. I would like to know the time that that official stated that yesterday.

Mr. Mazankowski: No, last summer.

Mr. Broadbent: The statement was made last summer, I understand.

But considering that the Auditor General checked as recently as this morning and said to me on the telephone that the files in the Department do not support the claim that the grant was eligible, and specifically the Auditor General reported to me that, in his judgment, after looking at the evidence, the project would have proceeded without a $5 million hand-out by the Government, I want the Minister to say in his words why an additional $5 million was necessary when the Auditor General of Canada says that it was not necessary.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I appreciated the indulgence that you gave me. I thought that the answer I gave was quite fulsome, and that represents the position of DRIE. I do not have access to the Auditor General's files. I hope that the Leader of the NDP appreciates that.

The Auditor General stated at his press conference that, "I am advised that it is within the Minister's prerogative to make a payment out of the IRDP and he did so, or Cabinet did so". The Auditor General goes on to state, "Ministers have that prerogative to make those kinds of decisions and they took it upon themselves to make the decision".

The decision was made in a normal, proper manner, Mr. Speaker, and this House, this Government, and I as a Minister stand by that position.

Some Hon. Members: Hear, hear!

[*Translation*]

MAKING OF DECISION—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister is right. A Cabinet Minister made this decision. That

is obvious. But according to the Auditor General, the decision was not in accordance with departmental procedure. My question is quite simple. Does the Government intend to make decision according to the rules, yes or no?

• (1450)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, yesterday I thought the Minister of Regional Industrial Expansion outlined the steps in a very clear and coherent manner. I have tried to follow that up today in the best manner possible. Yesterday he quoted the Alberta Regional Executive Director for the Department of Regional Industrial Expansion, and this goes back to November 26, 1986.

This is not a new story. It was released in December, 1986, when the annual report of the IRD Program was tabled in the House and there was some comment about it at that time. I am surprised that the Hon. Leader of—

Mr. Broadbent: We thought that it was consistent with the rules then.

Mr. Mazankowski: Of course it was and it still is. That is the decision of DRIE officials. It was confirmed by the Regional Director in Edmonton and it was quoted yesterday.

* * *

IMMIGRATION

AMNESTY FOR REFUGEE CLAIMANTS—GOVERNMENT POSITION

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The House has passed Bill C-84 and Bill C-55 which deal with immigration and an ever growing number of refugee claimants in Canada. Yet it is reported in today's newspaper that the Government has "every intention" of introducing an amnesty to clear the backlog of refugee claimants.

Will the Minister tell the House and the people of Canada if this report is true? If not, what is the Government's intention on this very important issue?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, every time I have been asked about an amnesty for people claiming refugee status, I have always said no.

The reason is a good one. Although they wanted to come to Canada and they were assured that there would be an amnesty anyway, one, two, or three years after, I considered that to be a very bad signal.

On the other hand, I believe that it would just legitimize queue-jumpers. All those who come here and have to wait a while to be accepted are not to be treated unfairly by that kind of rule. I repeat today that there is absolutely no question of giving amnesty to anybody.

STATEMENT ATTRIBUTED TO CHAIRMAN—DESIGNATE OF REFUGEE BOARD

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my supplementary question is directed to the same Minister. Could the Minister give us an explanation of why the newly designated Chairman of the Immigration and Refugee Board could have given out this erroneous information?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, when I met with Mr. Fairweather it was very clear that he had the right to speak out on immigration. However, it is obvious that a Minister has the right to say what I said today, and I repeat that there is no amnesty for anybody.

* * *

ENERGY

COME-BY-CHANCE OIL REFINERY—IMPORTATION OF JET AIRCRAFT FUEL

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Transport. Already this year Air Canada has had to import a million barrels of refined jet fuel into Canada because it could not get it in Canada. Canadian Airlines International has had to import 200,000 barrels already this year because it could not get it in Canada.

This jet fuel could be refined by the Come-by-Chance refinery. It would create 300 jobs at an annual payroll of an additional $9 million.

Why, when this jet fuel cannot be purchased in Canada and has to be imported, will the Hon. Minister not lift the sanctions or the restrictions on the Come-by-Chance refinery and allow it to supply this refined jet fuel?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, there are no restrictions on the Come-by-Chance oil refinery except such as the owners of that refinery agreed to by way of a contract.

The hon. gentlemen opposite are experts at tearing up contracts. They want to tear up the free trade agreement. They want to tear up this and they want to tear up that. Now the hon. gentleman is saying that this contract should be torn up.

It was entered into between Newfoundland Energy Limited and Petro-Canada, and the Newfoundland Government participated. They entered into a contractual agreement. In return they got $30 million worth of assets for one dollar. If

they wish to sell any product on the mainland of Canada, all they have to do is make an offer first, give a chance of first refusal to Petro-Canada, and if Petro-Canada does not accept it, then they can offer it and sell it to anyone they like.

They have nothing to complain about. They were established at Come-by-Chance because they wanted to sell products in the United States. We already have an over-capacity in refining in eastern Canada, as they know, in Montreal.

I remember Hon. Members opposite making a fuss because a refinery was closing in Montreal. Surely they can have their partisanship diminish a bit and see that this is just a contractual arrangement.

MINISTER'S POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Petro-Canada has the right of first refusal, but it has 15 days in which to decide whether it is going to take it. Also, Come by Chance Newfoundland Energy would have to pay Petro-Canada 15 per cent of its gross profit if in fact it did sell.

It was not only one dollar. They also took over $26 million in liabilities and took over a first mortgage of between $35 million and $40 million—

Mr. Speaker: The difficulty that the Chair is in is that certainly a certain amount of latitude has to be added but this is not an Examination for Discovery over a contract and what people said. I would ask the Hon. Member to put his question.

Mr. MacLellan: Mr. Speaker, since Newfoundland Energy was forced to sign that contract with a gun to its head, because either it signed or its refinery was to be torn down the next day, why is the Minister of Transport denying Newfoundlanders 300 extra jobs and $9 million extra a year in revenues to that province?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, that is typical exaggeration—

Mr. Tobin: That is the fact, John. You have been caught with your pants down. Now, pull them up and tell the truth.

Mr. Crosbie: Mr. Speaker, if I can be allowed to answer, at the moment the refinery has suffered from a fire and it is not producing. When it does produce—and I have been down and inspected it and gone through it; it is in my district—it is going to employ several hundred people.

I induced Petro-Canada to turn over for nothing $30 million worth of assets at that refinery, and I had the Government of Canada turn over the wharf down there which cost something like $30 million, for one dollar.

I am the Member who represents the district. If there was such a nefarious arrangement that prevented these people from selling their oil products anywhere unfairly, I would personally intervene to stop it, but that is not the case. This is a bargain arrived at by two adult parties, and they have to live up to their obligations.

* * *

AUDITOR GENERAL'S REPORT

GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Deputy Prime Minister and it pertains to the grant to Fantasyland. By virtue of the statement from DRIE which he read to the House today that did not refer to the fact that the project would not have gone ahead if the money had not been granted, but that the project might have been delayed if the money had not been granted, and given the fact that one of the criteria for whether or not money should go to such projects is whether or not the project would go ahead, I want to ask the Deputy Prime Minister how he has the nerve to get up and talk about delay as a reason for him giving that grant, when the criteria talk about whether or not the project will actually go ahead.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Hon. Member refers to criteria. He calls them criteria. They are talking about rules being broken. They are talking about regulations being broken. The fact of the matter is that none of the rules have been broken.

If he looks at Section 8 of the Act, the learned socialist over there, he will see that the Act talks about economic and social benefit, incrementality, and viability. When this was revised by the Department, it was found, in accordance with this, that the bottom line is that a Minister of the Crown has the legal power to exercise his discretion on these criteria. He exercised it in favour of Alberta, in favour of Edmonton, in favour of the chosen sector in those parts of the country. That is what happened.

• (1500)

The criterion in the decision to which he refers was one of viability. The circumstances changed from 1983 to 1985. We are proud of that decision because, when we look at tourism in Edmonton and Alberta today, we find that the West Edmonton Mall is drawing over two million tourists annually—

Mr. Speaker: I think I just might remind Hon. Members—

Mr. Blaikie: Mr. Speaker—

Mr. Speaker: I will recognize the Hon. Member for Winnipeg—Birds Hill in a moment. A great many questions have been asked on this subject. The questions, although not exactly the same, really do search after the same mission. The consequence is that the responses are, of course, very much the same.

This procedure can go on for a quite a long time but I would point out that the usual tradition has been that when questions are asked over and over again, if they are taking up a great deal of time sooner or later the Chair is asked to intervene. I do not want to intervene on an important matter without good reason, but I am indicating to the House that when the same question or nearly the same question is asked continually, sooner or later the Chair has to take into account other Members and other matters in the House. The Hon. Member for Winnipeg—Birds Hill.

REQUEST FOR LIST OF PROJECTS NOT FUNDED

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, it was the Deputy Prime Minister himself who introduced this new line of argument. We are simply responding to it.

Some Hon. Members: Shame.

Mr. Blaikie: The Deputy Prime Minister earlier said that he wanted to debate the issue with me in Edmonton or here. Now he will not even answer questions in the House of Commons.

Mr. Speaker: Perhaps the Hon. Member would put his question and we will see whether the Minister will answer.

Mr. Blaikie: Mr. Speaker, in view of the fact that this grant to Fantasyland took up 80 per cent of the money allocated for Alberta under this particular program, could the Deputy Prime Minister provide to the House and the people of Alberta a list of the projects that were not funded because he decided to give 80 per cent for Alberta to this one particular project? Would he be willing to provide that kind of information?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, with your admonishment on this very important issue, I think the issue which the Hon. Member is raising was pretty appropriately described in an editorial in today's *Edmonton Journal*, which reads:

> Flap over mall's DRIE grant is just political piffle.

John Ferguson of the *The Citizen* wrote:

> MPs fiddle in Fantasyland while markets tumble.

I find it passing strange that the Hon. Member was around and in this House when the Government put together a deal that saved Versatile at a cost of $45 million of federal government taxpayers' money.

Mr. Blaikie: That is right.

Mr. Mazankowski: I never heard a whimper from him nor should I have, because it was a good deal for Winnipeg, a good deal for Canada, and a good deal for western Canada.

Mr. Blaikie: Yes, that is right.

Mr. Mazankowski: And this is exactly the same.

Mr. Broadbent: It was honest and it was different.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Shields: Put more questions then.

Mr. Nunziata: Mr. Speaker—

Mr. Speaker: I regret to advise that, given the time, that concludes Question Period.

Mr. Nunziata: Hold it.

Mr. Hnatyshyn: Refer to the rules.

Mr. Speaker: The Deputy Prime Minister.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY CONDUCT

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I rise on a question of privilege. Again we witnessed, as reported in *Hansard* yesterday, an occurrence which I believe constitutes unacceptable parliamentary conduct on the part of two New Democratic Members of Parliament as reported at page 10482 of *Hansard*. I know that there have been some very hot exchanges on the floor of the House of Commons and I know that Ministers and Members from time to time go a little far in terms of the words they use, which they sometimes regret.

At page 10482 of *Hansard* in the second column while the Prime Minister (Mr. Mulroney) was responding, the Hon. Member for Oshawa (Mr. Broadbent) is reported to have stated:

> That's a lie.

The Hon. Member for Skeena (Mr. Fulton) went on to say—

Mr. Clark (Yellowhead): He laughs. Broadbent laughs. What a parliamentarian.

Mr. Mazankowski: —"You're scum. You're lying scum." Then the Member from Skeena said:

> Go ahead and pump out more lies.

I think that demonstrates not only an act of weakness but an act of desperation and, of course, it is totally unparliamentary. The Hon. Leader of the New Democratic Party can laugh about it. He laughs and thinks it is a big joke. I do not. I have respect for this institution. I respect its traditions. I respect its decorum and dignity, and, Mr. Speaker, I think you have done an excellent job in trying to preserve that. In the interests of all Members of Parliament, particularly in the interests of preserving the dignity of this very important institution, I

would think that the two Hon. Members should do the honourable and appropriate thing and withdraw those words and apologize.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister (Mr. Mazankowski) has put his finger on a very sensitive issue indeed and I want to respond. He has raised a question of privilege. I refer to the same page of *Hansard*. He has quoted what I have said, but I want to read with care and deliberation what was said just immediately prior to that. As a Canadian who has worked hard for the development and progress of Canadians in all regions of my country let me quote what was said immediately prior to that by the Prime Minister of Canada (Mr. Mulroney). He said this:

> I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canadians.

Some Hon. Members: Right on.

Mr. Broadbent: And I said:

> That's a lie.

Some Hon. Members: Shame.

Mr. Riis: The regional racist is up again. Sit down, racist.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think that in the interests of some of the decorum and dignity of this place, of which it is often capable, without foreclosing the right of Hon. Members to rise in answer to the point of order, which is really what the Deputy Prime Minister has raised, without making any judgment on the issue at the moment, I will adjourn this matter for one hour and I will come back to it.

The Hon. Member for York South—Weston (Mr. Nunziata).

* * *

PRIVILEGE

ALLEGED IMPUGNING OF INTEGRITY OF AUDITOR GENERAL

Mr. John Nunziata (York South—Weston): Mr. Speaker, I rise on a separate question of privilege. Several days ago the Auditor General, an independent officer of Parliament, tabled his report for the fiscal year ending March 31, 1987. At Clause 16.89 through to 16.97 the Auditor General of Canada, and I repeat, an independent officer of Parliament, made some statements with regard to a particular federal grant to the West Edmonton Mall.

Today, during Question Period, the Government through the Deputy Prime Minister, and yesterday, put into question the integrity of the Auditor General of Canada by indicating—if I may finish my question of privilege—or implying that the Auditor General of Canada was either deliberately misleading Parliament or presented to Parliament an incomplete report.

Mr. Speaker: I regret interrupting the Hon. Member for York South—Weston (Mr. Nunziata), who has certainly in his intervention pointed out that there well may be a difference of opinion among different people as to certain matters that took place. However, I think that if one exams the debates carefully, one would find that the Deputy Prime Minister (Mr. Mazankowski) said that he did not have access to the files of the Auditor General and as a consequence was not in a position to know upon what basis the Auditor General may or may not have said something.

• (1510)

I must say to all Hon. Members that I did not take it from anything that was said by the Deputy Prime Minister that he was impugning in any way the integrity of the Auditor General of Canada. If the Hon. Member for York South—Weston (Mr. Nunziata) can go back over the *Hansard* report of today and tomorrow, or at a time when he can be here, depending on his other responsibilities, he can indicate to me that that is in fact what happened, then of course I would listen very carefully and consider it very carefully. However, given the fact that the memory of the Chair is such that I do not think that in fact happened, I would ask the Hon. Member to consider the "blues" and then perhaps he would like to return to the Chair.

Mr. Nunziata: If I may complete my point, Mr. Speaker.

Ms. Copps: Point of order.

Mr. Speaker: I will recognize the Hon. Member for Hamilton East (Ms. Copps) in a moment.

Ms. Copps: This is on a point of order—

Mr. Speaker: I will recognize the Hon. Member in a moment. Perhaps I can just tidy this matter up. The Hon. Member for York South—Weston (Mr. Nunziata) may have something to briefly add that may help the Chair.

Mr. Nunziata: Mr. Speaker, I have raised the point of privilege. I would simply request, Sir, that you review the "blues" today and review *Hansard* of yesterday when the Prime Minister of Canada (Mr. Mulroney) and other Ministers of the Crown accused opposition Members of being anti-western Canadian because they criticized this particular grant. By implication, they are suggesting that the Auditor General is anti-western Canadian for criticizing the grant.

Mr. Speaker: I take it that the Hon. Member's question of privilege is that in some way, the Government's response to questions may have impugned the integrity of the Auditor General who is a servant of this place which consequently affects the privilege of Hon. Members including the one who has raised the complaint. That is the issue the Chair will consider and I would ask the Hon. Member to look carefully at

Hansard. I will do the same and if it is appropriate, we can deal with the matter later.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY CONDUCT

Mr. Guilbault (Saint-Jacques): Mr. Speaker, when the Hon. Leader of the New Democratic Party (Mr. Broadbent) started discussing with the other side—as a matter of fact, the point was raised by the Deputy Prime Minister (Mr. Mazankowski) about the word "lie" used as recorded in *Hansard*—I was about to rise on a question of privilege because of the words that were pronounced by the Prime Minister (Mr. Mulroney) yesterday when he said:

> I know that my hon. friends in the Liberal and the New Democratic Parties are opposed to the interests of western Canada. That becomes clearer every day.

Your Honour said earlier that you wanted to state—I am not sure what Your Honour meant. Are you staying the decision? Are you delaying the decision? You will make a decision on this later, obviously, and if you do this, will you be hearing further representations on the case?

Mr. Speaker: No, I am sorry—

Mr. Guilbault (Saint-Jacques): This is why I would like to know what Your Honour meant, because we are highly interested—

Some Hon. Members: Sit down!

Mr. Speaker: I would ask Hon. Members to extend the courtesy in this place that is appropriate. No Hon. Member needs to be told to sit down, except perhaps when the Chair has to do it. The Hon. Member for Saint-Jacques (Mr. Guilbault) has asked a question. The Hon. Deputy Prime Minister (Mr. Mazankowski) has raised a point of privilege. It has been partly responded to by the Hon. Leader of the New Democratic Party (Mr. Broadbent). I felt it was in the interests of this place that that matter be adjourned for an hour and that is what I am doing. I say "adjourned", not closed off, and in 45 minutes now, because that was 15 minutes ago, I will hear the Hon. Leader of the New Democratic Party further. But, I have adjourned that matter for 45 minutes for reasons which I think Hon. Members can well understand. It may be that the Hon. Member for Saint-Jacques would wish to make an intervention at that time.

POINTS OF ORDER

REQUEST FOR TABLING OF QUOTED DOCUMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order. I believe the Deputy Prime Minister (Mr. Mazankowski) did quote directly from documents from the Department of Regional Industrial Expansion and I would ask that he now table the full document pursuant to Standing Order 327.

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) is of course completely correct. I see the Deputy Prime Minister (Mr. Mazankowski) is indicating that he will table the document.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am prepared to table this document.

Ms. Copps: That's not the same one.

Mr. Mazankowski: The Hon. Member has not seen the document and she is already accusing me of not producing the same document. It is the same document. I read from one which is underlined and I must apologize, Mr. Speaker—

Mr. Speaker: The Hon. Deputy Prime Minister (Mr. Mazankowski) has the floor.

Mr. Mazankowski: I simply want to apologize to Hon. Members of the House in that it is in one language only and that is the way I received it.

ALLEGED USE OF UNPARLIAMENTARY LANGUAGE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, when I was attempting to rise on a point of order, the Hon. Member for Athabasca (Mr. Shields) was in the House. He has obviously had to slip out for other business but I simply want to give notice that the Hon. Member used an unparliamentary term in the House of Commons. It is very clear that referring to a Hon. Member by the term "idiot" is considered to be unparliamentary.

Mr. Hnatyshyn: Who was he referring to?

Mr. Riis: I am not certain who he was referring to, but I think *Hansard* will make it clear. I was hoping he would be here to withdraw the use of the term that is declared in Beauchesne's Fifth Edition to be unparliamentary. I simply serve notice in anticipation that the Hon. Member would rise at the appropriate time and do it himself.

Mr. Speaker: I thank the Hon. Member for Kamloops—Shuswap (Mr. Riis), and I think it would be appropriate that some inquiry be made as to what particular Member the Hon. Member may or may not have been referring to and on which side of the House that Hon. Member was sitting, but I will deal with the matter appropriately in due course.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, despite all the excitement we have seen in the House of Commons in these past 10 or 15 minutes, someone has to cool down and remind everyone that the time has come to ask the usual business question. I would like to turn to the Government to ask what is on the agenda for the House of Commons concerning government business in the coming week.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, today we will continue with the second reading of Bill C-87, the Customs Bill. If time permits, we will continue with third reading debate on Bill C-46, the Mint Bill. Friday, if not completed, we will continue consideration of the above business, and when completed we will call Bill C-54, the pornography Bill.

Monday we will commence second reading of Bill C-76, the emergency preparedness Bill, followed by Bill C-77, the emergencies Bill. We will confirm later that day the date of the next allotted Opposition day.

DISPOSITION OF BILL C-87—CUSTOMS TARIFF

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Additionally, there have been discussions and I think you will find agreement among the parties for adopting the following motion dealing with the committee consideration of Bill C-87:

> That the order for second reading and reference to a legislative committee on Bill C-87 an act respecting the imposition of duties and customs and other charges standing on the Order Paper be changed to read second reading and reference to the Standing Committee on Finance and Economic Affairs.

Mr. Speaker: Does the Hon. Deputy Prime Minister (Mr. Mazankowski) have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Riis: Mr. Speaker, I wonder if I could have an opportunity to ask the Deputy Prime Minister (Mr. Mazankowski) a question. He has indicated the business of the House for the next number of days and the Hon. Minister will know that at the moment, Bill C-204 is before committee and the intention was that Bill C-51 was to be considered by that legislative committee at the same time since they both deal with issues surrounding the advertising and smoking of cigarettes. Does my hon. friend have any plans to introduce for second reading Bill C-51 at some early date?

Interparliamentary Delegations

Mr. Mazankowski: Mr. Speaker, I know that there have been discussions going on among House Leaders about the future business and I would hope that that might be a matter that we could resolve at the next House Leaders' meeting.

* * *

Mr. Speaker: The Hon. Member for South Shore (Mr. Crouse) has a point of order which he may wish to raise at this time. I will hear him now.

• (1520)

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, I have two reports to table today covering interparliamentary delegations. I request permission of the House to revert to Routine Proceedings in order to have the privilege of tabling those two reports.

Mr. Speaker: The House has heard the request of the Hon. Member for South Shore (Mr. Crouse). Is there unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATIONS

PRESENTATION OF REPORT OF CANADIAN BRANCH OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, I have two reports to table today, but I first wish to thank the House for the courtesy extended to me.

Pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the delegation of the Canadian branch of the Parliamentary Association to the Thirty-Third Commonwealth Parliamentary Conference held at Kuala Lumpur from August 28 to September 6, 1987.

PRESENTATION OF REPORT OF CANADIAN PARLIAMENTARY DELEGATION TO PAKISTAN

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, in addition, I have the honour to present to the House, in both official languages, the report of the Canadian Parliamentary Delegation which paid an official visit to Pakistan from September 7 to September 13, 1987. In view of the importance of this report, I wish to speak very briefly to it. There are some aspects that I would like to point out to the House.

Canada has a program of annual food aid to Pakistan to assist that country in feeding some 3.5 million refugees who have arrived there over the past three years. The commissioner

informed us when we were there that our food and other aid programs were very much appreciated. However, he suggested we consider some changes and I wish to mention this to the House because all of us from time to time address non-governmental organizations who wish to help. There are two ways to help and sometimes we do the wrong thing. It was therefore suggested that we consider these changes.

The shipment of flour is not as helpful as we were led to believe. It was pointed out that we keep the wheat germ, the bran, the shorts and the middlings, and the refined flour becomes full of weevil and is hard to store. When I asked what they would like to have in place of bags of flour they said please send bags of wheat. They can grind it with grinders there and have a more palatable food for their people. They would also prefer that we send less milk powder. I asked why, because I saw their children starving. They said they do not have pure water with which to mix the milk powder. In its place they would appreciate cases of evaporated milk.

Here I was addressing perhaps 500 Afghan refugees in a refugee camp and I said if they were to come to Canada with a shopping list what would be the six or eight priority items for which they would ask. It is interesting, and this is what I want to outline especially for the House, that the first item they need is tents to house some of those people. If the tents do not have floors, they ask us to send rubber sheets to put in the tent. Third, they need quilts to go over the rubber sheets. It cools down to 90 degrees at night, but it is sometimes 110 degrees during the day and there is lots of condensation when those temperatures are in evidence.

The fourth item they asked for was more blankets. Fifth, they need boiling kettles, not enamel but aluminum, so they can stick two sticks in the ground, put a pole across, and use the kettle as a pot in which to boil water. The sixth item, naturally, was food. The seventh items was medicines, and the eighth was small children's books with large lettering—stories like we read to our own children, so they can teach their children the English language.

Those are the points that I wanted to highlight because all of us can help by using them when addressing NGOs, church groups or any other organization that wishes to send some help. They are doing a monumental job in Pakistan. They are fighting our war for us. They are appreciative of all we can do, but by rearranging our food aid program we can do a little better.

I thank you, Mr. Speaker, and the House for this opportunity to present these very important facts.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I wonder if we might have unanimous consent of the House to forward the remarks of the Hon. Member for South Shore (Mr. Crouse) to the president of CIDA. I think they are very well-founded.

Mr. Speaker: The House has been asked for unanimous consent. Is that agreed?

Some Hon. Members: Agreed.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I was just noting my appreciation, along with that of all Members of the House, for the new rules which allow the chairmen of parliamentary associations to come into the House and give us a brief summary of their trips and their experiences. I want to thank the Hon. Member for this report. It is the first time in my experience that we have had such a comprehensive report from the chairman of that group called the Commonwealth Association. I congratulate him and I hope he continues the practice.

Some Hon. Members: Hear, hear!

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

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I wish to make just a few remarks with respect to this Bill because our critic in this area will be making more extensive comments later.

There are three points I wish to make in particular. The first is simply to mention that there are some considerable objections by the Automobile Industry Association of Canada to this Bill and its rapid passage through the House. My colleague from Regina will be dealing with that point in detail.

Second, I am particularly glad that the Minister of the Environment (Mr. McMillan) is in the House. I wish to draw to his attention a very important change which is taking place with respect to customs activities in the City of Windsor. A barge service is being established which will transport from the American side of the border to the Canadian side, to quote from a government document, "hazardous materials that must now go over the Blue Water bridge even though the shipment originates near or south of Detroit". Included in these hazardous materials are both toxic chemicals and gases which I fear, given the very congested waterway of the Detroit River at that point, is an invitation to an accident which would seriously threaten downstream water in the Detroit River and

therefore the water supplies of significant parts of my constituency.

• (1530)

I understand that this particular question is being looked at simply from a customs point of view, as to what customs facilities need to be built on the Canadian side in order to mesh with the customs facilities which have been built on the U.S. side. That is simply not good enough. We need a careful environmental inspection of what could be an extremely hazardous situation for people in the City of Windsor and people elsewhere in my constituency.

I would ask the Minister of the Environment (Mr. McMillan) to check into this matter and see to it that there is an environmental review of what is being proposed in this case. I see him nodding his head.

This Bill, which deals with the Customs Tariff, also provides some of us who have not had a chance to speak about the free trade deal that has been initialled with the United States an opportunity to discuss the many inadequacies of that trade deal. I hope my colleagues and others will take the occasion to raise questions and express points which concern them and their constituents with respect to this very inequitable trade deal which has been signed with the United States.

Mr. Simon de Jong (Regina East): Mr. Speaker, Bill C-87 is a long and very complicated Bill dealing with the imposition of duties of customs and other charges, to give effect to the international convention on the harmonized commodity description and coding system, to provide relief against the imposition of certain duties of customs or other charges. Notice of this was tabled in the House on October 2, 1987, in a Ways and Means motion.

Bill C-87 provides for the revision of the Customs Tariff. Despite the convoluted description, it is indeed largely a technical Bill. The revision has been to restructure the existing Customs Tariff according to the principles of the harmonized commodity description and coding system, an internationally based system for the standardization of Customs Tariff clarification and statistical trade data.

Canada intends, along with other GATT members, to implement this HS-based tariff legislation on January 1, 1988.

The date itself concerns our Party.

This legislation reflects the same scenario we see with the trade agreement the Government intends to sign with the United States. It has asked a committee of this Parliament to begin touring the country to receive representation from Canadians about the impact of the agreement. Yet we know that the fine print of this agreement has not yet been agreed to, let alone made public. The Government is asking Parliament to seek the opinion of Canadians on this very important and historic agreement that will affect the nature and future of this country for years to come, without actually seeing the fine print. That is shameful in view of the Government's promise of a process of open consultation with the Canadian public.

The Prime Minister (Mr. Mulroney) and the Government took great pride in its promise during the last election of an open government that would consult the people. Certainly, Canadians wanted an open government that consulted them, after years of Liberal Governments and a Prime Minister who took actions that were not based on consultation.

However, this Government is exactly the same, particularly in respect of the free trade deal and Bill C-87.

I want to read a letter that was sent to the Hon. Minister of State for Finance (Mr. Hockin) on October 8, from the Automotive Industries Association of Canada. They ask the Government to postpone implementation of this legislation for six months because it has not been able to properly digest the contents of this very complicated Bill. Yet the Government is insisting on ramming it through and implementing it without proper consultation.

The letter states:

Dear Minister Hockin:

I am writing on behalf of the Automotive Industries Association of Canada, the national trade association that represents more than 1,200 suppliers, distributors and wholesalers of automotive parts, accessories, tools and equipment. Our industry employs over 70,000 people and volume of sales annually at the wholesale level exceeds $7 billion. Our members also supply products for related industries, such as agriculture, forestry and industrial machinery and equipment.

We believe that the implementation date of January 1, 1988 for the new Harmonized Tariff System must be set back at least three months, to April 1.

Such action would parallel the three month set-back being provided in the U.S. for the comparable legislation. This document of some 3,000 pages will receive no more than cursory examination by the majority of members of the House of Commons. Furthermore, the tight schedule precludes detailed study by the industries that will need to comply with the new system.

Government has been labouring over this conversion for over seven years, yet only recently have Canadian companies had some hint of the final draft. The errors or omissions we have noted lead us to believe that companies in industry will be adversely affected by the tariff changes.

Importers need to know how to classify inventory well before the implementation date so they can classify goods on the implementation date and know which changes in duty will apply to their products. We believe that the automotive aftermarket, farm implement, manufacturing and other industries affected are far from being informed or prepared for changes in duty rates that will become effective on passage of this legislation. Indeed, importers may even have been misinformed of the status of importations by unannounced or unexplained changes in the original draft of the Harmonized System.

A significant portion of Canadian industry exists because of the end use made/not made in Canada provisions.

To completely abandon these concepts without a satisfactory conversion period could result in a shifting of manufacturing capability to plants outside Canada. While we favour a free trade agreement between Canada and the U.S., a minimum five year phase in is needed. That means continuing tariffs for those automotive products that are also produced in Canada.

The AIA made a presentation to the Tariff Board in May outlining a number of errors and omissions in the draft of the Annex to the Harmonized System (correspondence enclosed). Their report on proposed amendments, intended to be issued this November, has now been delayed we understand until April 1988. This would be after the January 1st implementation date. How can you implement legislation until the rules and regulations are finalized?

> At stake is the viability of some Canadian companies. For example, Versatile Farm Equipment in Winnipeg will now be denied duty free entry of welding equipment for automation of their company, if the new system comes into effect without change.
>
> There are many products where duty has been removed or added, without just reason. These anomalies must be corrected before implementation. I am enclosing another attachment that gives some more examples of the type of problems we know will occur.
>
> Industry has not had seven years to gear up for the new HTS like government. We have had less than seven months to obtain and digest information and respond. We respectfully request that you delay implementation of the new HTS until both government and industry are ready—April 1 at the earliest.
>
> Yours very truly,
> Dean H. Wilson, P. Eng.
> President.

• (1540)

I enter this letter into the record because it makes some extremely important points. First, the accusation states that the industry has not been able to study the full impact of the changes being proposed, that the changes themselves cover some 3,000 pages. It also notes that this Parliament and all Hon. Members will not have much of an opportunity to understand this piece of legislation. Indeed, I think the association understates the facts. How many times do we get a piece of legislation that covers some 3,000 pages which the Government expects just to pass through in a pleasant afternoon sitting?

Again, we have a similarity between what the Government is doing with Bill C-87 and what it is doing with free trade. I am certain the trade agreement our Prime Minister and President Reagan will sign will cover hundreds of pages of technical agreements which will affect the nooks, crannies and corners of this country, little industries here and there. It will have profound impact on various regions and their industries, no one will have an opportunity to really digest what it all means and what the impact will be in the long term.

The Government is asking the people of this country to agree to something without seeing the fine print. That is like the proverbial second-hand car salesman trying to sell a lemon, trying to get you to sign on the dotted line, without letting you read all the fine print.

Mr. Manly: Would you buy a used car from that man?

Mr. de Jong: No, I would not buy a used car from that man, Mr. Speaker. The letter from the Automotive Industries Association makes some other points as well. It points out, for example, that the Government has been working on this conversion for over seven years. Yet only recently have Canadian companies been given some hint of the final draft. It points out errors and omissions it has noted that leads it to believe that companies and industries will be adversely affected by the tariff changes. In other words, it is stating that the Government has not even done its work properly over these last seven years. There are errors and omissions in what we are asked to pass today. These errors and omissions, while they have been pointed out to the Government, have not been acted upon.

The association also points out in its letter that several industries, the automotive aftermarket, farm implements, manufacturing and other industries are far from being informed or prepared for the changes in duty rates that will become effective on passage of this legislation. An industry that is important to this country is being asked to comply with changes that have been sprung on them, that it has not been able to digest properly and does not know what the effects will be. It also points out in its letter that because of some of the tariff changes, manufacturing could be driven to the United States. For example, and I quote again from the letter:

> To completely abandon these concepts without a satisfactory conversion period could result in a shifting of manufacturing capability to plants outside Canada.

Again, the industry is warning us that the unforeseen effects of Bill C-87 might very well be that industry is driven out of this country. It is saying that the Government and the industry, which has not been properly consulted, have not really thought this through. I suspect and submit that it is also true of the trade agreement the Government is attempting to force on the Canadian people. That is something the Government has not totally thought through. The association brings up some very important points that are quite similar to the debate on the trade agreement on which this country is now embarking.

The other aspect of Bill C-87 which is also worth noting is that while the Tories on June 6, 1986, imposed a 10 per cent duty on books and periodicals in response to the U.S. 35 per cent tariff on Canadian shakes and shingles, the Government, after an outcry by the book industry in this country withdrew the 10 per cent duty on books and periodicals but did it through a remission order, in other words, an order from Cabinet. What Bill C-87 now does is to maintain the duty on books and periodicals in legislation and does not take it off as it should. In other words, while the remission order is still in place, the legislation is also in place which allows the Government to reintroduce the tariff on books and periodicals. Why has the Government left this out of its legislation? Is it really thinking of slapping a tariff on books and periodicals again? I do recognize that the Government has some trouble with books and things of intellectual quality. I recognize that some of the Hon. Members are not too familiar, perhaps, with books and periodicals and feel they are dispensable. After all, they are luxuries, and we might as well slap a 10 per cent tax on them.

Mr. McMillan: Nonsense.

Mr. de Jong: Of course, I recognize the Minister of the Environment (Mr. McMillan) as one who, I would tend to think, is quite familiar with books and periodicals. I am not suggesting that all members of the Conservative Party are strangers to books and periodicals, but listening to some of the remarks of members of the Government one can only come to the conclusion that it has been a long time since they read a

book or periodical. I do not include the Minister of the Environment, who I feel is a learned gentleman and, indeed, an honourable one. He knows a lot about acid rain and I think he reads a lot of books about acid rain. We just hope his next step is to stop reading and start doing something about it. That is the next step. We are all behind him to encourage him along the way.

• (1550)

So, when we deal with Bill C-87, which is quite a technical piece of legislation, we support the Automotive Industries Association of Canada in its request that the Government delay for three months the implementation of this Bill. In this way the industry can begin to comprehend and digest more fully what all the changes would mean to that particular industry and other industries. We urge the Government to be open to the suggestions from the industry to clean up the Bill so that it will not have the effect of driving some industries down to the United States and therefore lose Canadian jobs.

In debating Bill C-87 we must also talk about the larger question that is looming over this country, that is, the proposed trade agreement between the Prime Minister and President Reagan. We must surely ask the question whether this is something that will be of benefit to Canadians.

I see you have given me the two fingers, Mr. Speaker, and by that I understand that I have two minutes remaining. I see the Secretary of State for External Affairs (Mr. Clark) has his whole hand in his mouth. That does not mean anything.

I wish to point out in closing my remarks that the Government proclaimed the great benefits of the slogan "Open for business", which its counterpart in Saskatchewan, Premier Devine, campaigned on so eloquently in 1982. The slogan in Saskatchewan now is not "Open for business" but "Hoping for business". We must point out that it is the foreign investors and foreign-owned companies in this country that have the worst record in terms of job creation.

According to a Stats Canada study, between 1978 and 1985 Canadian-controlled companies created some 876,000 new jobs while foreign companies eliminated 12,800 jobs. Meanwhile, the share of profits earned by foreign firms in Canada rose from 31 per cent to 43 per cent of total profits. These few statistics point out eloquently point out the effects of having an economy that is so greatly controlled by people foreign to us. Their interests are not the interests of creating jobs and real economic activity in Canada. Statistics show that they received almost 50 per cent of the profits made in this country, yet between 1978 and 1985, in a seven-year period, they actually eliminated over 12,000 jobs.

I hope that these statistics will give the Government some pause as it makes this headlong dash into the embrace of the American eagle. I hope that government Members will begin to recognize that it is not in the interests of Canada, which they have sworn to uphold, to continue with this madness of a trade deal with the United States.

Mr. Deputy Speaker: Are there questions or comments? The Hon. Member for Cowichan—Malahat—The Islands.

Mr. Manly: Mr. Speaker, I would like to thank the Hon. Member for Regina East (Mr. de Jong) for a very helpful speech on the whole question of tariffs and pointing out how it relates to the whole question of the Prime Minister's (Mr. Mulroney) trade deal with the United States. The thing that I would like to ask him about is this. The Prime Minister is very clearly on the record as having stated his opposition to free trade before he became the Leader of the Progressive Conservative Party. Other leading members of the Conservative Party, including the Secretary of State for External Affairs (Mr. Clark), who is in the House today, also indicated their opposition to the folly of some kind of total agreement with the United States on trade. That was their position before the 1984 election. There was no commitment to negotiate an agreement with the United States during the 1984 election.

Since that election we have seen nothing but one concession after another to the United States. We have seen the abolition of FIRA by which we gutted our capacity to look into American takeovers of Canadian firms. We have seen the struggle to ram through Bill C-22 which will result in higher drug costs for Canada. We have seen the bungling and the supine attitude toward the softwood lumber issue. We have seen a whole range of issues on which the Government has buckled under pressure from the United States.

The question I would like to ask the Hon. Member is this. Why does the Hon. Member think that the Prime Minister changed his position on the question of free trade when he was so clearly opposed to it before he became the Leader of the Progressive Conservative Party? He made no attempt to seek a mandate for it in the 1984 election campaign. Why would he have changed his position and now be entering into this agreement with the United States which is so clearly fraught with danger to the Canadian future?

Mr. de Jong: I thank my colleague and friend, Mr. Speaker, for asking a very important question. I am not certain if I can give a complete answer to it. He is certainly correct in pointing out that the Prime Minister, including the front-bench Members of the Government, were all against the concept of free trade. Since coming to power they seem to have turned themselves around 180 degrees. What motivated them to do that I am not certain.

Certainly, one could say that before the Prime Minister became Prime Minister he was a branch plant manager. Perhaps he feels comfortable in that role. Certainly, under a free trade agreement he will again become more of a branch plant manager, except that the branch plant will now be Canada. I find that to be the driving force of Members opposite. They feel that the future of the country is to be tied totally to the future and the well-being of our cousins and friends south of us.

They do not have a vision of an independent country, of an independent Canada, that is able to make its own way in the world and that is able to stand up on its own economic feet. They do not see that Canada has enough of a vitality and imagination to be able to function as a free country, free not just politically but also culturally and economically. They feel that Canadians just do not have it in them to be able to do that. They feel that we must make all sorts of concessions to the United States in order to get some favoured position, some favourable consideration by the Americans, so that when the United States goes through, and surely it must go through, major internal economic reorganization, somehow Canadians will be spared the measures that the Americans are threatening to take.

Mr. Manly: Fat chance.

Mr. de Jong: As my colleague says, "Fat chance". I think the Americans are out there to protect themselves. I think one expects them to do that. There is not necessarily anything that is immoral about that. Nations have the responsibility of looking after their people and themselves. I wish this Government would take the same position as far as Canada is concerned and stand up and say: "Canada first". If it says that, then we would not be involved in these types of negotiations that we have been involved in with the United States.

• (1600)

The Government's ability and technique of negotiating leaves something to be desired. As my colleague pointed out, before the Government sat down at the bargaining table, it already gave away several major chips. What a manner in which to negotiate! These people are so anxious to tie our fortunes to the American fortunes that they are willing to give almost everything away.

In conclusion, in answer to my friend and colleague, I find the Government's handling of this most shameful, the fact that it stated one thing before and during the election, and since coming to power has totally changed its position. It is now going to force this through Parliament. It is calling upon a committee of Parliament to travel across the country and receive representations from Canadians and industry, without our seeing let alone digesting the hundreds of pages of technical documents that will be associated with this agreement. I find that a most shameful act. It is shameful to this Parliament and to the people of Canada.

Mr. McKenzie: The NDP Members have been making repeated statements about former positions of Conservatives in regard to free trade. Many of us have had to change our positions on the free trade concept because of the protectionist attitude in the United States.

I wish to refer to the many various positions of the NDP, and read some of its trade resolutions from March, 1987. The NDP stated, "Increase activities to promote trade". We are increasing activity to promote trade. The NDP went on to say, "Pursue mature state-to-state relationship and cease to deal with the U.S. on an issue-by-issue basis". That is what we are doing. We do not wish to deal on an issue-by-issue basis. The NDP is correct there, but it has obviously changed its position.

The NDP goes on to state, "Explore sectoral free trade with the U.S. and other countries with production safeguards similar to the Auto Pact". That is what we are doing. In regard to the free trade policies from the 1987 convention, the NDP states, "Expanded trade will benefit Canada. Tariffs are outdated". We realize that, that is why we are proceeding with these trade talks and the committee travelling across the country. The NDP also states, "Build up export markets for small firms". That is what we are doing.

The NDP and others have made repeated comments about the softwood lumber deal. The Leader of the NDP stated that the decisions made by the Mulroney Government would wreak havoc on our major export industry and could cost us thousands of jobs. We are accused of abandoning key aspects of sovereignty. The fact is that the industry is booming. In B.C. the forest products industry is well on its way to a record-breaking profit year. The net losses for the United States are $140 million while Canada will make a $117.6 million gain. In August, several firms had already earned more than they did in all of 1986. Softwood lumber production throughout Canada has set new records so far in 1987, and exports to the United States remain near the record high levels of 1986. The NDP was all wrong on that. I would like to know when it has ever been right.

Mr. Riis: Call an election and find out.

Mr. McKenzie: The de Havilland deal was another example. The NDP predicted total disaster if de Havilland were sold to Boeing. The sale immediately generated $90 million for the federal Treasury, plus a further $65 million payable in successive instalments. The sale has resulted in orders for 42 Dash-8 aircraft, valued at over $400 million, and the company has orders and options on hand for another 132 aircraft. That was another false prediction of the NDP.

Another one where it was out a mile was where it predicted with the 1985 Budget that 200,000 Canadians would lose their jobs. It was dead wrong. Over 900,000 new jobs have been created. I would like to know when the NDP has ever been right about anything.

Mr. Deputy Speaker: May I ask the Hon. Member for Regina East (Mr. de Jong) to give a short answer, if possible, as the time for questions and comments is practically over.

Mr. de Jong: Mr. Speaker, I will be very brief in responding to the Member from the Conservative benches.

There is not very much to say. The quotes he gives are somewhat weak. The quotes he was giving do not show that in 1987 we would be in favour of what is proposed here. In fact, the very opposite is true. The fact is that the Member cannot see that, and it says volumes.

On the concern raised by the Hon. Member on the softwood lumber, I wish to quote from an article in *The Globe and Mail* on October 28 under the heading, "System of provincial levies to replace 15 per cent lumber tax". The article states, "The chances of rebuilding the Canadian share of the U.S. market on the basis of price competition are slim," the Minister of State for Forestry and Mines (Mr. Merrithew) said. "Even with the free-trade agreement," he told the council, "the best the industry can expect is to hang on to the U.S. business it has".

Those were comments from the Minister. So much for free trade, so much for its handling of the softwood and shingles issues, the Minister stated that as far as lumber was concerned, we will not gain from this. The best we can hope for is that we can hang on.

Mr. Clark (Yellowhead): Read the whole statement. Tell the truth.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE RAISED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Saint-Maurice (Mr. Grondin)—Youth—Plight of unemployed and homeless—Government position / Expectations of youth—Government position; the Hon. Member for Lévis (Mr. Fontaine)—Trade—Free Trade—Position of socialist party in 1965; the Hon. Member for Hamilton Mountain (Mrs. Dewar)—Trade—Service industry—Effect of Canada-United States trade agreement / Provincial jurisdiction over service jobs.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I was very interested to listen to the letter from the automobile parts manufacturers that was read into the record by my colleague from Regina. They urge the Government at least to postpone the implementation of this Bill, because they had not been able to discuss with the Government the tremendously adverse effects which these changes in duties will have on the industry in Canada, industry which they say employs 70,000 people.

I was interested because it is another example of the ideological blinkers and blindfolds worn by some people speaking for the Government, or its chief negotiator in the so-called trade talks—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member who, of course, will be allowed to continue his speech. But the House does have another matter to deal with at this time.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY CONDUCT

Mr. Speaker: I appreciate the courtesy of the Hon. Member for Winnipeg North (Mr. Orlikow) in taking his seat.

As a consequence of a question of privilege raised by the Hon. Deputy Prime Minister (Mr. Mazankowski) shortly after 3 o'clock until approximately 3.10 p.m., at which point the Hon. Leader of the New Democratic Party had the floor, I adjourned the matter until now.

The Hon. Leader of the New Democratic Party has the floor, and I will recognize the Hon. Member for Oshawa (Mr. Broadbent).

• (1610)

Hon. Edward Broadbent (Oshawa): Mr. Speaker, a question of privilege has been raised which touches for me a very important matter about Canadian politics. I want to speak briefly to it on the question of privilege.

As Leader of an opposition Party I had the occasion to oppose in public debate Mr. Trudeau as Prime Minister leading a Liberal Party, the Right Hon. Member for Yellowhead (Mr. Clark) leading a Conservative Government, for a brief time the Right Hon. Leader of the Official Opposition (Mr. Turner), and more recently the present Prime Minister (Mr. Mulroney).

During all this time, as a man who went into national politics, not local politics, I have believed deeply in the well-being of Canadians from coast to coast. I have believed deeply in the obligations of Leaders of Parties and of all MPs to enter into passionate, reasoned debate about different approaches to Canadian politics and about different solutions.

However, I have opposed with all my being any concept of politics that I would ever say about a political opponent of

mine, Prime Minister or otherwise, that he or she was opposed to Canadians in one part of my country. When I am confronted with politics of this kind, it moves me considerably.

I was faced with that yesterday, leading up to my comment. A Minister of the Crown said, in reply to a question from one of my colleagues, the Hon. Member for—

An Hon. Member: Yorkton—Melville.

Mr. Broadbent: —Yorkton—Melville (Mr. Nystrom)—

Mr. Clark (Yellowhead): Saskatchewan, it is hard to remember.

Mr. Broadbent: Mr. Speaker, the Right Hon. Member is at it again. The Hon. Member for Yorkton—Melville asked a question of a Minister and he got as part of the reply: "What does he have against Alberta?" That is what one Minister said to my colleague.

In reply to a question to the Prime Minister that gave rise to my comment, which has been raised as a question of privilege, the Prime Minister of Canada said:

> I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada.

Mr. Clark (Yellowhead): Are you withdrawing, Ed?

Mr. Broadbent: I found that disturbing at that time and I still do. Although I expect the Prime Minister to tear my arguments to shreds if he can so do—and he ought to do that—I find very offensive the suggestion that I am opposed to the interests of any part of Canada.

Mr. Speaker: The matter which has been raised by the Deputy Prime Minister is a serious one and it gives the Chair concern.

I would ask Hon. Members to let the Chair handle the discussion. The Hon. Member for Oshawa has the floor, and he is entitled to be heard.

Mr. Broadbent: Mr. Speaker, I was saying that I expect rigorous debate, but I would never hurl the accusation at my political opponents that they are opposed to the interests of any part of my country, and I expect the same of them.

I expect them to disagree with my arguments, if they want to, and to challenge alleged claims of fact, if they want to, but I expect them never to question my commitment to the well-being of Canadians in any part of my land.

When that was raised—and it has been raised a number of times in reply to questions—when the Prime Minister said, "I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada", I replied: "That's a lie".

I happen to believe that it is totally untrue. I say that with the total commitment of my being about that assertion about me, and I say that about the other opposition Party. To suggest that it is against the interests of one part of our country is unworthy of serious debate.

In my view that is a serious parliamentary breach, but I also respect the rules of the House and, therefore, I withdraw unequivocally the terminology I used to describe what I think is very unacceptable political behaviour in my country.

Mr. Clark (Yellowhead): Finally.

Mr. Speaker: I want to thank the Hon. Leader of the New Democratic Party, the Hon. Member for Oshawa, for responding in the way he did.

Mr. Riis: The nine-month Prime Minister, he is such a sleazebag.

Mr. Speaker: I would think that as a consequence of this exchange all Hon. Members will strive mightily—

Mr. Mazankowski: He called you a sleazebag, Joe.

An Hon. Member: No, he didn't.

Mr. Mazankowski: I heard him.

Mr. Shields: So did I.

Mr. Speaker: —not to put the Chair in a difficult position.

There are several issues involved here—and I will recognize the Hon. Member for Skeena (Mr. Fulton) in a moment—but one of them is a matter which arises out of an exchange in Question Period. As the Hon. Member for Oshawa pointed out, there can be great divisions of opinion on what is good on the part of the policies of one Party for one part of the country or another. That is one debate. However, what I must deal with is the procedural issue. Hon. Members know that some things are just not parliamentary.

The Hon. Member for Oshawa has explained his own feelings in the matter but has supported the Chair completely, for which I thank him. However, that does not end the matter because the Hon. Deputy Prime Minister has laid his complaint also in respect of words used by the Hon. Member for Skeena. Although there may be a great temptation for a lot of Members to get into this debate, I am going to try to contain it. I will hear the Hon. Member for Skeena (Mr. Fulton).

Mr. Jim Fulton (Skeena): Mr. Speaker, I think the remarks which were made yesterday by the Prime Minister (Mr. Mulroney) need to be restated. The Prime Minister stated, and I quote:

> —is the NDP so desperately concerned with raising matters that damage western Canada?

In the next statement the Prime Minister of Canada said:

> I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada.

My father's family came to this country 300 years ago, my mother's family came here 200 years ago, and I am a third

generation western Canadian. My grandparents are from Edmonton. My mother and father were both born in Edmonton. I have lived my entire life in British Columbia and I have worked very hard in the last ten years, eight of those years in the House.

I have great respect for the Chair, as the Chair knows, and I have great respect for the traditions of the House. However, when the Prime Minister of Canada says what he said, knowing as I do the traditions of the Party which I represent—the CCF and the NDP over the last half century in western Canada, in British Columbia, Alberta, Saskatchewan, Manitoba, and the rest of the country—and looking at what I consider to be the really mean spirit with which the Prime Minister said what he said, I simply cannot withdraw what I said.

Mr. Speaker: The Hon. Member takes the position, at least at the moment, that he cannot withdraw. Of course I know that Hon. Members will realize that the words the Hon. Member has used are unparliamentary. No matter what his position may be in respect of any other Hon. Member or other Party, or even the Right Hon. Prime Minister (Mr. Mulroney), the way that we maintain order and ultimately free speech in this place is that we have imposed certain rules on ourselves.

Of course there are various ways for a Chair to react to the position which the Hon. Member takes. So far as this aspect of the Deputy Prime Minister's application is concerned, I shall adjourn the matter. I would ask the Hon. Member to consider carefully his position. Perhaps he may want to discuss it in the next little while with some other Members of his own caucus.

Mr. Nystrom: On a question of privilege—

Mr. Guilbault (Saint-Jacques): On a question of privilege—

Mr. Kaplan: Mr. Speaker—

Mr. Speaker: Several Hon. Members are rising and of course I would want to recognize them. The Hon. Member for Yorkton—Melville (Mr. Nystrom) has a question of privilege. I just want to know on what the Hon. Member for York Centre (Mr. Kaplan) is rising so that we can proceed in a tidy way.

Mr. Kaplan: Mr. Speaker, it is on the same point and on a personal question of privilege related thereto.

Mr. Speaker: The Hon. Member for York Centre has a question of privilege. In respect of the point in so far as the application of the Deputy Prime Minister is concerned, the complaint in respect of the Hon. Member for Oshawa is finished and I am not entertaining any further comment on it.

• (1620)

The complaint with respect to the Hon. Member for Skeena (Mr. Fulton) is still open and I am adjourning it to give the Hon. Member time to give the entire matter further consideration. I am not prepared to hear any further debate on that particular aspect of the Deputy Prime Minister's application. The effect is that part of the application has been dealt with by the withdrawing of unparliamentary words by the Hon. Member for Oshawa. The second part of that application is adjourned. I will hear the Hon. Member for Skeena at some further time.

If there are other Hon. Members who have points of order or privilege, then, of course, the Chair will hear them. But I do not intend to have further argument on the adjourned part of the application. I think I have made it very clear that on the other part of the Deputy Prime Minister's point of order that is completed.

The Hon. Member for Yorkton—Melville (Mr. Nystrom) is rising on a question of privilege. The Hon. Member for York Centre (Mr. Kaplan) will be rising, and I believe the Hon. Member for Saint-Jacques (Mr. Guilbault) is seeking the floor. I will in due course extend the appropriate courtesies to all Hon. Members and I will hear what they have to say.

Mr. Lorne Nystrom (Yorkton—Melville): I do this seriously, Mr. Speaker. I very seldom rise on a question of privilege. I have not called anyone a liar and I do not intend to at this point at all—

Some Hon. Members: Oh, oh!

Mr. Nystrom: —or further down the road. I am sorry if you misunderstood that.

I do think some motives were imputed by the Prime Minister (Mr. Mulroney)—and I speak as a Saskatchewanite. You are a British Columbian, Mr. Speaker. I grew up in Saskatchewan and I represent a Saskatchewan riding—when he said in this House:

> I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada.

Mr. Clark (Yellowhead): The interests of western Canada.

Mr. Nystrom: I want to say very simply that I think you should take this matter under advisement, Mr. Speaker. We can have differences in this House but I never question the commitment of my friend, the Secretary of State for External Affairs (Mr. Clark), to western Canada or that of the Deputy Prime Minister (Mr. Mazankowski) to western Canada, but I think it makes my job of being a Member of Parliament from Yorkton—Melville a little more difficult when my commitment to western Canada is questioned. What is being said is that I oppose the interests of western Canada.

Mr. Clark (Yellowhead): The interests.

Mr. Nystrom: I think that imputes motives to me, and it is something which makes my job more difficult as a Member of Parliament. Beyond that, I think it is a very insensitive thing to say. It is the kind of regional racism which pits one region of

the country against other regions of the country, and it is a highly insensitive thing for someone to say in this House.

Mr. Clark (Yellowhead): Such sanctimony.

Mr. Nystrom: I would like you to take a look at this matter, Mr. Speaker. As I said before, we can disagree in this House but we do not have to question each other's commitments to our constituencies and our parts of the country, but this sort of thing is particularly bad when it comes from the Prime Minister of Canada, I repeat Canada, the Prime Minister who represents all of us.

Mr. Clark (Yellowhead): We know the New Democratic Party's piety in public. That is shameful.

Mr. Speaker: The Hon. Member for Yorkton—Melville has raised a point of order. I will, of course, consider it. I think I have his point and I do not think I need to hear anything further on that. The Hon. Member for York Centre (Mr. Kaplan).

Hon. Bob Kaplan (York Centre): Mr. Speaker, I wanted to make a similar point on my own behalf as a Liberal Member who would have been referred to by the Prime Minister's (Mr. Mulroney) statement at page 10482 of *Hansard* which reads:

> I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada.

I want as well to draw attention to the imputation of motives to members of my Party and the New Democratic Party.

I respect very much the difficulty in which the Chair is placed when questions of privilege are raised and when, as you have done, Mr. Speaker, a Member has been invited to consider language used in commenting on the remarks of the Prime Minister. I want to urge you also to invite the Prime Minister to consider the statement he made, which was so provocative in imputing motives to Members on the opposite side, and that while it does not justify the statements made and withdrawn, it certainly makes them understandable to the average Canadian. Having given the opportunity to the Hon. Member for Skeena (Mr. Fulton) to reflect on his own situation in relation to his words, I hope that the same opportunity will be given to the Prime Minister within the same time frame to reflect on the despicable politics and the unacceptable imputation of motives contained in his words.

Mr. Speaker: The Hon. Member for York Centre—I think, we will try to stay as procedurally exact as possible—has made a point. It was very much the same point made by the Hon. Member for Yorkton—Melville. The Government may wish to respond at this point to what has been said in both of those cases. I think that I am probably obligated to hear at least from someone on the government side. I look to the Deputy Prime Minister (Mr. Mazankowski) for guidance as to who will be recognized. The Right Hon. Secretary of State for External Affairs (Mr. Clark).

Mr. Riis: The nine month wonder is on his feet.

Mr. Clark (Yellowhead): I am not sure, Mr. Speaker, exactly what point is being discussed in terms of strict procedure. There has not been a question of privilege raised according to the rules as I understand them.

Ms. Mitchell: Do you agree with the Prime Minister (Mr. Mulroney)?

Mr. Clark (Yellowhead): Since there is a debate, let me make two points. One, the language complained of has to do with the Prime Minister's words with regard to the interests of western Canada. As a western Canadian, let me make it clear that the interests of western Canada are very positively and aggressively served by the free trade agreement, which is opposed by both Parties in this House. The interests of western Canada were badly affected by the National Energy Program which was introduced—

Mr. Riis: You are lucky you lasted nine months.

Mr. Speaker: I am very hesitant to interrupt the right hon. gentleman for reasons which are well known in this Chamber, but I have tried to draw the distinction between what may very well be a difference of opinion, which might very well be a part of something for debate with respect to what was said or not said or the exchange, and the strictly procedural responsibility that lies upon the shoulders of the Speaker in this case.

I want to assure the right hon. gentleman that in considering the representation of both the Hon. Member for Yorkton—Melville and the Hon. Member for York Centre I will be looking very carefully at the exact words which the Right Hon. Prime Minister said. I would ask the co-operation of all Hon. Members in containing this particular discussion, at least as far as is appropriate, within procedural grounds. The difficulties in the questions and answers for the Chair is that they were, in some respects, debate in themselves and they lead on to further debate. I do not think it is in the interests of this particular not very easy series of applications to extend that debate beyond the procedural grounds.

Mr. Clark (Yellowhead): Mr. Speaker, I certainly not only accept that ruling, as I naturally would, but I agree with it. The point I was trying to make was that no point of order or question of privilege has been adduced and none exists.

Mr. Speaker: I want to assure the right hon. gentleman that I understand perfectly well the position of the Government on this. As I say, I will be looking very carefully at the exact words when I have to decide whether or not who and under what circumstances anybody was out of order or whether privileges had been abridged. However, I think the floor now belongs to the Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, while you are looking at the exact words pronounced in order to make a decision as to whether they breached privilege or whether they constitute a point of order, I submit that,

contrary to the point made by the Right Hon. Member for Yellowhead (Mr. Clark), there is a definite point of order. I want to quote from *Beauchesne's Fifth Edition*, page 103. Beauchesne is very clear in Citation 316 "That a Member, while speaking, must not" and there follows a long enumeration of what is prohibited, I will skip sub-paragraphs (a) and (b), (c), (d) and come to sub-paragraph (e) which is clear and says that a Member, while speaking must not:

> (e) impute bad motives or motives different from those acknowledged to a Member.

• (1630)

I want to submit that when some Members on the opposition side were questioning the validity of a decision with regard to a grant that was made to Fantasyland in Edmonton, they were doing just that. They were just trying to establish, by questioning the Government, that the grant may have been made without the proper procedures being followed.

Now, for the Prime Minister (Mr. Mulroney) to say what he has said and what is recorded in *Hansard* on page 10482, which is that the Liberals and the New Democratic Parties are opposed to the interests of western Canada and that that becomes clearer every day, is certainly, I submit, to impute motives contrary to Citation 316 of Beauchesne's.

[*Translation*]

Mr. Speaker, I would like to add that on this side of the House, we are often less than satisfied with what the Government is doing. For instance, the Government has been remarkably slow to react to what is happening in Montreal East and to provide grants. We have asked questions, and I have just done so—

Some Hon. Members: Order!

Mr. Guilbault (Saint-Jacques): I will show you that what I have to say is quite in order. We asked some questions not long ago, and we will ask the Minister of Regional Industrial Expansion some more, but we never at any time assumed that the Government was so slow to react because the Minister or the Government were hostile to the interests of the Montreal area. We never said that and we are not going to.

Mr. Speaker: I realize the Hon. Member for Saint-Jacques (Mr. Guilbault) wants to be thorough in his comments. That is understandable. I think the Hon. Member's comments are most interesting, but I think I may have resolved the point at issue. As I said for—

[*English*]

—Right Hon. Secretary of State, we do not want to extend this argument. I think we are getting into debate. I have the point of the Hon. Member for Saint-Jacques (Mr. Guilbault) and I am quite prepared to consider it. He may want to rise briefly to close off his remarks.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to draw your attention to the fact that I am the only one so far in the debate who has quoted the rules of this House, and I do not think I should be cut off because I am trying to keep this at the level of procedure, whereas—

[*Translation*]

Mr. Speaker: Order, please. It was not the intention of the Chair.

[*English*]

It was only that when we get into a debate about questions asked about Montreal or somewhere else, we are getting a little bit beyond the procedural point. I am much indebted to the Hon. Member because he has cited those. As I say, I have invited the Hon. Member to continue his remarks.

Mr. Guilbault (Saint-Jacques): Which I will, and I thank you, Mr. Speaker. Citation 316 of Beauchesne's is there for a purpose and it has been used in the past in this House. The purpose obviously is that while some language is specifically prohibited on pages 104, 105 and others of Beauchesne's including the word "lying", for example, which was withdrawn a few minutes ago, there is other language which, while not being specifically prohibited, has an obvious tendency to create disorder in the House. The language that tends to impute motives is language of that kind.

This is the reason I am asking you, Mr. Speaker, to take into account this specific citation in Beauchesne's when you make your decision, and if you come to the conclusion which, I suggest respectfully, the Chair might wish to come to, the words that were uttered by the Prime Minister should be withdrawn. Words that impute motives that are completely other than those that were meant by the one who has the floor should not be used.

I think, Mr. Speaker, you should make a decision that will send a clear message to all Hon. Members that this should not be done. This should serve as an example. If the Prime Minister of Canada is not able to respect the rules and traditions of this House, why should other Hon. Members do so?

Mr. Mazankowski: Mr. Speaker, I would like to respond to the point raised by the Hon. Member for Saint-Jacques (Mr. Guilbault), and I know he has done so with a great amount of sincerity. I would submit that the citation he quoted is not applicable in this particular case. The citation says that besides prohibitions contained in Standing Order 35, it has been sanctioned by usage that a Member while speaking must not impute to a Member bad motives or motives different from those acknowledged, and I think that is the most important element here.

There is no question of the Prime Minister imputing motives against a Member. It is really no different from a headline from the *Windsor Star* of November 10, 1984, which reads, "Broadbent says Tories covering up". One could say that that

headline imputes bad motives, but not a single Hon. Member—while we may not like that headline, we may not like what the Leader of the New Democratic Party has said—

Mr. Guilbault (Saint-Jacques): Was that said in the House?

Mr. Mazankowski: Whether it was said—it has been said in the House on many occasions as well, but there was never reference to a particular Member, and I think there is a difference when singling out a Member or a group of Members who belong to a political Party.

I see the Hon. Member for Saint-Denis (Mr. Prud'homme) is nodding his head in the affirmative, and that is a matter that should be taken into consideration.

Mr. Guilbault (Saint-Jacques): You are imputing motives again.

Mr. Mazankowski: It is a good motive, I think the Hon. Member would agree.

The issue here is not the content of the debate. The issue here is the use of parliamentary language, and I am appreciative of the Hon. Leader of the New Democratic Party (Mr. Broadbent) for having withdrawn his remarks. I know that he takes issue with certain statements the Prime Minister (Mr. Mulroney) has made, but there is a way to counter that. Rather than saying it was a lie, the Hon. Leader of the New Democratic Party could have said that it was untrue, and it would have been totally parliamentary to do so. That is why I appeal to the Hon. Member for Skeena (Mr. Fulton) for whom I have a great deal of respect, and I know he may feel very deeply about this as well.

The fact is that we are trying to maintain some standard of parliamentary behavior and utilization of proper and appropriate parliamentary language. I have from time to time used words that are excessive and offensive, and I have withdrawn them. I regretted having used them. The Hon. House Leader of the New Democratic Party (Mr. Riis) and I had a bit of an exchange, and he as well, in a very gracious manner, withdrew. I think our respect for each other grows as a result of acknowledging that we made a mistake.

I would appeal to the Hon. Member for Skeena, who is a very good Member of Parliament and a vigorous debater. I have been to his constituency and I have tried to unseat him, and it has always been done with the most honourable of intentions. I think what we are doing here is something that is important, not only to Hon. Members of the House but indeed to those watching.

If any Hon. Member of Parliament takes issue with something that is said on either side of the House, there is a parliamentary way of dealing with that, and that is all we are asking for here. Once again, notwithstanding the very eloquent argument the Hon. Member for Saint-Jacques (Mr. Guilbault) put forth, I would humbly submit that in this particular case, it would not apply.

Mr. Riis: Mr. Speaker, I do not often tend to agree with my hon. friend, but on this procedural matter, I want to say that he did, I think, make a very important point when he referred to Citation 316 of Beauchesne's which refers to the imputing of motives to a Member.

It is with a little reluctance, now that I agree with my hon. friend, that I refer to the Hon. Member for Yorkton—Melville (Mr. Nystrom) who felt it inappropriate to raise the matter himself. On the same day, in the same exchange, as reported on page 10480 of *Hansard*, in the exchange with the Hon. Minister of Regional Industrial Expansion (Mr. de Cotret), the Minister of State for Science and Technology (Mr. Oberle) did refer to my hon. colleague from Yorkton—Melville when he asked what the Member had against western Canada and what he had against Alberta. While I appreciate my hon. friend's pointing out this aspect of the citation, the Minister was referring specifically to the Hon. Member for Yorkton—Melville when he asked what that Member has against western Canada, and more specifically the Province of Alberta. As you reflect on this matter raised by the Deputy Prime Minister (Mr. Mazankowski), I ask you to consider that as well.

• (1640)

Mr. Speaker: I will carefully consider the representations. However, I am quite happy to be able to say to Hon. Members that in a difficult situation and after a brief adjournment I appreciate very much the co-operation and dignity with which all Hon. Members made their interventions.

With respect to the Hon. Member for Skeena (Mr. Fulton), I would ask him to consider his position. He knows he can discuss the matter with his good and loyal colleagues. If he wishes, he can of course discuss it with the Chair.

* * *

POINTS OF ORDER

ALLEGED INSULTING REMARK

Right Hon. Joe Clark (Secretary of State for External Affairs): On a point of order, Mr. Speaker. During the high-minded speech of his Leader, the House Leader of the NDP called me a sleazebag. I wonder if in the spirit of amity now pervading this House he might want to withdraw that remark.

Mr. Nystrom: I think Crosbie said that was all right. Not about you, Joe.

Mr. Clark (Yellowhead): He said I was a former Leader, that is all right.

Mr. Speaker: I am tempted to say I did not hear him. However, the Hon. Member for Kamloops—Shuswap (Mr. Riis) has the floor.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, during the time when my Leader was making his points, the Secretary of State for External Affairs, the Right Hon. Member for Yellowhead (Mr. Clark), was yelling and hurling insults in an attempt to disrupt my Leader. I suspect that in a moment of weakness, albeit probably true, I indicated what I thought of the Right Hon. Member. I recognize his point, that the term—

Mr. Clark (Yellowhead): Sleazebag.

Mr. Riis: —sleazebag, thank you, Mr. Minister, is unparliamentary. As a parliamentarian, recognizing the inappropriate use of that term, I certainly withdraw it.

Mr. Speaker: Knowing the Hon. Member as I do, perhaps it was only a momentary lapse.

The Hon. Member for Athabasca (Mr. Shields) on a point of order?

ALLEGED ACCUSATION AGAINST ALL MEMBERS

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Yes, Mr. Speaker. I do not want to belabour this but I think something else that happened yesterday is also serious. The Hon. Member for Kamloops—Shuswap was asked to withdraw his accusation of kickbacks concerning the Deputy Prime Minister, and he did so. Then it had to be brought up again. I would just repeat what the Right Hon. Secretary of State for External Affairs said:

> The record shows unequivocally that twice the Hon. Member for Kamloops—Shuswap accused someone on the government side of taking kickbacks. He says he did not mean the Deputy Prime Minister. He must then have been referring to another Minister from Alberta, to all Ministers on the government side or—

Mr. Speaker: Again, I hesitate to interrupt the Hon. Member but this matter has been completely settled.

Mr. Mazankowski: No, with respect, it has not.

Mr. Speaker: Then perhaps I can receive some guidance as to the extent to which there may be something new.

Mr. Mazankowski: Get to the point, Jack.

Mr. Speaker: I was certainly under the impression that the matter had been settled. If I am incorrect, I will hear Hon. Members further.

Mr. Shields: Mr. Speaker, the point I am trying to make is that it was made clear in the request by the Secretary of State for External Affairs that the accusation against all Members of this House be withdrawn unequivocally. The Hon. Member rose and said:

> Mr. Speaker, there is absolutely no question. I certainly do that. I withdraw any accusation, any implication that that term might suggest for either the Deputy Prime Minister or any other Member of Cabinet.

He was asked to withdraw with respect to all Members of this House of Commons. I happen to be a Member of this House of Commons. I was very active as chairman of the Alberta caucus in lobbying for and getting a grant for the West Edmonton Mall because all of us in the Alberta caucus felt it was necessary.

Mr. Nystrom: Not Kindy.

Mr. Shields: At that point unemployment was ravaging Edmonton and it was the only construction job going. With that in mind I would ask that he withdraw the allegation against all Members of this House of Commons, particularly those on this side of the House.

Mr. Speaker: First, I want to say to the Hon. Member that, on reflection, clearly I was incorrect and I apologize to Members for that. Yesterday the Hon. Member for Kamloops—Shuswap did withdraw, as the Hon. Member for Athabasca properly pointed out. It seems that the Right Hon. Secretary of State for External Affairs was seeking a withdrawal of broader proportions than that. Perhaps the Hon. Member for Kamloops-Shuswap could clarify the situation.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this is getting to be rather repetitive. I appreciate the comments made by my friend from Athabasca praising himself. I was brought up to think it is better to receive praise from others. However, that is another matter.

I must admit that when the exchange occurred we were trying to determine why this particular firm or family received $5 million when our information was that everyone recommended against it. Then an Hon. Liberal Member indicated there had been substantial political contributions made by the firm to the Progressive Conservative Party. It was then the thought occurred to me, and in retrospect I wish it had not, that there might have been some kickbacks. I guess I hurled out the thought, which I probably should have kept to myself, that kickbacks seemed to be involved.

Knowing my hon. friend, the Deputy Prime Minister, I certainly had no hesitation in withdrawing the statement as it might have applied to him because I know that is certainly not the case. Then the Cabinet got edgy and I withdrew the accusation against the Cabinet. Now I suppose everyone is getting edgy and one begins to think we are protesting too much.

However, just to clear the air—

Mr. Clark (Yellowhead): Bring yourself to it.

Mr. Riis: —I do not think the Right Hon. Member for Yellowhead received a kickback in this matter. I do not assume any cabinet Minister received a kickback.

Mr. Clark (Yellowhead): This week.

Mr. Riis: I did not assume any back-bencher from the Province of Alberta or anywhere else received a kickback. I hope that makes it perfectly clear. Next time I am thinking along those lines I will keep it to myself. At this moment I

fully withdraw any implication that any Hon. Members in the Conservative Party received kickbacks in the matter of the Fantasyland grant of $5 million.

Mr. Speaker: Resuming debate with the Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. Prud'homme: Good.

Mr. Shields: I wish you could hear what I am thinking right now after what you said. I would be out of this House for a week.

Mr. Nystrom: Jack-in-the-box.

Mr. Manly: He can every time you shake your head, Jack.

Mr. Shields: You have no class, Nelson.

* * *

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the few moments I had before the House moved to spend an hour on the matter of privilege, I was saying that what we have had from the Government and the chief free trade negotiator and, unfortunately, a number of columnists who write in some of Canada's major newspapers, is a completely one-sided explanation of what is involved in this agreement.

● (1650)

We have been lectured repeatedly that if we want this free trade agreement that will bring so many benefits to our country we will have to change our ways and stop our system of regional development grants and other forms of assistance which have established industries and plants in various parts of the country. However, while we are being lectured that we must change our ways, nothing is said by cabinet Ministers, Mr. Reisman, or columnists about the fact that the American Government, states and cities are involved in precisely the same kind of practices that we are being told we must curtail.

Of course, there is no suggestion that if we stop those practices which the Americans say are improper, the Americans will do the same.

I want to put on record some of the views expressed by two of Canada's well known columnists. Deborah McGregor, wrote an article entitled "Dragging Subsidies out into the Open", which appeared in the *Financial Times* on October 5, 1987. She begins by saying:

> It is appropriate that, in the final days of the free trade negotiations between Canada and the United States, the spotlight was brought to bear on subsidies.

She goes on to say:

> Too often subsidies have been used to coddle and cajole Canadian companies into short-term strategies and perverse behaviour.
>
> A case in point is the Canadian Government's willingness to play handmaiden to one of the world's largest corporations—General Motors Corp.—by participating in a $220 million interest-free loan earlier this year. Poor old GM had only $5.5 billion in profits in 1985.

Next she says:

> It is likely that the GM case has returned to haunt the Canadian negotiators at the free trade table.

Are we to assume that we are following practices which the Americans do not follow themselves?

Let us consider an article by Jeffrey Simpson in *The Globe and Mail* on October 9, 1987. It is subtitled "Free Trade isn't risk-free but neither is battling U.S. protectionism". He said in part:

> In the United States, the free market is surrounded by liturgy. And why not? The free market has been the driving force behind making the United States an enormously wealthy country, a military superpower, a magnet for tens of millions of immigrants who sought to share in its bounty.

He goes on to talk about how we in Canada have subsidized various projects. He states:

> This has meant a substantially greater direct involvement in the operations of the free market in Canada than in the United States.

In another part of his article he lists some of the supposed subsidies with which we have been involved and which we would have to stop if this agreement goes through. He includes in this list Sydney Steel and Sydbec. I hope Members from Nova Scotia are listening because he believes such projects would not be allowed.

Others include Domtar's plant at Windsor, Cominco's smelter at Trail, the Faro mine in the Yukon, the General Motors plant at Ste. Thérèse, Quebec, and others. The inference is that the Americans are not involved in such procedures.

Let me deal with the automobile industry in the United States. The figures I will quote are from documents prepared by a senior official for the Canadian Government, J.G. Miller, planning and analysis division of the Automotive Marine and Rail Branch, in April, 1986.

Let me summarize briefly what has happened with five plants built recently in the United States. Assistance has been supplied to these plants by the state or municipal Government for infrastructure, pollution control, tax abatement, education, training and for the establishment of what they call foreign trade zone status.

The Mazda plant in Flat Rock received $184 million. The Mitsubishi-Chrysler plant in Illinois received $175 million. The Honda plant in Ohio received $130 million. The Toyota plant in Kentucky received $269 million. The Chrysler plant in Detroit received $366 million.

According to the *New York Times* of September 18, Honda announced expansion of its operation in Ohio. According to this article, the expansion was encouraged by incentives from the state. Ohio granted Honda other incentives, including tax abatements and state money to train new employees. Why have Mr. Reisman, who negotiated the original Auto Pact agreement, and the Minister for International Trade (Miss Carney), as well as columnists, not told this to Canadians? Surely we need this information if we are going to give intensive consideration to this free trade agreement.

The same ought to apply with respect to this tariff proposal we are discussing today. The letter to the Government from the auto parts manufacturers urged the Government to give very serious consideration to the implications of the tariff changes.

Let me give some details on the kind of assistance the American states and cities give to their automobile plants, which we are told is an improper practice for a province or city in Canada. The Honda motorcycle plant in Ohio received a state grant of $5.2 million and another grant of $11 million from the state to improve the transportation. It received a tax abatement from the municipality, valued at $1 million.

Another Honda plant in the same state received a tax abatement from Shelby County of $850,000.

Despite the time which has been taken by questions of privilege, I presume we will be proceeding with Private Members' hour at five o'clock. Before we get to that point, I want to move the following motion pursuant to Standing Order 9(4)(a):

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of Bill C-87.

• (1700)

Mr. Deputy Speaker: Will those Members who object to the motion please rise in their places?

And more than fifteen Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 9(4), the motion is deemed to have been withdrawn.

Motion (Mr. Orilkow) deemed withdrawn.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

NUCLEAR ARMAMENTS

ADVISABILITY OF DECLARING CANADA A NUCLEAR ARMS FREE ZONE

The House resumed from Monday, September 28, consideration of the motion of Mr. Young:

> That, in the opinion of this House, the government should consider the advisability of declaring Canada a nuclear arms free zone by prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada, the export of goods and materials for use in the construction and deployment of nuclear arms and further, the government should encourage cities, provinces and states throughout the world to undertake similar action.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I am very pleased to rise to speak on this matter because it is a very important issue which the Hon. Member for Beaches (Mr. Young) has brought before the House. I hope at some point the House can vote on this Bill so that Canadians can see where their elected representatives stand on one of the most important international issues in the world.

What is a nuclear weapons free zone? The concept is a simple one. A nuclear weapons free zone is a defined geographic area within which the possession, deployment, storage, transit, manufacture, testing and other support of nuclear weapons and nuclear weapons systems is prohibited. An area can become a nuclear or weapon free zone as part of an international zone as well. These zones do exist in the world. This is not a new idea, something made up by the Hon. Member for Beaches in spite of the fact that he is a most creative and imaginative person. The fact is that nuclear weapon free zones exist by international treaty signed by most of the countries in the world, in four regions, the seabed, Antarctica, outer space—that is a giant stride—and Latin America. There are proposals for regional nuclear free zones in the Nordic countries, the Balkans, other parts of Europe, the Middle East, the Indian Ocean, Southeast Asia and Africa. There are even countries which are nuclear free such as Japan, Austria, Sweden, and lately New Zealand, and a number of NATO countries with varying conditions.

What is the purpose of a nuclear free zone? It is not to stop the effects of a nuclear war. Once a nuclear war breaks out, no one is immune, whether one is in a nuclear free zone or not. We are not suggesting that anyone would be. All bets are off when that happens and, whether the country is nuclear free or not, it will be vulnerable to direct attack. Having a nuclear free zone is not an attempt to make one immune to the effects of war. Rather, it is an attempt to influence national and international behaviour before war breaks out. It is a preventive measure. It is a measure to try to reduce the likelihood of war.

What are the requirements for a nuclear free zone for Canada in the Canadian context? First, there should be no nuclear weapons on Canadian soil. We have had that debate

before. In fact, that debate was won in Canada. Both former Prime Minister Diefenbaker and former Prime Minister Trudeau talked about Canada as nuclear free, not taking nuclear weapons, and no transit of nuclear weapons through Canadian territory, which is difficult when we have American warships with nuclear weapons in our waters. They referred to there being no production in Canada of components for nuclear weapons systems. That means that we have to be very careful about the uranium we produce, that it goes for peaceful purposes, not to be put into American nuclear reactors. Those are some of the requirements for a nuclear free zone in Canada. I will let other Members speak about what that would mean.

I would like to conclude by mentioning two special areas. I think the Canadian Government should be really pushing a nuclear free zone in the Arctic among the Nordic countries. I believe that is an area we should be working on. It is an area that is open. The Soviets have talked about it. Our Secretary of State for External Affairs (Mr. Clark) rejected that notion very quickly. I do not think that is the way to go. We should have further talks about it. If you look at the Arctic from the top of a world globe, it looks much different from on a flat map. You can see the Soviet Union, Alaska, with the Americans and the Nordic countries and you can see just who our northern neighbours are. It is quite impressive, looking at a map of the northern zone.

I think we should be looking in that area in terms of some proposals from Canada to the Soviets, the Americans and the Nordic countries of a nuclear free zone in the Arctic. That is in Canada's national interest. We have a lot to gain if we did that. It would dramatically reduce tensions and defence costs. We would not need to send nuclear subs up there. If we had a nuclear free Arctic, there would not be any subs there. It may be a difficult treaty to negotiate, but at least we should be taking the first steps towards the negotiations.

There is a second area I would like to mention, and I note the Hon. Member for Vancouver East (Ms. Mitchell) is in the House as well as the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly). We have a particular interest in this area because we are from the Pacific Coast, right on the water—my riding is not on the water but the other ridings are. We look out to the Pacific. There have been very interesting things going on in New Zealand, and there have been suggestions for a nuclear free Pacific zone. If we could get that, just think of all the problems that we might avoid, Mr. Speaker. As countries become independent and more outgoing in the Pacific, we do not want them to be brought into the cold war. I think New Zealand is to be complimented. I notice the voters of New Zealand re-elected the Government that had the courage to stand up to the Americans.

Yesterday the New Zealand Government protested the fact that our friend, France, and I hate to say it, has been bad, if I can put it that way—

Ms. Mitchell: Evil.

Mr. Waddell: I would not say evil, but I would say France has been very disappointing and has caused great concern because it continues to conduct nuclear tests in the South Pacific. Yesterday it set off a 50 kiloton underground nuclear test. France should stop playing imperialist games in the Pacific. It should get out of there and give independence to its colonies. It should get out of nuclear testing. There should be world pressure on France to make the Pacific nuclear free. These tests are giving problems not only to the inhabitants in the South Pacific but to everyone in the world.

Let me conclude by saying that this Bill with respect to a nuclear free zone is an excellent one. I have spoken about how it can be applied. Looking to the future, let us look at the Arctic and the South Pacific. However, let us first get our own backyard in order and let us have a nuclear free zone in Canada.

• (1710)

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, I am pleased to have an opportunity to add my voice to those of my colleagues who have already spoken to the motion before us by the Hon. Member for Beaches (Mr. Young) who is a very well respected Member of the House.

Members on both sides of the House are all well aware that Canada does not possess nuclear weapons or have any plan to do so. Furthermore, the deployment, testing or construction of such weapons within Canada, or their transportation through Canada, could not occur without the express consent of the Canadian Government. Canada's situation in this regard is very different from that of a number of NATO countries which accept the stationing of nuclear weapons on their territory. As for Canadian exports, it is Canadian policy that all exports of nuclear material, equipment and technology shall be strictly for peaceful, non-explosive purposes. This policy is implemented through bilateral agreements and with the co-operation of the International Atomic Energy Agency.

Canada is a strong supporter of the nuclear non-proliferation regime and endorses in principle the establishment of nuclear weapons free zones where they can make an effective contribution in this regard. Until such time as the non-proliferation treaty gains close to universal adherence, the establishment of such zones can make a contribution to the objective of preventing the proliferation of nuclear weapons.

However, to be effective, a nuclear weapons free zone must, in our judgment, fully meet the following criteria: apply to a well-defined region; have the support of the countries of the region; and, most important, promote regional and international stability. Canada's central concern is to ensure that in current and foreseeable circumstances our policies contribute both to national security and international stability.

Collective defence and arms control and disarmament constitute fundamental elements of Canada's national security policy. This Government's commitment to collective defence is exemplified in Canada's membership in NATO and NORAD.

The primary role of NATO is to safeguard the security of member nations by deterring aggression. This Government believes, as do other alliance Governments, that our collective nuclear deterrence strategy has been a critically important element in maintaining peace in the East-West context for over 40 years.

Canada has voluntarily shouldered the obligation to contribute to the capability of the alliance to implement its strategy of deterrence. As I have mentioned, this has involved a less onerous burden for us than for several other alliance members who have accepted the deployment of nuclear weapons on their territory. It would neither be consistent with our alliance membership, nor with our own security interests, for Canada as a matter of principle to attempt to dissociate itself from any or all aspects of the nuclear deterrence strategy.

Deterrence will remain an essential element of our collective defence until there is much greater progress in reducing levels of armaments, particularly strategic nuclear weapons, and in building a more secure world.

Arms control and disarmament is also an essential element of our national security. The Canadian Government, like other alliance members, recognizes the desirability of moving toward reduced reliance on nuclear weapons. Also important is the achievement of balanced reductions of conventional weapons. The fact that a U.S.A.-U.S.S.R. INF agreement, that will eliminate all intermediate-range nuclear weapons on a global basis, is virtually within reach is a significant milestone in the arms control process.

The U.S.A.-U.S.S.R. negotiations began as a result of an alliance initiative. The progress in the negotiations has, in no small measure, been due to the ability of the alliance to maintain a consistent, co-ordinated approach. The alliance is similarly providing strong support for the efforts of the two superpowers to negotiate major reductions in their strategic nuclear arsenals.

As we move toward a less nuclear world, the conventional balance of forces gains an importance. In this area, too, Canada and other NATO countries are co-ordinating their efforts to bring about negotiations with the objective of maintaining security through balanced reductions of armaments.

Canada has been able to make a serious and constructive input to these important arms control negotiating efforts, in which we have a direct interest, because of our presence at the table as an alliance member. Without that continuing direct opportunity to act and react, Canada's influence on such events would be dramatically reduced. Even in multilateral arms control forums much of Canada's credibility and capacity for influence is derived from our alliance membership, which signals to others our level of knowledge about and direct involvement in the activities of key deliberative forums. To the extent that we decline to assume our share of the collective defence burden, Canada's ability to influence events as an alliance member would likewise be diminished.

The question therefore must be asked: What would really be achieved by declaring a nuclear weapons free zone? In many respects nothing would change. Canada would remain a country without nuclear weapons and with no direct involvement in the manufacture and maintenance of nuclear arsenals. However, by suggesting that we should dissociate ourselves from key aspects of the collective defence strategy of the alliance, Canada's credibility and influence with our traditional European partners, not to mention the United States, would be significantly diminished. Our own security would certainly not be enhanced and could, in fact, be compromised. Such a declaration, furthermore, simply turns a blind eye to the realities of today's interdependent world. This interdependence is just as real in the area of national security as in other areas.

Finally, I would like to make the Government's views on the question of a world referendum on nuclear disarmament perfectly clear. Although a global expression in favour of nuclear disarmament would be fine in itself, it would not be a substitute for the negotiation of effective international arms control agreements. The call for a referendum fails to recognize that meaningful progress in reducing levels of nuclear weapons must be the product of negotiations among Governments. There are no short cuts or substitutes for the negotiating process.

Even if such a referendum were to be held, it is not clear how the results should be interpreted in view of the global diversity of political systems and approaches to freedom of expression. Furthermore, practical considerations, such as the enormous expenses associated with such an undertaking at a time when the United Nations is attempting to avert financial crisis, would present a serious constraint. When the uncertain benefits are compared with the staggering costs, the utility of such a referendum is highly doubtful.

It is for all these reasons that I have cited that I would strongly urge my colleagues on both sides of the House to vote against this motion.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, evidently, the Hon. Member for Leeds—Grenville (Mrs. Cossitt) had not much time to reflect upon the statement that she read a few minutes ago. If she had, I would be inclined to think she would not have made it. She would not have made it because she would have come to the conclusion that, in Canada, were it not for the Cruise missile testing we would be already a nuclear weapons free zone. That has been the policy of successive Canadian Governments. that is what we have been aiming at for decades except, as I said, for the fact that we did test Cruise missiles and are still testing them.

• (1720)

She would not, as she did in the conclusion of her speech, make this spurious argument about the cost of a referendum; this terrible, dangerous cost which, compared to the arms race

cost in the world today, would be a profound concern to the world community.

Evidently, we must bring to the attention of the Hon. Member for Leeds—Grenville that while the cost of arms 20 years ago was in the range of $30 billion, it is now well over $300 billion, and it is estimated at even $500 billion. Would the Hon. Member like to compare the cost of the referendum about which she expressed concern with the yearly cost of arms?

Would the Hon. Member still believe that because of the cost of that type of mobilization of public opinion, which is what a referendum basically is, it should not be attempted in order to generate the pressure which is needed to be put upon the politicians who make those important decisions to be convinced and alerted to the fact that public opinion in Canada and elsewhere does wish to move in the direction of a global nuclear free zone? That is basically the sense of a referendum.

Of course, it would be well beyond the scope of holding it in only one nation. As it has been advanced by Project Ploughshares on a number of occasions over the past few years, it would not only take place in municipalities and provinces across the nation, but it would take place in every nation where a concept of declaring the world nuclear arms free is extremely desirable.

I would like to take the Hon. Member for Leeds—Grenville through the text of a book written 20 years go by former Prime Minister Lester Pearson, and in particular to the chapter entitled "The balance of fear", and his image of a meeting of an austere ostrich. It states:

> 'An austere ostrich of awesome authority was lecturing younger ostriches one day on the superiority of their species to all other species'.
>
> These are the first words of one of James Thurber's *Fables for our Time*, about a conference of ostriches called to find out why they could not fly. One impatient young ostrich, Oliver by name, was complaining bitterly that while man, an animal, could fly sitting down, ostriches, birds, couldn't fly at all.
>
> An old ostrich looked severely at Oliver, first with one eye and then with the other. 'Man is flying too fast for a world that is round,' he said. 'Soon he will catch up with himself in a great rear-end collision, and man will never know that what hit man from behind was man.'

In his book entitled *Peace in the Family of Man*, Lester Pearson concluded:

> So far, we've avoided this rear-end collision, but we shouldn't be too complacent about our escape.

In particular, the ending of the speech of the Hon. Member for Leeds—Grenville was complacent in stating that we should not entertain such thoughts of a referendum because it is too expensive.

In addressing the motion and its merit, for which we should be grateful to the Hon. Member for Beaches (Mr. Young), one has to reflect that there is a lot of fear in the world community and in Canada about the potential of a nuclear war. The knowledge is that without changes in the international society, this fear will be with us for some time. This is what motivates the public to express the notion that we should have and want to have areas or zones in the world that ought to be declared nuclear free. It is a legitimate understanding, and this is why politicians eventually put this type of motion on the Order Paper.

The question that one should ask is, how far would such a measure proposed by the Hon. Member for Beaches influence other nations in doing the same, particularly the most powerful ones that are engaged in this deadly race for weapons paralleled by attempts to control the arsenal of nuclear powers, and hopefully to reduce them?

There are a number of considerations that must be made in this respect. As Lester Pearson stated in *Peace in the Family of Man*, we must aim at the major objective of limiting armaments by progressive stages, beginning with a freeze on existing levels and categories of weapons, with a prohibition of the testing of new weapons, enforced by international control and inspection, and then a ban on the deployment of anti-ballistic missile systems.

Much could be said on those items in any debate, but let us not forget that in the end what will bring about any of those three steps that I outlined would be the re-establishment of a dialogue between East and West and putting on track again the good old word that has disappeared from the diplomatic dictionary in recent years, namely, the word "détente". In the end that is what will bring some type of mutual confidence that must be at the base of nuclear disarmament in the world. As Mr. Pearson observed 20 years ago:

> There are people in the Kremlin, and no doubt in the Pentagon, who believe in military power as an agent of the wrong kind of persuasion: not as something from which you negotiate for accommodation, but as something to be used as a threat to bring bout the achievement of a political objective.
>
> This influence shows itself in another way, which General Eisenhower went out of his way to refer to in his last broadcast as President of the United States: 'We have been compelled,' he said, 'to create a permanent armaments industry of vast proportions . . . This conjunction of an immense military establishment and a large arms industry is new in the American experience . . . In the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes.'
>
> President Eisenhower was in a good position to know that a military-industrial complex of this kind can influence, and may increasingly seek to influence, national policy.

Mr. Pearson concluded:

> Even if we believe that the Russian fear of a threat from outside its borders is basically a paranoiac fear, we ought to understand that from their point of view it is not baseless.
>
> Somehow we have got to persuade the Russians and their friends that with common fears we also have common interests; that the greatest of all common interests is the avoidance of war, whether it is brought about by calculation or, as is more likely, by accident; war which could destroy us all. If that seems a policy for Utopia, I'd like to know a better one.

As we are debating here we know that we are part of a world community that is engaged in military expenses in the hundreds of billions of dollars. While that continues, the Hon.

Member for Leeds—Grenville makes a distressing statement on such an important matter.

• (1730)

We know that the world is attempting to combat poverty in Africa and in Asia in particular. It is trying to come to grips with environmental degradation caused by desertification, increased population pressures, urbanization, and poverty in some of the subcontinents like India and parts of Africa. Therefore, this matter is one which must be approached with an outlook that takes into account the enormous inability on the part of our society at the present time to understand what are our priorities.

Evidently our priorities are to find ways of shifting the expenses which go into the military complex to expenses which deal with rehabilitation and development of those parts of the world where the need is so great and the attention is so little. They do not command the attention that nations which have nuclear weapons can command at the present time.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I express appreciation to the Hon. Member for Beaches (Mr. Young) for having brought forward this very important motion. At the same time I express my disappointment with the position taken by the Hon. Member for Leeds—Grenville (Mrs. Cossitt) in attempting to suggest that the proposal that Canada declare itself a nuclear weapons free zone would not change anything, and in attempting to suggest that we are already at the stage where we do not have nuclear weapons on our shore. I will be detailing instances where specific changes must be made if we are to become a nuclear weapons free zone. She also dismissed the possibility of a global referendum on nuclear disarmament. Of course she said quite rightly that there were no short cuts or substitutes for the negotiation process.

We are all fully aware of that fact and very much in favour of the negotiation process. We do not see the global referendum as a short cut to negotiation. We do not see a nuclear weapons free zone as a short cut to negotiation toward nuclear disarmament. We see them as small but important and significant steps which can lead to that kind of final step being taken.

We need to motivate public opinion so that there will be a mass movement of people in Canada and throughout the world demanding that their leaders and their Governments move toward a more stable international situation. The slogan "Where the people lead the Government will follow" is the sort of thing a global referendum would do.

I take issue with the Hon. Member for Davenport (Mr. Caccia) who suggested that Cruise missile testing is the one area where we are not a nuclear weapons free zone. There are other areas, and later in my remarks I will zero in on the presence of nuclear submarines in Canadian waters.

This morning I was talking to a young woman who was visiting my home. She has a little baby; Nicolita will be one year old tomorrow. I told her about this debate and she said: "Speak for Nicolita". In a sense that is what the debate is all about. We are speaking for our children and for generations who are yet unborn. The decision which this House and other Parliaments around the world makes will affect the future of our children and our grandchildren, countless generations. That is what is involved when we talk about nuclear weapons and their long-term effects upon civilization and genetics. We are speaking for Nicolita and for all children in the world.

Two weeks from now will be Remembrance Day. We will remember the contributions made by men and women in 1914, 1918, 1939 to 1945, and in the Korean War so that we could have a second chance to build a decent kind of world. Yesterday the Minister of Veterans Affairs (Mr. Hees) quoted the words "To you from failing hands we throw the torch". We must pick up that torch and work to ensure decent peace in our world. It cannot happen if we are constantly threatened by nuclear weapons.

Canada is in a very strategic place, and that is why the motion is so important. Canada has a unique contribution to make to the whole issue of nuclear confrontation, that is, the fact that we are placed between the two nuclear superpowers. We are uniquely placed either to make a contribution toward the stabilization of our world or toward the destabilization of our world. When we allow Cruise missile tests we are in fact encouraging further destabilization and the confrontation between the United States and the U.S.S.R., which they are attempting to defuse at the present time.

The Prime Minister (Mr. Mulroney) has said: "We do not have a nuclear dimension to our policy. Canada does not have nuclear weapons on its territory, nor shall it during the life of this Government". It is not quite that simple. One policy in particular undercuts what the Prime Minister said. I refer to the presence of nuclear submarines from the United States which visit Canadian ports.

Because I come from Vancouver Island I am specifically concerned with the visit of nuclear submarines, submarines equipped with nuclear weapons, to Nanoose which is just north of my riding and to Esquimalt which is just south of my riding. Both those ridings are presently represented by Conservative Members. I wish they would speak out for the true interests of their constituents in this particular issue.

The United States has a policy of saying that it will neither confirm nor deny the presence of nuclear weapons aboard those submarines. Instead of standing up and saying that we have a policy of no nuclear weapons on Canadian soil or in Canadian waters, the Canadian Government simply honours that policy of the Americans. It honours their policy of not telling us whether or not they are bringing nuclear weapons into Canadian waters, into Canadian harbours.

Next week Greenpeace will be releasing a major study about the possible effects of an accident aboard one of those vessels

in Esquimalt Harbour. What would happen to Esquimalt Harbour and to the whole area of greater Victoria if there were an accident aboard one of those visiting submarines? The study which Greenpeace will be releasing next week will detail the kind of devastation that would take place if that were the case. However, it is important to say that as devastating as that would be, perhaps the most significant factor is not the possibility of a local accident but the fact that by having those submarines in Canadian waters Canada is contributing to a very dangerous policy of the United States.

I should like to quote from the Ploughshares working paper on a nuclear weapons free zone. In part it reads:

> Naval nuclear weapons represent a growing danger to world peace. Increasingly, these weapons are becoming warfighting weapons designed for use during a conventional or nuclear war. As such, they are widely recognized to be one of the most likely causes of a nuclear war. The provocative "Maritime Strategy" recently adopted by the U.S. Navy actually calls for attacks against Soviet nuclear submarines early in a conventional war. One purpose of this dangerous plan, according to Admiral James Watkins, former U.S. Chief of Naval Operations, is to "alter the nuclear equation" in favour of the United States prior to a major nuclear war. As Professor Barry Posen of Princeton University has commented, "of all the possible Navy strategies, this one is the most likely to cause the other side to reach for nuclear weapons".

• (1740)

What we are doing by having American nuclear submarines capable of having nuclear arms—the American Government will neither confirm nor deny there are nuclear arms but we can be sure that they do have nuclear arms—is that we are contributing to that very dangerous kind of policy. We have the CF-METR base, the Canadian Forces Marine Experimental Test Range at Nanoose where American submarines are involved in nuclear related anti-submarine warfare exercises. Just last year the agreement for the American use of that base was renewed despite the objection of thousands of Canadians from coast to coast. The request for a public investigation into the use of that base was denied by the Government. It went ahead and negotiated it. That very seriously compromises what the Prime Minister said about not having any nuclear weapons on Canadian soil.

I would urge Members opposite to think of future generations, think of Canadian responsibility, think of what Canada can contribute to the whole possibility of a nuclear free world. I urge them to support this motion made by the Hon. Member for Beaches.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, as a Member for Vancouver East, I am particularly proud to be taking part in this debate on the motion presented by the Hon. Member for Beaches (Mr. Young). I would like to read the motion once again:

> That, in the opinion of this House, the Government should consider the advisability of declaring Canada a nuclear arms free zone by prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada, the export of goods and materials for use in the construction and deployment of nuclear arms and further, the Government should encourage cities, provinces and states throughout the world to undertake similar action.

I am particularly proud because I come from the City of Vancouver which, under the past mayor, Mayor Mike Harcourt, was one of the original municipalities in Canada to declare itself a nuclear weapons free zone. My colleague, now the Hon. Member for Hamilton Mountain (Ms. Dewar), has been an outstanding Member in this same struggle. She has actively promoted this concept with municipalities throughout Canada. We are asking the Government to take specific action as outlined in the motion.

When I drive into Vancouver coming from the airport I must say I am always very moved by the highway signs which inform me that I am about to enter a nuclear weapons free zone. It is my fondest hope that some day this concept will be enforced not just on land but beyond the shoreline of the Port of Vancouver so that no ships bearing nuclear weapons will be permitted by the federal Government to enter Vancouver harbour. I know there are many other people, citizens of the Vancouver area, who share this desire, many of my constituents in particular.

In asking the Government to consider the desirability of declaring all of Canada a nuclear arms free zone, New Democrats are not embarking on a remote, academic, technical debate about an unimaginable future. We are concerned with the present. This debate is about an issue that affects the families and individuals of all constituencies across Canada. I am particularly concerned about my riding of Vancouver East. Even as Members of this House debate, the nightmare of a nuclear Armageddon is affecting the daily lives of many young children, youths and adult citizens who live, work, study and play in our communities. I know that these young people and their parents in my community of Vancouver join thousands of fellow citizens to march each year to show how strongly they are committed to peace and to the kinds of goals expressed in the motion.

For two generations the human race has lived under the shadow of the bomb and at the sufferance of the powers and principalities that control the bomb. This single inescapable fact has had drastic consequences for the ways in which we think about the present and plan and contemplate for the future. The psychological damage that nuclear armaments have already inflicted on ourselves and our children is not hypothetical. It does not depend on someone, somewhere, someday making a slight miscalculation. It is here. It is now and it is all around us as we talk.

I want to speak as my colleagues did about schoolchildren, children who have not even reached their teens who already wonder out loud whether they will have the chance to grow into adulthood. I want to speak about youngsters I have seen playing in the schoolyards of Vancouver East, children whose watercolours on classroom walls offer bleak, sombre testimony to their vision of a nuclear winter. I want to speak about children who go peacefully to bed only to wake up screaming from nightmares of World War III. This happens to young children in all our communities. Most Members of this House are familiar with recent surveys conducted in this country, the

United States and western Europe of the responses by young people to the ever present threat posed by nuclear weapons. The pattern that emerges from these surveys is a chronicle of confused hopelessness, unrelieved anxiety and sometimes suicidal despair. On occasion that despair has resulted in people completely losing hope and choosing the path of suicide. Pathetic messages left behind by these young people are a searing indictment to those who would brusquely dismiss—as the Member across the House is doing—this phenomenon as irrelevant or perhaps even humourous to the issue we are debating today.

It is extremely difficult to join in this debate without becoming emotional. Surely it is a sign of some serious disorder for anyone to speak or even to be here today without becoming emotional. Members who have seen the film *If You Love This Planet*—and I hope everyone has—surely will recall the response of peace activist Helen Caldicott to charges that her crusade against the threat of nuclear weapons was, to quote, "overly emotional." I applaud Dr. Caldicott's response:

> Anyone who can contemplate the prospect of the world-wide race to thermonuclear Armageddon without becoming emotional cannot be classified as a sane human being.

I hope that all Members who are here in this House today will consider this issue with considerable emotion.

All New Democrats support this motion. The people of Canada, I must say, know where New Democrats stand on the desirability of making Canada a nuclear weapons free zone. It is perhaps one of our most important policies. Over the years a number of my New Democrat colleagues have sponsored Bills and motions with the goal of prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada and the export of goods and materials for use in the construction and deployment of nuclear arms as reflected in this motion today.

To look back in history, on March 5, 1986, and again on October 8, 1986, the Hon. Member for Skeena (Mr. Fulton) introduced such Bills. I am sorry to say these Bills received only first reading. On December 13, 1984, my colleague, the Hon. Member for Regina West (Mr. Benjamin), who I hope is listening to this debate from his hospital bed today, introduced a nuclear weapons free zone Bill. This Bill proceeded to second reading on March 18, 1985. The Hon. Member for Beaches (Mr. Young) has presented the House with another opportunity to demonstrate some real leadership to the people of Canada. I very much hope that Hon. Members from all Parties will lend their support to this motion.

• (1750)

Unfortunately, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) said on behalf of the Liberals in 1984 that they may wish to make it absolutely clear at this time that they are neither for nor against the concept of a nuclear weapons free zone in Canada. That is a typical Liberal response. I am pleased that the Hon. Member for Davenport (Mr. Caccia) spoke positively in support of this motion today. I only hope that he was speaking on behalf of his Party and not as an individual.

Hon. Members opposite have supported what I would call some nonsensical arguments about the international repercussions of Canada's becoming a nuclear weapons free zone. I would like to quote Project Ploughshares in this regard. In *Making Canada a Nuclear Weapon-Free Zone*, Project Ploughshares has said:

> It is both technically and politically incorrect to argue that refusal to participate in or support the nuclear forces of other NATO members is incompatible with membership in the Alliance... Currently Denmark, Iceland and Norway are actively examining the prospects of creating a regional, Nordic Nuclear Weapon-Free Zone... Greece is attempting to negotiate a similar, Balkan zone. These countries intend and expect to remain members of NATO even if they should become full nuclear weapon-free zones.

As well, we are concerned by the statements made, I presume reflecting the Government's position, by the Hon. Member for Leeds—Grenville (Mrs. Cossitt). I hope very sincerely that she will review this information and reconsider the statement she made today.

I know how keen supporters across the country are for us to pass this motion in the House. I would hope that there would be debate in the communities across Canada and that people will talk to their Members of Parliament, particularly those who are members of the Official Opposition and those in the government Party, about this matter.

Finally, I would like to end by quoting a poem by Tommy Douglas, who was a tireless fighter for peace. He wrote:

> You say the little efforts that I make
> Will do no good; they never will prevail
> To tip the hovering scale
> Where justice hangs in balance.
> I don't think
> I ever thought they would.
> But I am prejudiced beyond debate
> In favour of my right to choose which side
> Shall feel the stubborn ounces of my weight.

I know all of us in this Party would urge all Hon. Members to take a very tangible step in support of this motion as a positive step toward peace, a world where our children can sleep at night with less fear of a nuclear holocaust.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate does not insist upon its amendments 1(*a*) and (*b*), 2(*a*) and (*b*), 3, 4(*a*), 5(*a*) and (*b*), 6, 7(*a*) and (*b*), 9, 10 (*b*) and (*c*) with which the House of Commons did not concur; that the Senate concurs with the amendments

made by the House of Commons to its amendments 1(*c*) and 8; that the Senate does insist upon its amendment 4(*b*), and that the Senate has substituted eight amendments for its other amendments concerning Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, for which it seeks the concurrence of the Commons.

I also have the honour to inform the House that a message has been received from the Senate informing this House about observations and amendments contained in Part II of the nineteenth report of the Standing Senate Committee on Banking, Trade and Commerce on the message from the House of Commons concerning certain amendments to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto.

For the benefit of Hon. Members, these messages will be printed in today's *Votes and Proceedings*, and copies will be available at the Table in both official languages.

[*Editor's Note: See today's* Votes and Proceedings *for the above messages.*]

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

NUCLEAR ARMAMENTS

ADVISABILITY OF DECLARING CANADA A NUCLEAR ARMS FREE ZONE

The House resumed consideration of the motion of Mr. Young:

> That, in the opinion of this House, the government should consider the advisability of declaring Canada a nuclear arms free zone by prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada, the export of goods and materials for use in the construction and deployment of nuclear arms and further, the government should encourage cities, provinces and states throughout the world to undertake similar action.

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I will not take long. I know that this motion is to come to a vote, so I will end my remarks before six o'clock.

I did want to respond to some of the remarks made by Hon. members of the Opposition regarding the motion which is to declare Canada a nuclear weapons free zone. First, the motion calls for unilateral action. That really goes against the tradition of Canada and its security as a nation.

Since the late 1940s, Canada has very carefully cultivated a relationship with and co-operated with members of the NATO Alliance to ensure that we have a collective security, and it would be the joy of all joys of those in the Warsaw Pact if that kind of collective security began to fragment. We cannot allow the concept of collective security to be destroyed by any fragmentation in the idea of unilateralism for which this motion calls by declaring Canada a nuclear weapons free zone.

Second, the motion seems to assume that the most important issue in the world is peace. No one would deny that that is an incredibly important issue. All of us cherish the privilege of living in peace. In fact, I would underscore the fact that it is because we have had a collective security concept that we have been able to live in peace in this land.

The most important issue is not peace, it is freedom. There are many nations which are in peace. I can tell of the days I spent in East Germany. There is peace there, but it is not the kind of peace that I would enjoy. I have been in Bulgaria and there is peace there. I saw no war, no conflict, but it is not the kind of peace that I would enjoy. The most important privilege we have in this land is not peace but freedom. Hon. Members of the opposition Parties ought to appreciate that the most.

Third, the motion seems to assume that those with weapons are militarists. That is totally fallacious. The country that is the most militarily equipped and prepared in Europe today is not West Germany, France or Britain, it is Switzerland. Switzerland holds military manoeuvres every weekend and has its recruits in reserve, allowing them to take their weapons home from training. They keep their rifles in their homes. Who would say that Switzerland or Sweden for that matter, which is also militarily prepared, are militaristic because they believe in being militarily prepared?

We cannot accept this kind of motion. I recognize that it must come to a vote and it ought to. The House ought to express itself on this motion, but I hope it is roundly defeated, and I believe it will be because it deserves to be. We need to preserve not only the tradition of peace in this country but the tradition of freedom.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 is deemed to have been moved.

YOUTH—PLIGHT OF UNEMPLOYED AND HOMELESS—GOVERNMENT POSITION/EXPECTATIONS OF YOUTH—GOVERNMENT POSITION

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, on June 11 1987, I asked a question in the House to the Minister of State (Youth) (Mr. Charest). It concerned the plight of unemployed and homeless youth. I asked the minister what he intended to do to try to alleviate the plight of thousands of young Canadians faced with that serious problem. Unfortunately, his answer or rather his lack of answer forces me to bring back the issue today.

In my question, I was referring to the pomp with which some programs for the youth have been launched, and particularly to an article on the official opening of Centre Entreprise-Jeunesse de Montréal that has been published with a photograph in a newspaper on June 10. This article refers specifically to the ostentation which accompanied the official program opening, which included a display of a great many balloons of various colours, catering services, wine at will, a video presentation, et ceatera, et ceatera. Mr. Speaker, that is what I wanted to talk about at the time and what I still want to talk about today, because the Government is behaving in such a way, in connection with the launching of some programs, as to mislead the public into thinking that many significant programs have been implemented for young Canadians, while unfortunately the real needy are in fact ignored.

I am afraid the Minister of State (Youth) has no idea of what this lack of shelter means for young Canadians. Because he has hardly any solution to propose, he asked me in his reply or comment, to offer him suggestions for improving the current situation. I am not surprised at all, Mr. Speaker. The Minister is not and has never been truly conscious of the actual problems and needs of young Canadians. He does not care and is still less determined to try and find final and concrete solutions to their problems. For that matter, if he had listened a little more carefully to my question, the Minister would have realized that I had made one suggestion, that is, to set up a permanent mechanism or organization for listening to the homeless. But, anyway, it is neither my responsibility nor that of my party as Official Opposition to find solutions.

I suggest it is incumbent on both the Government and the Minister of State (Youth) to find solutions together with the dozens of departmental officers who are there to develop concrete programs to help solve the problems of the homeless. It is not up to us to compensate for the Government's not doing its job. We will assume this responsibility as soon as we are again in government in a few months from now.

I agree with the Minister when he says there are no miracle solutions to solve the problem of the homeless. Still that is a very poor excuse to refrain from taking any action at all in this sector. Unfortunately we have precious few problems in this country to which miracle solutions do exist. But if we try hard enough we find out that intelligent, simple and concrete measures can indeed help us improve considerably most of the problematical situations we encounter. I will prove that in a few minutes.

Various interest groups dedicated to help the homeless and the jobless have told me and the Leader of the Opposition how disconcerted they are about the inaction of this Government with respect to this issue. The United Nations General Assembly declared 1987 the International Year of Shelter for the Homeless. The primary objective is to make sure that this year there will be an appreciable and significant improvement in the living accommodation and environment of some of the most destitute people. It seems to me that as Canadians we have a role to play and a responsibility to assume in the quest for this objective. Most people concerned over the homeless agree on one point: they are ever more numerous and ever younger. What used to be the bastion of people aged 45 and over is now wide open to younger people.

So again I ask my question to the Minister, hoping that this time he will have the opportunity and courage to respond. Are homeless youths really one of the concerns of your Government? In the affirmative, would you be prepared to implement a measure or put into place a permanent structure to look after the needs expressed by their spokesmen and solve the problems they face?

As recently as yesterday, Mr Speaker, to face the urgent and dramatic situation of homeless youths, a task force of the Montreal diocese, in co-operation with the archbishop's palace, announced the November opening of a shelter-help centre for young people between 18 and 30 years old, in the basement of Montreal's Saint-Louis-de-France church. This temporary shelter for the winter months will provide beds for the 18-30 year-olds who have no place to stay.

His Eminence Robert Riendeau, director of the archbishopric charities, says the project is only temporary considering the urgent situation of youths and the fact winter is so near. But he believes the organization of a network of shelters is not a government responsibility. I agree with him on that point. However, in justice, it is the duty and the responsibility of the Government to ensure its citizens a subsistence and decent living conditions.

I am therefore asking the Governement, the Minister responsible, to take concrete measures before the end of the International Year of the Homeless, to allow those young people without a shelter to benefit as soon as possible from a decent program that will provide them with income and an opportunity to live a decent life in Canada.

• (1805)

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, first I want to compliment the Hon. Member for Saint-Maurice (Mr. Grondin) for raising this question. It is indeed an important social issue that is not easy to solve and for which there will be no immediate solution. It will take the help, co-operation and understanding of all sectors of Canada and Members of Parliament in order to solve the problem.

I want to compliment the diocese in Montreal for taking the initiative to provide a shelter for the homeless, as the Member has pointed out. I believe that is the beginning of the kind of work that must go on. I agree with the priest in that diocese that that is where it starts. While the Government must do its part, that is where the solution begins.

The Hon. Member seems to think that the Government has not been doing anything. He mentioned the jobless and the

homeless. The jobless rate for teenagers since August, 1984, has dropped 4.4 per cent. That did not happen by magic. It is as a result of planning, programming, and Government agencies and departments looking at needs and how they can be met. Because of such programs as the Canadian Jobs Strategy and the Youth Employment Program, led by the Minister of State for Youth (Mr. Charest), there has been an attack on unemployment among the youth.

The Member says that the Minister did this with fanfare. Would it help to initiate Government programs if people do not find out about them? It seems to me patently obvious that in order to design programs and reach youth we must find ways to publicize them. It may seem like fanfare to the Hon. Member, but we must broadcast that kind of news if we are to tackle this issue.

I also point out that the Secretary of State (Mr. Crombie) just returned from Saskatoon where he has been meeting with a task force on post-secondary education, trying to tackle the whole matter of illiteracy or partial illiteracy in order that we can deal with this important issue.

The other side of the issue is the homeless. On any one day in the City of Ottawa one can find a thousand homeless. There are agencies in Ottawa that are trying to bring those homeless to a place of shelter, but more important, a place of meaning. It is not enough to say that we must provide shelter, we must also ask why they are homeless. Many of these young people are 17, 16, 15 or younger. Why are they not at home with their parents? Why are they runaways? That is the question with which agencies, like the diocesan priest, are wrestling. How do we get them back to the shelter of their home where they belong? What is the conflict that has arisen between them and their parents that they have run away?

• (1810)

Those are the social issues governments cannot solve but which this Government is trying to tackle by bringing an undergirding to the family structure so that families feel good about being families and become knit together. That is why the Minister of National Health and Welfare (Mr. Epp) is taking his time with the child care program. We want to have a child care program which provides a sense of security about how those children are going to be cared for in day care centres. They will find, then, that they feel good about themselves and they will not feel the need to run away from home, which really is the problem, I think the Hon. Member would agree.

The problem is that young people want to run away from home. We have to deal with that so that we do not have to talk about homeless young people in our society.

[*Translation*]

TRADE—FREE TRADE—POSITION OF SOCIALIST PARTY IN 1965

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on October 21, 1987, I asked the Secretary of State for External Affairs (Mr. Clark) to explain to us the position of the socialist party in 1965 when the Auto Pact was signed.

As you know, the socialist party then objected to the Auto Pact, just as it now objects to the free trade agreement.

It is important for the public to know what the socialist party had forecast in 1965 if free trade were implemented in the automobile industry. I now refer, Mr. Speaker, to *Hansard* for May 10, 1965, when Mr. Tommy Douglas, who was then Leader of the CCF, which was a socialist party, and it is the same party today, had this to say about the Auto Pact: "The other criticism we have of this Agreement is that it appears to make no provision at all for the employees in the automobile industry who will be displaced as a result of it."

This is what the leader of the socialist party said in 1965 and we are now hearing exactly the same negative speech from the heirs of Mr. Douglas. Yet, what has happened because of the Auto Pact since 1965? Canadian automobile exports to the United States now amount to $33 billion. In other words, more than a third of our total exports, thanks to the Auto Pact. Those $33 billion of exports account for 7 per cent of our Gross National Product and for 840,000 jobs, most of them centralized in southern Ontario, specifically in the socialist party leader's riding Oshawa. Those jobs are centralized in a community where, at present, unemployment is less than 3 per cent and where General Motors has decided to invest $2 billion.

Mr. Speaker, it is difficult to understand the position taken by the socialist party in 1965 when it was against to free trade in the automotive industry. It is still opposed to free trade today, anticipating the same disasters, such as jobs lost, etc., whereas it did not happen since 840,000 new jobs have resulted from that agreement. Today, it is opposed to the benefits that free trade has brought about in the automotive industry since 1965. Those benefits, incidentally, were implemented and negociated by the same negociator, Ambassador Reisman, who is in charge of present negociations. That party is opposed to the possible economic spin-off which will benefit other Canadian workers throughout Canada.

It was said in the House, Mr. Speaker, that members from the socialist party have a grudge against Western Canada. In fact, they have a grudge against the whole country because their leader is only interested in his own riding of Oshawa and its immediate surroundings. The socialists don't want the benefits of the Auto Pact to be extended to all Canadians, and to make their negative representations, they are using the money of workers in the automobile industry who earn good salaries and pay dues to big unions, to Bob White's union. They want to use that money. They are paying for advertising across the country and they are using the money of workers who enjoy the benefits of free trade in the automobile industry. They are using it to oppose the ratification of an agreement with United States, because they are living quite handsomely, those socialists Mr. Speaker, they are Bob White's soldiers. These people in the House are saying only what their financial

backers, Bob White and company, want them to say. And incidentally, Bob White is doing pretty good for himself, too, these days.

Canadians should realize the kind of position the socialist party is taking. They should realize that in 1965, they were against free trade in the auto industry. Today, we have the socialist party and Bob White who want to maintain all the advantages of free trade in a specific sector of our economy here in Canada. Mr. Speaker, every Canadian should seriously reflect on the position taken by the socialist party. In 1965, they were against free trade, and now that their workers enjoy the benefits of free trade, workers who are paying Bob White a handsome salary . . . He gives the orders, he supports their campaigns and their political financing, and that is why these people cannot consider the well-being of all Canadians, because they are indebted to Bob White, who has been enjoying the benefits of free trade since 1965.

• (1815)

[*English*]

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I would like to thank the Hon. Member for his timely question. I might just follow it up by stating that this is not the only time that the NDP has been wrong.

Members opposite have a record of negativism on free trade and other issues. I need go back only as far as this Government's economic statement of November, 1984, when the Leader of the NDP said in the House on November 9, 1984, that the Government would "destroy thousands of jobs . . . The effect of this program would be a net increase in unemployment".

As we all know, that simply is not the case. Since September, 1984, 959,000 new jobs have been created. Total unemployment is down by 336,000, and the rate of unemployment is down by 3.1 points.

This historic free trade agreement, which the Opposition is opposed to, will build upon that impressive record of job creation. It will secure access to our biggest export market and it will create jobs. That is what this deal is all about—jobs. If the NDP is truly concerned about unemployment in Canada, it will support this major initiative.

I would also like to briefly touch upon free trade and its benefits to the auto industry. We said when we went into these free trade negotiations that the Auto Pact was not on the table, and it was not. The Auto Pact, including the safeguards, remain in place.

That is what the Canadian Auto Workers wanted. That is what the auto parts industry wanted. That is what Ontario wanted. Although, as my colleague has just finished pointing out, that is not what the NDP wanted in the past. However, this Government felt that the Auto Pact was working well. Therefore, we did not raise it at the table.

The free trade agreement preserves the benefits and the obligations of the Auto Pact for the original participants. It really has become the Auto Pact "plus" because it also recognizes that there are nine other vehicle assembly companies with projects under way in Canada and the United States which have been left out of the current arrangement.

What we have done is written a set of rules that will allow them to obtain the benefits of rationalized production within North America if they meet a tough new rule of origin that will require them to buy more domestic parts. This policy will create jobs much more effectively than the fortress Canada policies espoused by the NDP. Time will prove this Government's vision for Canada right, and the NDP's lack of vision wrong.

TRADE—SERVICE INDUSTRY—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT/PROVINCIAL JURISDICTION OVER SERVICE JOBS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the question I raised on October 14 and some of the discussion I have heard this afternoon are very similar. The Minister of Finance (Mr. Wilson) responded to my question by stating that the Advisory Council on the Status of Women said that a free trade agreement with the United States would improve the economic prospects of Canadian women. Some of the statements that I heard in the chamber this afternoon frightened me because I suddenly recognized how little research and depth of knowledge there is in the Government when it is going ahead and signing a free trade agreement, and it does not understand what "managed trade" is and what "free trade" is.

• (1820)

The Mulroney trade pact is something that is very dangerous to the economy of this country. When we looked at the Auto Pact, thank goodness our representative, Tommy Douglas, who was such a great Canadian, had his input at that time to make sure that there was Canadian content in every automobile manufactured. That was certainly what managed trade is all about.

My question was a question of the services. Those services have never been studied by the Economic Council of Canada. We do know that other countries have consciously excluded services from trade agreements, recognizing the potential threat to the economic and social programs, and that the development of indigenous service industries is critical to maintaining independent political and economic situations.

We also know that many of those services come under provincial jurisdiction. We have asked, and have not received an answer, as to what type of negotiations and agreements were made with the provinces to allow them to negotiate away many of the jobs of the women of this country.

An Ontario Government study of services under free trade concluded that there is no net benefit in a free trade agreement in five specific areas: banking, culture and broadcasting, investment dealing, telecommunications, and transportation,

which will see increased foreign competition. The study advised the Ontario Government to oppose trading off losses in the service sector for gains elsewhere.

In the House on October 14 my question was, what type of negotiations took place with the provinces that they were going to be able to bargain away areas that came under provincial jurisdiction? It is very clear in this agreement that services have been part of it. The Economic Council of Canada has not done any studies in the service area. It has stated that it will undertake a study in the future. It did not compile that when it was projecting a great gain in employment.

It is crucial that the Government looks at the implications to the women of this country, 80 per cent of whom are employed in the service industry. It is important that the Government look at that and recognize the implications. As soon as the Government receives those results, without any whys or wherefores, it should tell the United States that we will not be different to any other country in the world, and we will not include services in any of our trade agreements.

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, the trade agreement will secure and enhance Canada's export opportunities in the United States, providing better economic opportunities for all Canadians. This is as true in the service industries as in the goods producing industries.

For the first time, there will be a binding agreement governing trade and investment in a large number of service sectors. Those sectors include, for example, computer services, professional and business services, and enhanced telecommunications services.

The agreement will ensure that in the future U.S. laws and regulations will not be changed so as to deny Canadian service suppliers in the United States equal treatment *vis-à-vis* their American competitors, or prevent them from establishing in the United States or maintaining a commercial presence there. Of course, as is only reasonable, Canada will accept the same disciplines in future with regard to our laws and regulations.

The agreement will also bring immediate help to business travellers crossing the Canada-U.S. border in the course of their business. Unnecessary prior approval procedures and other requirements will be eliminated, without affecting either country's control of its immigration policies. The result will be greater freedom for Canadian suppliers of a large number of services to pursue new business opportunities in the United States. The agreement will truly secure and enhance our access to United States markets in the sectors it covers.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.24 p.m.

HOUSE OF COMMONS

Friday, October 30, 1987

The House met at 10 a.m.

Prayers

[*English*]

POINT OF ORDER

USE OF UNPARLIAMENTARY LANGUAGE

Mr. Bill Kempling (Burlington): Mr. Speaker, at a meeting of the Standing Committee on External Affairs last evening I made an intemperate remark regarding the Hon. Member for Hamilton East (Ms. Copps). I want to completely withdraw that remark.

Mr. Deputy Speaker: I thank the Hon. Member.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Thursday, October 29, 1987, consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to continue debate on Bill C-87 which normally would be considered, I suppose, a housekeeping Bill, but a fairly substantial housekeeping Bill in that it is a proposal that attempts to fulfil a commitment to many other countries of the General Agreement on Tariffs and Trades to harmonize tariff structure and the Customs Act in our country and to make our procedures similar to those of the other countries.

This process has been ongoing for some seven years. It has been very long and tedious work to figure out each of the procedures that will have to be put in place so that governments can adjust in a way that the tariffs will be levied consistently right across the membership of GATT. As I noted, it has taken some seven years for the initial preparation of the numbers for what has now become Bill C-87.

Early in October we were presented with reams of paper brought to us with the little trucks and carts of the House of Commons, something over 3,000 pages, I am told, of very detailed lists of the changes that will be involved due to this harmonization of the Customs Tariff Act.

• (1010)

After having worked at this for some seven years, the Government is now proposing that industry will have until the end of this calendar year, December 31, to digest and understand all of the changes that will affect its operations with regard to customs and tariffs and the importation of materials that it might need. The exportation procedures that will have to be followed, if they are to be complied with, will also have to be taken into consideration.

We think that this is too fast. We do not think people in the industry have had enough time to digest these more than 3,000 pages of proposals that are before them. We are suggesting to the Government that it wait at least until April 1, 1988. That is a fairly common courtesy and a common procedure in that it is the beginning of our fiscal year.

This will give industry an extra three months to digest what it is that it is supposed to be doing to make changes to procedures so that large errors will not be made in the computation of what is owed or what should be collected. As a result, perhaps, it will force some industries into a very tenuous financial position because of having misunderstood some of the changes that are to come with the implementation of these tariffs.

We have been spending some time attempting to bring this matter to the attention of the Government to point out that it is extremely important that the implementation of these procedures be delayed for at least three months so that industry has an opportunity to catch up. I say that because there are so many pages to digest.

We have been trying to make a similar type of argument with regard to an even more important, in some respects, trade arrangement that the Government has more recently involved itself in, that is, the agreement that was initialled with the United States of America. We are being rushed in respect of this one as well by the Government. It has been telling us that

we should be prepared to hold hearings on it even before the final text is available.

The position of the Government seems to be that the committee, a committee of the House of Commons, and the general public itself, will have to make do with the initial overall general statements to decide whether or not an industry or an individual company will be negatively or positively affected by this agreement. It is virtually impossible to make those kinds of calculations and analyses if all of the facts are not before one.

So here we have an instance in which the Government has in fact put all the data in front of us, more than 3,000 pages, much of it in very detailed tabular form. But it is very difficult to sift through 3,000 pages, as you can well imagine, Mr. Speaker, to assess what this will mean in terms of the operation of any particular company that is involved in importing and exporting. It is therefore our contention that more time should be permitted for these people to understand the system and to make the internal changes that are necessary so that the collection and payment of duties and tariffs is done correctly.

We do not disapprove on our side of the House of the process of having entered into these harmonizations with the other GATT nations. I think it will lead to some improvement in the trade relations between the close to 100 countries that are involved in the GATT at the moment. But we think that improvements could be made to the method of implementing it. Much of it could be corrected, we think, with a little more time being permitted to the various affected groups.

We have had representations since the tabling of those 3,000 and some pages. We have heard from important groups across Canada, such as the various industries that are members of the Automotive Industries Association whose members consist of people involved in after parts manufacturing, auto parts manufacturing, and the farm equipment industry. They are saying that they need more time to sift through this information. They have pointed out already some of the errors or omissions in the draft of the annex to the harmonization system that was made available to them back in May. They thought that the text of the amendments would be issued to them some time this November. Their committee report must now be delayed until some time in April. This makes it very difficult to fit in with the January 1 implementation date.

As a result of this delay it is very difficult for these people to even understand how this measure will impact upon them. The final wording of how each of the industries will have to comply will not even be available to them until that April 1 date. So it is really difficult to set up procedures beginning January 1. As I said earlier, three months of making the wrong choice on collection or payment of a tariff can put some companies very close to the verge of bankruptcy, if they have guessed what the rules will be on a wrong basis.

I speak for agriculture for my Party and I want to make a few brief comments with respect to the affect of trade arrangements on farm equipment, because that is one item on which farmers spend a great deal of money.

At the outset I should point out that farm equipment has traded between Canada and the United States on virtually a free trade basis since the early to mid-1950s. So we have had more than 30 years of experience of virtual free trade. There are no tariffs or customs duties levied on new tractors, combines, or major pieces of equipment. Most smaller pieces of farm equipment cross the border virtually free of tariffs as well. I know that, regrettably, there are some people in the West who still believe that there is in fact a tariff on American equipment coming into Canada.

The rumour and the myth of protected eastern farm equipment manufacturers hiding behind tariffs is still rampant in western Canada. Regrettably, sometimes, it is fed by politicians out there. But I want to make it very clear that since the early 1950s the situation in reality has been one of no tariffs and no customs duties on new equipment.

There is, however, a difference about which we should all be aware between the Canadian and American dollars. When many producers look at the cost of a new tractor in the United States, compare the price listed there with one listed in Canada, they often forget to make the accommodation for the difference in the value of the American versus the Canadian dollar. When they do that they find that the price is virtually the same with, perhaps, some slight difference due to extra transportation costs to get the tractor from a U.S. plant into Canada.

One of the few tractor plants that we still have in Canada is the Versatile equipment plant. It is no longer Canadian owned. It went to the Ford Company. It is now an international corporation. The Government provided, I believe, something in the neighborhood of $40 million of assistance in one form or another for that deal to be consummated. The company has agreed to rebuild the plant and to make its equipment more automated. As a result of some of these changes, the Automotive Industries Association tells us that the Versatile farm equipment plant in Winnipeg will now be denied duty free entry of welding equipment for the automation of its company.

• (1020)

Under the proposals contained in those 3,000 pages tabled some weeks ago, we are less able to trade freely between our two countries in this important sector than we were before. In order for us to make use of the automated equipment to keep our plants competitive with American plants, we will now have to pay a duty, as the Automotive Industries Association interprets the numbers that were tabled here in early October. This does not seem fair. It seems particularly unfair when the Government has been talking loudly and long about free trade between our two countries in everything. We have an industry where free trade virtually existed in the business of farm equipment, tractors and combines in particular, and those

changes will now make it more difficult for the struggling tractor side of that market to continue functioning in Canada.

There are very important matters contained in those 3,000 pages which require far more time and attention than what has been given up to this point. I realize it is the intention of the Government to attempt to get as many of these types of Bills through as quickly as it can, but I think that this particular one is far too important to be permitted to go through quickly.

On the government side, there must be some thought given to extending the amount of time, setting back the implementation time, in order that the paperwork that the Government still has to do can be caught up before it becomes implemented. In that manner, the industry associations and the industries affected can make the proper accommodations and not be caught short preparing for something that is perhaps a misinterpretation or an unexpected result of what the final wording of the draft regulations might be. It is bad practice to make this type of change so precipitously when all of the paperwork has not been done.

I realize that it has taken seven years for the Government and its various agencies to get this far. Surely another three to six months could be permitted to allow the industry to catch up with Government, since it is starting from a dead start now and will only have five or six months to catch up. If the Government's proposal is put into effect now, it will only have two months to get everything in place, and it still does not have all of the final documentation and regulations in place to consult. Those will not be available from the Government until March 31 or thereabout.

It is not good administration or good government for this Bill to go through so quickly.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome this opportunity to take part in this debate because of the importance of the issue. It is the first time since Confederation that a Bill of this magnitude has been tabled in the House, and I think that although the subject matter is at times dense and complex, it deserves to be clarified for Canadian taxpayers.

Mr. Speaker, this Ways and Means motion is particularly intimidating, with its two big volumes, although the principle of the Bill is quite simple. It is to harmonize the description of commodities and the coding system that are now used in the Customs Tariff.

The present system is quite complex because goods are classified in one of twelve groups, according to end use. As a result, goods will often fall into more than one category, which can cause confusion.

The decision to harmonize and to standardize so that the major industrial countries would be using approximately the same system was undertaken on a multilateral basis with the European Economic Community, our neighbour to the South, the United States, and Japan. In Canada, work on this has been going on since 1981, although the international negotiations, according to the information released by the Department, only began in October, 1986. The Bill before us will increase the number of tariff items from 3,500 to 8,000, and that is simply the subdivision of items. Naturally, we all know that as a result of Canada's negotiations through the years with GATT, more and more of our trade is free of tariff.

[*English*]

It will be easier for our traders, importers and exporters, to classify the goods and hopefully reduce classification appeals. Essentially we are dealing with a simplification, since detailed categories will be easier to use. This harmonization of commodity descriptions and coding system should make it easier to trade, because major trading partners will be using the same classification system for tariffs. It does not mean that the tariff rates will be the same. It only means that the classification under which they are operating will be harmonized.

We are told by the Minister, and I take his word, that it is revenue neutral. It is not a Bill that will in any way bring additional funds to the Government, but will afford our export and import markets a better harmonized commodity and coding system.

I do not wish to prolong the debate, therefore, I will finish my comments by stating that indeed we will support this Bill, as we believe it is time that Canada acted in a co-ordinated and cohesive manner with our trading partners. We believe it is appropriate that we should today approve of this process.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity to rise today to make a few comments on Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System.

I wish to begin by picking up the theme of facilitation of both Canada's exporting and importing trade processes. I believe that this is an objective that is worthwhile pursuing. To some degree, it characterizes the statement that is often made, that it is the nuts and bolts of the business that are important. It is the attention to detail which should be meriting better consideration than it receives. The old saw is that it is harder to find a good plumber than a good lawyer, but in many cases more rewarding to do so.

What we are looking at in this Bill is an expansion of the categories of classifications of goods imported under the various customs tariffs, and, conversely, exported to our trading partners. That expansion should not mislead us because, of course, it stands for a better level of description, a better level of detail and, in essence, a very worth-while expansion of the standard taxonomy of description of trade goods.

• (1030)

I would not want to go into a long, historical perspective on the development of trade or on the development of customs tariffs as they particularly relate to the North American context and the interaction with our major trading partners. However, I think it is worth while to instance that the trading classification system at which we are looking today is one that has grown up over a period of centuries. That is a fact which should give the Government some cause for reflection, because the classification system is but part of the over-all discipline of trading relationships and the limitations or barriers, as some would term them, that have grown up around the trading relationships of Canada and indeed of all nations over such a long period of time.

These classifications, along with the tariffs which will be applied under these classifications, along with such matters as quotas, dumping, countervailing procedures, measures to promote domestic industry, and import substitution programs, constitute part of an interrelated scheme of trading regulation which, having grown up as I said over a period of centuries, should really not come under the jeopardy of being arbitrarily disbanded over a period of mere years or indeed mere decades.

Turning back to the harmonized commodity coding system, the usefulness of standardized coding systems, not only on the international but also on the national and interregional horizons, really requires no great argument to convince us of its utility. Many of us will have had experience with such harmonized coding systems as the international standard book number system, which is used by libraries to facilitate identification of text, and the Dewey decimal classification system, which I believe has been in use since the turn of the century to enable the classification of subject matters. Let us not underrate the significance of such systems as a means of international communication.

Lacking as our world does an international language understood by all, although through the course of history there have been languages which had legitimate pretensions to that status, it is very often necessary to resort to the use of a metalanguage, which of course the coding system essentially is, in order to determine the accurate identification and the complete understanding in the minds of all who relate to a particular issue as to what is the subject matter.

The harmonized coding system, which is in the process of being adopted and implemented by Canada's major trade partners and indeed by the major trading nations of the world—and eventually we would assume by all nations of the world—will have another benefit that I think should not be overlooked. Of course that would be the facilitation of the measurement and description of world trade as a whole.

World trade could not be properly classified if under some countries' reporting regimes certain items were included in groups, whereas other countries under their own reporting and classification regulations either disaggregated or aggregated those items with or without other similar products.

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) mentioned the usefulness of harmonized classification in reducing the appeals which would be necessary against customs classifications. We must remember that in these appeals we are talking about a two-way process. We are talking of the process of Canadian importers bringing goods into the country under Canadian tariffs and about the process of Canadian exporters selling goods abroad under the tariffs of the importing nation. These appeals can indeed at times be lengthy and arduous, and very significant amounts can hang on the success or the failure of an appeal. The whole commercial transaction which gives rise to the importation of the good can be jeopardized depending on the classification of the good which is being imported. Naturally this is even more significant when going into countries which, unlike Canada, have significant tariff barriers for whatever reason, whether it be protection of domestic industry or simply the collection of revenue.

The harmonized commodity description coding system, the internationally based system for the standardization of customs tariff classification and statistical trade data, is one of those nuts and bolts improvements which will facilitate the continued development of international trading relationships. Canada, along with other members of the GATT, intends to implement legislation on the basis of the coding system by January 1, 1988. That will not lead to a dramatic improvement in Canada's trade balances or to a dramatic expansion of Canada's trade, but the fact that we are talking about an international coding system should turn back our attention in a very timely fashion to the international, the world-wide, or global dimension of Canada's trade. I think we have been preoccupied—and certainly the Government has been preoccupied—with bilateral trade and bilateral trade issues over the past few years; "bilateral" of course referring to Canada's trading relationship with the United States.

In the context of switching our focus to international trade, I think it is quite timely that we look at some of the failures of bilateral trade arrangements over the past few years, failures in large measure brought upon Canada by the Government, and draw from that the lesson and the moral that Canada must spend a great deal more attention on international trade on a multilateral basis.

For example, on June 6, 1986, the Government imposed a 10 per cent duty on books and periodicals in response to the American 35 per cent tariff on Canadian shakes and shingles. That action, presumably intended as retaliation or notice to the United States of Canada's displeasure, injured the very industry it was designed to protect. Canadian book publishing and book distribution and printing industries were naturally outraged at being the focal point of the Government's response. They made clear that the Government's decision to impose a 10 per cent duty on books and periodicals jeopardized an already fragile enterprise. The removal of that tariff in February, 1987, confirmed that the measure had been an ineffectual response. Were it that we had been able to remove

that tariff in response to the American Government removing the American tariff on shakes and shingles; however that was not the case and the continuing damage from the shakes and shingles tariff is something with which the Government will have to live and something for which the Government has to acknowledge responsibility for having inflicted it upon Canadians.

Like other speakers I should like to turn very briefly to the objections raised by the Automotive Industries Association of Canada.

Here of course we can bring out another obvious disagreement between the Government and this opposition Party, namely, that the Government considers that the Auto Pact is a free trade arrangement, whereas we in the New Democratic Party believe that the Auto Pact is essentially a fair trade and a managed trade arrangement of the type that we would like to see more. We do not believe that it is a free trade arrangement and we can certainly produce examples to back that up.

• (1040)

The Automotive Industries Association makes some very telling points about the way in which the standardized coding has been introduced. It points out that the Government's legislation on this coding system has been in process for some seven years. There will be a period not of years but of two or three months to respond and analyse the proposed system. This document, as the Association points out, of 3,000 pages, will receive no more than cursory examination by the majority of the Members of the House of Commons. I must commend the Association on its faith and also gently point out its naivety. The vast majority of this House will not have the time or the perseverance to look at a 3,000 page document on customs classifications.

As the Association says, the tight schedule precludes detailed study by the industries that will need to comply with the new system, something that should be commended to the Government. By and large it is not Government that bears the largest brunt of the consequences of any particular piece of legislation, legislation is by its very nature something that Government formulates to regulate that which as a Government it cannot regulate by policy or practice. Naturally most of the internal responsibilities and concerns of Government are regulated by internal policy and practice.

Errors and omissions which the Automotive Industries Association list are significant. It believes the after-market, the farm implement manufacturing and other industries affected are not informed or prepared for the changes in duty rates that will become effective. Those changes in duty rates, as the Minister has pointed out and none of us has cause to doubt him, are revenue neutral.

Because of the change of classification, certain items will become taxable at higher rates of duty whereas others will become taxable at lower rates of duty or will become duty free. As the Automotive Industries Association says, a significant portion of Canadian industry exists because of the end use made/not made in Canada provisions. To abandon these concepts completely without a satisfactory conversion could result in the shifting of manufacturing capability to plants outside Canada.

Another point well made by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) is that relating to farm equipment. Now some of the intermediate products, if we can call them that—the machinery required to produce farm equipment itself—will now be subject to import duty. The AIA concludes by saying industry has not had seven years to gear up for the new coding system like Government. It has had less than seven months to obtain and digest the information and respond.

This should be a charge to the Government for future initiatives to have proper division between the time needed for consideration internally by Government and the time required by the private sector. This will allow the manufacturing and commercial sectors to adjust to what the Government is contemplating.

No discussion of any trade related measure in these times could be complete without reference to the free trade deal which the Government has made with the United States of America, perhaps more accurately I should say the Government believes it has concluded with the United States. That in itself represents a dramatic turn around in the views of key members of this Government from four or five years ago when they were contesting the leadership of the Progressive Conservative Party. I think it would be worth while for the people of Canada to hear quoted the words of the Prime Minister (Mr. Mulroney) as recorded in an article in *Maclean's* magazine of June 13, 1983:

> Canadians rejected free trade with the United States in 1911. They will do so again in 1983. Canada must increase its share of total world trade, which has dropped by 33 per cent in the past two decades.

Another candidate to that position, now the Secretary of State (Mr. Crombie) is also quoted in the same issue as saying:

> It's silly.

It is indeed. He went on to say:

> Canada must improve relations and trade with the United States, of course. But our natural destiny is to become a global leader, not America's weak sister.

Indeed, if anything shows the Government's willingness to become the weak sister of the United States of America it is the free trade deal which the Government believes it has concluded.

Some of the concessions which the Government made to the United States of America before the signatures were on the deal are worthy of recording. We gave up the Foreign Investment Review Agency and the National Energy Program. We gave up our drug licensing system which had been successful in providing low cost drugs. We have allowed American truckers to get full access to Canada. A duty was imposed on Canadian

groundfish without a response. A 35 per cent tariff was put on cedar shakes and shingles. There was the export tax of 15 per cent on softwood lumber which I see costing jobs in my riding and which has cost jobs in many areas across northern Ontario, and the duties of up to 85 per cent on Canadian exports of potash. There is American trade legislation to restrict access to the American market, tariffs and quotas on our steel exports; the enhancement program for grain exports which is cutting into traditional Canadian markets. Our only enduring response is a duty on American corn for feed purposes.

I do not believe the Government has cemented a trade relationship with the United States because there is the matter of American congressional approval. There is the much more significant matter that it may be possible for a court either in the United States or in Canada to rule that no agreement in the true sense of the word "agreement" has been reached by the signing of this very preliminary memorandum of understanding, as I believe it should be more fairly categorized.

In looking at this so-called free trade deal we are supposed to be seeing the future of Canada, but it is not a Canadian future which the Government is presenting to us.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would like to put the following question to the Hon. Member for Kenora—Rainy River (Mr. Parry). He mentioned the situation in 1983. Now he will have to admit that the economy and the situation in the United States have changed considerably since 1983. In fact, we can accurately say that in 1983, when the Right Hon. Prime Minister (Mr. Mulroney) made those comments on free trade, the time was not as favourable nor the need as great, especially since Canadians could not see any pressing need to embark on such an agreement. Would he not agree that the situation has changed a great deal since 1983?

The Hon. Member mentioned the corn market. The situation was not as urgent in 1983. The protectionist laws that the various state assemblies in the United States would like to see passed were not being discussed at that time. It seems to me the situation has changed a great deal since 1983, and that is why it is understandable that at the time, the Right Hon. Prime Minister queried the relevance of such an agreement at that particular time. But would the Hon. Member not agree that the situation is entirely different today?

Mr. Parry: Mr. Speaker, I fully agree with the Hon. Member for Gatineau (Mrs. Mailly) that the context had changed, but I disagree to the extent she would have wanted the House to understand.

Indeed, Mr. Speaker, the industrial structure, the international trade regulation review process which now exists in the United States has been in operation for four years; in other words, since 1983 the Americans have had their major external trade regulation institutions—both institutions and processes—as well as the possibility of filing complaints before their various tribunals.

In the final analysis, what has happened since 1983 is that there has been a change in the attitude of the United States, of industries to a certain extent, of the American legislators, they have felt increased aversion towards trade, particularly imports.

What is to be noted, Mr. Speaker, is that the Canadian Government has been unable to change this attitude or to convince the Americans that our situation is different. As they say . . .

• (1050)

[*English*]

The man on the Indianapolis streetcar believes that American external trade is dominated by the Japanese, that it is the influx of Japanese and Asian electronic goods that represents the growing trade imbalance of the United States. That of course is not the reality and this Government has failed significantly to communicate to the United States what the reality is.

The reality, of course, is that it is not luxury products that the United States imports from Canada; it is not things that they could very well manufacture at home or indeed do without. The fact is that the bulk of Canadian imports into the United States, bearing in mind of course that the Auto Pact two-way flow is very significant, are the resource products that American industry requires as its basic inputs.

We are talking about, for example, the humble two-by-four upon which the American construction industry naturally depends. We are talking about such Canadian products as potash, upon which naturally American agriculture is highly dependent. We are talking about such products as newsprint, without the imports of which the American newspapers could not produce those fabulously fat daily and weekend editions of which they are so fond.

I would contend that the Government, in going hell-bent for a free trade deal, has ignored and neglected one of the most basic preparatory measures that I would have considered to be necessary, and that is ensuring that those on the other side are fully informed of the nature of the two-way trade relationship.

It has been said in Canada, and I think correctly, that two million jobs, particularly in the northern United States, depend directly on the production of goods for the Canadian market. What the Government has failed to do, of course, is convince the American public to sensitize the American legislative and decision-making organs to the significance to U.S. employment of that very great benefit to the United States of America, the existence of a purchasing Canadian consumer, a buying Canadian public, a Canadian market that has money to spend on the goods the United States produces.

Mr. Lewis: Mr. Speaker, I listened with great interest to my colleague's proposition that the only products Canada sends to the States are raw materials. On behalf of my constituents in Midland, Ontario, who work at Mitsubishi Electronics and are sending television tubes to the States, tubes which are subject to a harassing anti-dumping motion, and on behalf of my constituents who work at Fahramet in Orillia which processes high-quality steel valves for the oil industry in Texas, valves which are also subject to the same harassment, I wonder if the Hon. Member could explain why the United States is seeking protection against those high-quality, high-technology products that come from my riding.

Mr. Parry: Mr. Speaker, while the Hon. Minister of State (Mr. Lewis) has been around this place long enough to know that the best way to destroy an opponent's argument is of course to misrepresent it, I think he knows very well that I was talking about the total value of Canadian exports to the United States when I made the perfectly accurate proposition that the larger part of Canadian trade consisted of raw or semi-finished materials which were worked on further when they got to the United States. That is obviously not the case with all Canadian exports to the United States. It is obviously not the case with the television tubes and the valves for the oil industry produced by the Minister's constituents.

I think it is worth bearing in mind that the measures that are being taken or contemplated against the two products which my hon. colleague mentioned are being taken or contemplated under the provisions of mechanisms which have existed in the United States for many years. It is not something that has changed since 1983, and that of course was the gravamen of the question of my colleague from Gatineau.

I think I would complete my reply to my hon. colleague by citing the words of the Secretary of State for External Affairs (Mr. Clark) who said in 1983, when questioned by *Maclean's*, that unrestrained free trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear and that before we jump on the bandwagon of continentalism—that is really what the Government is jumping on, is it not—we should strengthen our industrial structure so that we are more competitive.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: No.

Mr. Deputy Speaker: If not, may we call it eleven o'clock?

Some Hon. Members: Agreed.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

COMMUNICATIONS

CALGARY WINTER OLYMPICS—INQUIRY WHY AGREEMENT NOT MADE WITH CBC TO TELEVISE OLYMPICS IN FRENCH OUTSIDE QUEBEC

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, a few years ago, CTV and TVA, both private networks, acquired the rights for the Calgary Games. The trouble is the TVA network reaches only a small percentage of francophone audiences outside Quebec, and then only on cable. I think it is outrageous that so many francophones outside Quebec will not be able to watch the Calgary Winter Games on television in their own language—in French.

The CRTC's solution to allow cablevision services to transmit the signal is unsatisfactory, because there are some serious drawbacks. First of all, not every francophone community outside Quebec has cablevision. In communities where the service does exist, transmission of the Games would mean depriving viewers of some of their regular programs, thus upsetting their viewing schedule. When a cable service substitutes a Canadian program in French for a regular program in English, whether Canadian or American, subscribers are quick to complain. So our language minorities are again getting the short end of the stick!

We know that the CBC has bought the rights and will broadcast the Games in English on the national network, for one hour a day for sixteen days. Why wasn't there a similar agreement with Radio-Canada which reaches 99 per cent of French-speaking Canadians, both in Quebec and outside Quebec?

* * *

[*English*]

EDUCATION

NATIONAL FORUM ON POST-SECONDARY EDUCATION—NEED FOR NATIONAL EDUCATION STRATEGY

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, this past week in Saskatoon, several of my House of Commons colleagues and I went through a tremendous learning experience. The first national forum called to discuss the challenges and opportunities facing post-secondary education through the 1990s and beyond brought together 600 educators and representatives of government, labour, the private sector and the disadvantaged.

• (1100)

We were brutally honest about one question: "Do we have the right education system for the 21st century?"

Along with the Hon. Member for Nepean—Carleton (Mr. Tupper), the Hon. Member for Saskatoon East (Mr. Ravis), the Hon. Member for Capilano (Mrs. Collins), and the Hon. Member for Duvernay (Mr. Della Noce), I was there to hear the 600 delegates give a round of applause to Canada's Secretary of State (Mr. Crombie) when the forum Chairperson, Brian Segal, noted that it was that Minister who convinced his cabinet colleagues and provincial counterparts to join him in bringing about this historic stepping stone in helping us arrive at a national education strategy.

If there was a consensus at the forum it was that you do not solve a problem simply by throwing more money at it. The forum embarked on setting out a national approach to what we want to do and who is going to do it.

Long live the spirit of Saskatoon!

* * *

HORTICULTURE

SUBSIDIZED WATER ENJOYED BY U.S. PRODUCERS—CANADA-UNITED STATES TRADE AGREEMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, all fruit and vegetable growers in the southwestern United States are benefiting from highly subsidized water. This impacts on all Canadian horticulture producers but is lessened by temporary seasonal import quotas designed to permit our growers to offer their prime harvest at slightly better prices.

University of Victoria Professor Derrick Sewell, in a speech he delivered on water policies in western Canada at the recent annual meeting of the Agricultural Institute of Canada, estimated that for every $350 worth of water consumed, American growers pay only $13. Our Government's negotiators did not target this item in the free trade agreement initialled earlier this month. Instead, they permitted U.S. negotiators to target our Western Grain Transportation Act as a subsidy on the transport of canola products at Vancouver. That is something the Americans will often refer to as the t's are crossed and the i's are dotted, I am sure.

Why did our side not place U.S. water subsidies in black and white as well so that horticultural production can continue in Canada on a fair and equitable basis?

* * *

[*Translation*]

SMALL BUSINESS WEEK

TRIBUTE TO CANADIANS WHO MANAGE THEIR OWN ENTERPRISES

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, the many measures implemented by the Government since it came to power clearly demonstrate its desire to help small businesses succeed and to create a climate conducive to creativity.

This week, from October 25 to October 31, 1987, we are celebrating Small Business Week in Canada. Sponsored by the Federal Business Development Bank and the Canadian Chamber of Commerce, Small Business Week pays tribute to Canadian men and women who operate their own businesses.

This year, the theme of the Eighth Annual Small Business Week is: "The Creative Power of Entrepreneurship". More than 300 communities across Canada will be taking part in some 400 scheduled activities. Last year, Small Business Week attracted 175,000 visitors. This year, the Federal Business Development Bank has set up two new workshops that are being offered free: "Getting Started in Business" and "Various Options and How to Develop your Market". There will also be four special workshops: The balance sheet as management tool; How to run a business; Strategic planning; and How to identify business opportunities.

Finally, Mr. Speaker, I want to take this opportunity to pay tribute to the 750,000 business people who employ 40 per cent of our labour force and who have created practically all new jobs in Canada in the last two years.

* * *

FREE TRADE

INVITATION TO MR. REISMAN TO WITHDRAW CERTAIN COMMENTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I take strong exception to Mr. Reisman's remarks that all those who do not share his views are Nazis and liars. I would suggest to this gentleman—handsomely paid as he is by the taxpayers and holding a cushy job because somebody has been protecting him—first, that he offer apologies to Canadians and Quebecers who do not think as he does and, second, that he congratulate all those who defend and perhaps fight against the Mulroney Government free trade proposals.

Mr. Speaker, these people are staunch defenders of the interests of Canadians and Quebecers alike. Are we liars because we say that textile workers will lose their jobs? Are we liars because we say that footwear industry workers will lose their jobs? Are we liars because we say that electrical appliances workers will lose their jobs? We are saying so in light of a study made by Economic Council of Canada officials who are supportive of the free trade deal and yet readily admit there has to be losers.

Therefore, I would urge Mr. Reisman to withdraw his remarks and keep the debate on a more positive note. He will be the loser in all this because he may just be the greatest liar.

FILM INDUSTRY

DUBBING AND DOUBLE STANDARDS—FRANCE'S POLICY—MEANING OF LA FRANCOPHONIE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the Quebec film dubbing industry is presently in a precarious situation. Last September, the French Minister, François Léotard, was contemplating letting Quebecers dub 20 per cent of feature films, which means a business opportunity of some $4 million for our actors. As a result of pressures exerted by actors' unions and French dubbing firms, the Minister reduced that rate to 10 per cent only and last Monday, October 26, he stated that nothing would be left to Quebec.

What a dramatic turn of events! I therefore fully endorse the position taken by the *Union des artistes* and its president, Serge Turgeon. I urge both the Quebec Government and the Government of Canada to take all reprisals required, in case of failure, against the French dubbing industry.

Our actors' job is both demanding and difficult. They deserve a better consideration. If they are refused access to the European market, let them at least live decently in their own country by further protecting their rights.

Mr. Speaker, if *francophonie* means anything, let us give Quebec the place it deserves.

* * *

[*English*]

HUMAN RIGHTS

EL SALVADOR—AMNESTY GRANTED TO DEATH SQUADS

Mr. Dan Heap (Spadina): Mr. Speaker, the President of El Salvador, Napoleon Duarte, passed a law giving amnesty to his own government-protected death squads. These are the people who killed four American churchwomen after raping them; killed two U.S. agricultural advisers; and kidnapped, tortured or killed more than 50,000 Salvadorans who dared to disagree with the military. Within the last few days they killed a trade union leader and the president of the Human Rights Commission, and on Tuesday four armed men abducted a school teacher from her classroom in front of her students, and her whereabouts are unknown.

The President has given amnesty to all such thugs and murderers, and therefore the FMLN, the rebel group, broke off peace talks. That was all they could do. How could they possibly lay down their guns when the Government allows the killers of such people to walk free on the streets and even passes a law protecting them from prosecution?

I call on the Canadian Government to denounce this fascist law and cancel bilateral aid to El Salvador.

[*Translation*]

FREE TRADE

THE BUSINESS OF BUSINESSMEN

Mr. Nic Leblanc (Longueuil): Mr. Speaker, the Montreal South Shore Chamber of Commerce, in its November magazine issue, recognizes and supports free trade, and I quote:

"The South Shore is indeed a land of predilection in that regard. Our area lies next door to the important Montreal market but also, with its highway, railway and air network, is close to the huge 55-million consumer market in the North-Eastern United States.

Our 7,500 SMBs, and especially our 2,000 manufacturing industries, consider a free trade agreement as being vital to their future development. The Canadian market is limited and our businesses need access to the American market. Our future lies there.

In that regard, we must look ahead rather than back. We should not be afraid of mighty American corporations invading our market, but rather start immediately looking at how we can reap profits on their own market. Quebec's SMBs are recognized for their aggressiveness and innovative spirit. We must be able to have that opportunity."

The advertising paid by labour leaders in collusion with the NDP says, and I quote: " . . . Canada does not belong to those two men." And they mean the Prime Minister of Canada and Mr. Reagan.

Business people on Montreal's South Shore have just told them that they are wrong, that they cannot be right, because they are the ones who take the risks and they are the ones who also agree to meet the challenge of free trade.

* * *

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON EXPORTS OF ELECTRICITY

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, no matter what the Hon. Member for Bow River (Mr. Taylor) says in his subdued and *sotto voce* style, it is becoming clear that the term "free trade" is a misnomer. A better term would be "economic union" because what the Prime Minister (Mr. Mulroney) is proposing is more than the lowering of customs tariffs. Many other changes are implied. For example, there is the export of electricity.

The Quebec Minister of Energy is already saying that Ottawa will no longer be able to intervene through the National Energy Board. It will no longer be able to tell Hydro Quebec at what price electricity should be sold to Ontario and

New Brunswick before making offers to Maine or Vermont. In other words, when it will be in the national interest to stop electricity exports Ottawa will no longer be in a position to do so. It is very doubtful that that is what Canadians want. Fortunately, Canadians are beginning to appreciate the real meaning of the term "free trade". It really means economic union.

* * *

• (1110)

AUDITOR GENERAL'S REPORT

IMPROVEMENT IN GOVERNMENT FINANCIAL CONTROLS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, "Our study finds that there have been significant improvements made in financial controls". So speaks the Auditor General in his recently tabled report to the House of Commons. The gist of the report points to the real and successful efforts which have been made since September, 1984, in cleaning up accounting practices and ensuring that the taxpayers get value for money. The Government is regaining control of the public purse.

The Auditor General rightly draws the attention of Parliament to continuing problems with the cumulating deficit even though the Minister of Finance (Mr. Wilson) has performed wonders, with the albatross left around his neck by previous Governments.

We look forward to the debt management study which will be published in 1988, and compliment the Auditor General on his continuing work with the federal Government reporting study.

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AUDITOR GENERAL'S REPORT

GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT—MINISTER'S STATEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in the House of Commons on Wednesday, the Minister of Regional Industrial Expansion (Mr. de Cotret) said that the Government had created some 15,000 jobs by giving a $5 million grant to its friends, the Ghermezian brothers in Edmonton, for the West Edmonton Mall. That is nothing but a gross exaggeration. It is hyperbole and extremely misleading. It is nothing but unadulterated baloney.

If 15,000 jobs were created for $5 million, a job would be created for every $333 spent by the Government. The annual report of DRIE says that it costs about $8,000 to create one job.

If we were to take the word of the Minister, with the $1 billion budget of DRIE, we could create 3 million jobs per year. What a gross exaggeration! The Minister is living in Fantasyland. He is the Minister of fantasy figures. We could wipe out unemployment forever in one year in that kind of fantasy. That shows why the Conservative Party is in such trouble.

The Minister is also saying that the New Democratic Party and the Liberal Party are against Alberta and western Canada. I find that to be very divisive, offensive, and the worst kind of regional racism practised by the Government. It is a very petty and offensive position to take. It is very divisive for the future of the country and is certainly not becoming for the Prime Minister of Canada (Mr. Mulroney).

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POLITICAL PARTIES

CANADA-UNITED STATES TRADE AGREEMENT—SOVEREIGNTY—POSITION OF NEW DEMOCRATIC PARTY

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, I want to continue my comments of last week regarding the whining of the NDP about the supposed loss of sovereignty due to free trade.

There are approximately 30,000 councillors, aldermen, deputy reeves, reeves, mayors, et cetera, representing the villages, townships, counties, towns and cities in Canada. Add these to the nearly 1,000 elected members of provincial and territorial Governments and you have an impressive number of dedicated people serving this country in their various capacities.

Many in this House, such as the shy and unassuming Member for Parry Sound—Muskoka (Mr. Darling), the quiet and retiring Member for Bow River (Mr. Taylor), and yours truly, have served in these other arenas.

There may be a few of the Liberal-NDP coalition who have no faith in this country, but I tell you that the vast majority of those I have just named are proud Canadians dedicated to service. They have no fear for the sovereignty of Canada. They know, as do I, that Canada and all it stands for will not only survive but will grow and benefit from free trade.

* * *

EDUCATION

NATIONAL FORUM ON POST-SECONDARY EDUCATION—NEED FOR NEW NATIONAL FOCUS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, last weekend 500 people from all over the country came together in Saskatoon to focus on post-secondary education. There is a crisis in that field and this generation is in danger of becoming a lost generation.

One clear message coming out of that forum from all those participants from all provinces was that there must be a new national focus, preserving provincial jurisdiction but bringing together all the partners in the country to arrive at a forward-looking prospect for this situation. There is no more important issue in the country.

I challenge the House, and the Government in particular, to find a mechanism, in the spirit of Meech Lake, to forge a partnership which will focus on one of the most important issues before us, that is, the cause of young people and particularly post-secondary education.

* * *

TRADE

MANUFACTURING INDUSTRIES—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, there was a study on free trade published in 1984 by the Ontario Economic Council entitled "Trade, Industrial Policy and Canadian Manufacturing", by Richard Harris and David Cox. The study predicted that free trade would bring about a boom in Canadian manufacturing which would be of significant benefit to Canada, and Ontario in particular. Most major business organizations agree with the Harris and Cox assessment and are confident that Canadian companies will prosper under the Canada-U.S. trade agreement.

Opposition to the initiative by the Ontario Government may, therefore, be of some political value, but makes very little economic sense. Ontario, and the Government of Manitoba, have mounted anti-free trade campaigns based on confusion, fear and uncertainty. Equally illogical is the opposition of the labour unions to the trade agreement.

A recent Environics and *Globe and Mail* poll showed that 46 per cent of union members think free trade is a good idea. This indicates their confidence in the expected boom in manufacturing and the resulting benefits to those employed in that sector.

Therefore, opposition to free trade obviously reflects the personal ideology of union leaders, based not on economic sense but on political opportunism.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—CHIEF NEGOTIATOR'S STATEMENT ON POSITION OF OPPONENTS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday Canada's chief trade negotiator, Simon Reisman, said publicly that opponents of the Prime Minister's free trade deal are using "the big lie, as practised in Nazi Germany".

When asked about that this morning on television the Minister for International Trade said, "Oh, Mr. Reisman is entitled to his views I don't feel that it's very fair . . . to ask me to comment on a personal opinion by Simon Reisman".

Was the Minister's colleague serious? How can she condone remarks like that made by an ambassador, Canada's top trade official, who speaks publicly on behalf of the Government? What did the Minister for International Trade mean when she said that it is all right for the chief trade negotiator, speaking publicly as an ambassador, to criticize and charge that the people who oppose this trade deal are Nazis? How can the Government put up with this, or is it condoning these shocking comments?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, in the selective quotes which he has used in the House the Hon. Member did not give my views which I expressed on that television show. I said, "We are all Canadians . . . we all love our country," and we are all entitled to our views.

I went on and said that those who are for free trade are Canadians confident in our future who know that we are the best in the world. Those who are against free trade tend to be protectionist and fearful. However, we are all Canadians, we are all entitled to our views, and we are all encouraged to participate in the debate.

REQUEST THAT MINISTER DISAVOW NEGOTIATOR'S PERSONAL OPINIONS

Hon. Herb Gray (Windsor West): Mr. Speaker, surely the Minister must realize that when Simon Reisman speaks he speaks as an ambassador on behalf of the Government and as its chief trade negotiator. When Mr. Reisman speaks the Minister cannot make a distinction between his personal opinions and the views of the Government.

Will the Minister, here and now, make it clear that Ambassador Reisman was not speaking on behalf of the Government and that he cannot express personal opinions when he speaks as trade negotiator and ambassador? If she does not do that, she is condoning his words. If that is the case, Mr. Reisman should resign and she should resign.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am sure the Hon. Member did not mean to suggest that Mr. Reisman should be restricted in any expression of his personal views.

Ms. Copps: He's an ambassador.

Miss Carney: If he does suggest that Mr. Reisman should be restricted in his views, he has more courage than I in trying to make that point known to Mr. Reisman.

Mr. Nunziata: You're afraid of him, are you?

Miss Carney: I again make the point that the position of the Government of Canada—

Mr. Nunziata: He's been pushing you around, hasn't he?

Miss Carney: They want to shut up the debate. They do not want to debate this issue on its merits, but rather on slurs, myths, and misleading statements. They do not have the courage to get up in this House and debate the free trade agreement on its merits—

• (1120)

Mr. Riis: Let's have a debate.

Miss Carney: —as our Government is encouraging Canadians to do.

MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, on March 16 in the House of Commons, the Prime Minister said: "Let Ambassador Reisman speak for Canada". He certainly does not speak for me, nor for the Liberal Party, nor for millions of Canadians. It is shocking that the Minister for International Trade, speaking on behalf of the Government, is willing to let Mr. Reisman run around this country in his official capacity expressing his personal opinions no matter how shocking and wrong they are.

Does the Minister not realize that if she continues in this unacceptable course of action—

Some Hon. Members: Oh, oh!

Mr. Gray: —she is not only showing that Mr. Reisman is out of control but that she and the Government are condoning these actions? Mr. Reisman is not any private citizen. He speaks as ambassador on behalf of Canada. This Government stands accused and convicted of allowing him to call Canadians Nazis. It has to live with those words.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is not unusual for the Hon. Member to suggest that Mr. Reisman does not speak for him. It is very difficult to find out who does speak for the Liberal Party.

Mr. Nunziata: Simon says jump, Pat, jump.

Miss Carney: We are in the ludicrous situation where the Leader of the Liberal Party is saying that he wants to tear up the free trade agreement when a majority of his own Party supports it—

Mr. Gauthier: Who said so?

Miss Carney: —and when the president of the Sarnia-Lambton Liberal Association says his position is "totally irresponsible".

Mr. Nunziata: Jump, Pat, jump, says Simon.

Miss Carney: No wonder it is hard to figure out who speaks for the Liberal Party on free trade.

COMMITTEE HEARINGS—CONTENT OF AGREEMENT'S FINAL TEXT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, it is obvious that when the Minister for International Trade says she wants to debate this trade arrangement on the merits, she is not serious. She obviously thinks it is acceptable for Canada's trade ambassador to call Canadians who have concerns, or who are worried about the trade deal, nothing but a bunch of Nazis.

Mr. Clark (Yellowhead): Order.

Mr. Tobin: That is not a light matter.

I want to bring the Minister's attention back to something else she said this morning on the CTV Program *Canada AM*. When asked why she was rushing the committee process when in fact the detailed agreement is not before the committee yet, the Minister said with respect to the details:

> All they're going to get when they do get the final text is a bunch of incomprehensible legal language that isn't nearly as clear to understand as what they have now.

When the text arrives, the Minister is saying it is going to be a bunch of incomprehensible legal language that no one will understand, not the Government, not the Opposition, and not the people of Canada.

Given this startling admission from the Minister who says she wants to debate the deal on its merits and on the facts, how can she proceed with a committee hearing, and how can she proceed to sign a deal, when she herself describes the legal text, even in advance of seeing it, as something that is incomprehensible? That answer is incomprehensible and, frankly, Mr. Speaker, stupid.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I stand behind my quote on television.

Ms. Copps: I bet you do.

Miss Carney: The point I made, and I will repeat here, is that the "elements of the Agreement" that we filed in this House are a clear statement of what Canada is getting out of the free trade agreement.

Mr. Nunziata: You are Simon's puppet, Pat.

Ms. Copps: Simon says.

Miss Carney: Waiting for the text is not helpful to those who want to debate this issue on its merits.

May I point out in terms of the amount of debate which is going on, on which the Opposition is stonewalling, there was a Royal Commission that debated free trade for two and a half

years. It travelled all across the country, cost $11 million, and reported in support of free trade. There have been Senate committee meetings, public discussion, a report supporting free trade. There have been provincial hearings and meetings on this issue in several provinces, and more are planned, on free trade.

In contrast, I would like to point out that in 1966, when the Opposition was in power, our Party asked for the Auto Pact to be referred to committee and that Liberal Government of the day refused our request.

Mr. Mazankowski: Shame!

Mr. Tobin: Mr. Speaker, you would have to be an olympic mental gymnast to follow the Minister's convoluted logic.

STUDY OF FINAL TEXT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): My supplementary question is directed to the Prime Minister. Again I quote the Minister with respect to the detailed text this morning on *Canada AM*: "All they're going to get when they do get it—", that is the final text, "—is a bunch of incomprehensible legal language that isn't nearly as clear to understand as what they have now".

Mr. Hnatyshyn: Order.

Some Hon. Members: Question.

Mr. Tobin: It was the Prime Minister who promised a full debate on the final text. Does the Prime Minister agree with his Minister that this final text is going to be nothing but an incomprehensible bunch of legal language that no one can, should, or will understand? Or is the Prime Minister telling us now that his commitment to the House is broken, that Canadians and Members of Parliament are too ignorant to understand the final text, and that in fact they want to bamboozle the nation and this Parliament with this charade of a committee hearing process that is now going on in Ottawa? Is that what he is telling us?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I also pointed out that the bulk of the final text is going to be about 1,200 pages of tariff schedules.

Mr. Tobin: All the more reason to look at it.

Mr. Mazankowski: You wouldn't understand it.

Miss Carney: I look forward to the Hon. Member's perusal of the tariff schedules. I have already pointed out that those tariffs are known to the SAGITs involved, to the Sectoral Advisory Committee, and that the committee had Mr. Reisman and Mr. Ritchie before it yesterday. They could have asked for them, because I am sure they would have quoted all 1,200 pages of the tariffs.

What Canadians want is information. What Canadians want is—

Mr. Tobin: Is the truth. Is the text—

Miss Carney: —is for the committee to get on with the job—

Mr. Tobin: —not a charade, not a sham, not a propaganda machine.

Miss Carney: —of dealing with the free trade agreement, hearing from Canadians, and making its report. That is what the parliamentary process is all about.

AMBASSADOR'S COMMENTS ON POSITION OF TRADE AGREEMENT OPPONENTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I too have a question for the Minister for International Trade, after listening to Mr. Reisman's comments in which he said: "A great deal of what the opponents are engaging in is the big lie mastered by Joseph Goebbels, the Nazi Propaganda Minister". Here we have a senior public servant, an Ambassador making $1,000 a day, who is going about the country. These are not his personal opinions when he is paid that kind of sum by the Government, by the taxpayers of this country. Is the Minister in fact afraid to get up and discipline Mr. Reisman for his outrageous attacks?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the record should show that Mr. Reisman was making his remarks in the context of his experiences as an honoured member of the Armed Forces in the Second World War.

Mr. Rompkey: The war is over, Pat.

Miss Carney: The point he was making as a member of the Armed Forces was that he first encountered this kind of "big lie" technique in the Second World War in which he served for Canada. I see nothing outrageous in that.

Some Hon. Members: Hear, hear!

APPROPRIATENESS OF COMMENTS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, we now have a situation where the Trade Minister is not just trying to explain away these comments, she is trying to defend them, and I would like to ask the Prime Minister of this country if he thinks it is appropriate behaviour for a senior official, a man who has great sums of money coming to him from the Canadian people, for such a person to use such outrageous, *ad hominem* attacks which draw on the sense of past indignity which people in this country have had to fight against in a world war?

• (1130)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not had occasion to read the transcript of the remarks to which my hon. friend refers. I will do so just as

quickly as I can and make an appropriate response to my hon. friend.

I know that Ambassador Reisman, who has been one of the most distinguished of Canada's public servants over some 40 years, and who culminated a brilliant career in the Public Service of Canada by negotiating the free trade agreement, has taken, understandably, exception to some of the very grave distortions and misleading personal attacks that have been made upon him and upon the free trade agreement.

Having said that, I happen to believe that one ought not to impugn the personal motives of anyone at any time. I will review the transcript in that light and respond to my hon. friend.

AGREEMENT TERMINATION CLAUSE—GOVERNMENT MANDATE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I thank the Prime Minister at least for having the sense of responsibility to respond in that way.

I ask the Minister for International Trade to comment with respect to a statement which was made yesterday by Mr. Reisman to the effect that it could take three to five years' notice to get out of the free trade agreement. Are the Minister and her Government trying to freeze this country into a free trade arrangement for which they have absolutely no mandate whatsoever?

Some Hon. Members: Hear, hear!

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, again I say to the Hon. Member that the issue of our mandate is a curious one for the Opposition to raise.

There has been a Royal Commission on this issue that took two and a half years and cost some $11 million. It recommended free trade. There was a Senate committee, two Senate committees if I recall, that had public discussion on the issue of free trade.

This Government was elected with a mandate to create jobs, which we have done, 960,000 new jobs, since we took office. Studies of the Economic Council and other studies have indicated that the free trade agreement and free trade will create hundreds of thousands of new jobs. That is certainly a mandate that Canadians understand.

Mr. Riis: That is not what the Minister of Employment said.

Miss Carney: What they do not understand is the total lack of any alternative by the Hon. Member.

FISHERIES

CANADA-FRANCE DISPUTE—CANADIAN CLAIM TO 3PS ZONE WATERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, anyone listening to this Government stoutly defending France's right to do whatever it wishes in the 200-mile zone south of Newfoundland might well wonder what country this Government represents. The French can now catch all the fish they want. They can take all the minerals, oil and gas that they want. They can take the entire ocean floor and all the salt water as long as they remain within that 200-mile zone south of Newfoundland, according to this Government.

I ask the Secretary of State for External Affairs this. Does he not realize that the Government's position weakens Canada's claim to these waters? Does he not agree that these are Canadian waters and that France has no more claim to them than do the Basques, the British, or the Vikings?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member is serious about his concerns he will know that the agreement that was signed giving ships flying French flags the right to be in the disputed zone was an agreement that was signed on June 21, 1984, by a Liberal Government of Canada. The Leader of the Liberal Party at that time was the Right Hon. John Turner. If he wants to know why Canada was put in that position, he should ask Mr. Turner about the Turner agreement.

Some Hon. Members: Hear, hear!

REQUEST THAT GOVERNMENT REJECT FRANCE'S DEMANDS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, this is not 1787, 1887, 1972 or 1984. This is 1987.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Baker: Now we agree on one point.

Any international court, according to the international precendent, would only give France an eight to ten-mile economic zone around St. Pierre and Miquelon for the use of the people of St. Pierre and Miquelon and nothing else, and the Minister knows it. I ask the Minister this. Will the Government today reject France's imperialistic demands and stand up for Canada?

[*Translation*]

Where is our Government? They are hiding under the diplomats' tables.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only is it 1987 but tomorrow is Hallowe'en.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Two things need to be put on the record, Mr. Speaker. One is that we are bound with regard to the French-flag vessels in the disputed zone of 3PS. We are bound by the Turner agreement, the Liberal Party treaty signed in 1984. It is a treaty to which Canada is committed. We cannot cavalierly break that Turner treaty. As I say, if the Hon. Member wants to have further information as to why Mr. Turner signed and authorized that treaty, then he can put that question to him directly.

The other point that has to be raised is that the reaction that is coming from France now, a reaction which he somewhat exaggerates, is as a consequence of very firm actions which the Government has taken. We have closed Canadian ports to French vessels serving the fishing fleet. We have refused to reopen the Burgeo Bank. We have closed the rest of 3PS outside the disputed zone.

When the French for the second time broke off the negotiations that had been under way since January of this year, we gave notice that quotas will not be given in 1988. The reason we are hearing from the French is because of the firm, effective action of this Government.

Some Hon. Members: Hear, hear!

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TRADE

TWO-PRICE WHEAT SYSTEMS—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of State for Grains. The Government has been less than straightforward in its comments about the elimination under the trade agreement of the two-price wheat system.

Can the Minister explain why on the one hand the federal Government says that the two-price system for wheat will not be affected by the Mulroney-Reagan trade deal, while on the other hand the Premier of Saskatchewan has taken out ads in the Saskatchewan press stating that Canada's two-price wheat will be eliminated, and that the federal Government will provide compensation of $280 million for the annual loss to farmers? Will the Minister explain this difference of position?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member should know that it was this Government that took the decision back in April of 1986 to see that the domestic price went to $7 per bushel. So it is this Government that is responsible for seeing the benefit of the two-price system go to Canadians farmers.

Also, the Hon. Member will know that the agreement does not come into effect for a little over one year. As tariffs come down there will continue to be pressure on the two-price wheat system, pressure which, as he is aware, is there now. If he wants to be fair about it he will also know that we have said that if there is going to be a change in the two-price wheat system we will see that producers are compensated for the benefit that they now have under the two-price wheat system.

SASKATCHEWAN PREMIER'S POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, is the Minister telling us that the Premier of Saskatchewan does not understand the agreement? Or is he saying that the Premier is taking this political route because that might be the easiest way to sell the agreement? I would like the Minister to make it clear to the Premier of Saskatchewan exactly what it is, or go to the Premier of Saskatchewan and explain what it is so that we get the right story out there.

• (1140)

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I am not so sure that the Hon. Member fully understood what I said in response to his first question.

Very simply, to say it again, it has been this Government that has been responsible for the benefits flowing to farmers under the two-price wheat system. It is farmers like himself and his neighbours who have benefited as a result of actions by this Government.

The Hon. Member will also know that agriculture, especially western agriculture, stands to benefit substantially under the terms of the free trade agreement initialled at the beginning of this month.

I will say again that, as a result of benefits received under the two-price wheat system, and as a result of actions by this Government, if there are going to be any changes to the two-price wheat system for whatever reason—and there are all types of domestic pressures coming from the two-price wheat system that have nothing to do with the free trade agreement—we will see that our farmers are compensated for any changes that we make in the two-price wheat system. That is very clear.

The Hon. Member does a disservice to farmers who are suffering from many uncertainties by attempting to cloud the issue with nothing more than political nonsense.

* * *

CANADA SAVINGS BONDS

OPPORTUNITY FOR HOLDERS OF BONDS MATURING NOVEMBER 1

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of Finance.

Considering that the sale of new Canada Savings Bonds has an announced cut-off date of October 31, what action is the

Minister taking to ensure that Canadians will be able to rollover the bonds that mature on November 1?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as the Hon. Member is aware, we have given 48 hours' notice of our intention to cease cash sales at the close of business this evening.

The holders of outstanding issues that mature on November 1 will be able to roll those over on Monday, November 2. That will provide them with the protection that they can keep their funds invested in Canada Savings Bonds.

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AUDITOR GENERAL'S REPORT

CANADA DEPOSIT INSURANCE CORPORATION—PAYMENT TO HONGKONG BANK OF CANADA—TAX IMPLICATIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance.

In response to my question on Tuesday about the tax treatment of a $200 million payment by a Crown corporation which did a circle via a bank in the Bahamas to the Hongkong Bank of Canada, the Minister of State for Finance replied, and I quote from *Hansard*, October 27, page 10437:

> This particular transaction was a complicated one, structured in such a way that no one . . . would have been able to figure out the tax implications of the transaction.

Will the Minister be kind enough to explain to the House the contradiction between that answer and the fact that several days before the transaction was completed, the district office of taxation in British Columbia provided the purchaser with a letter of comfort to the effect that the $200 million would be not taxed?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the Hon. Member is well aware that the relationship between a taxpayer and Revenue Canada is confidential, and only known by those two organizations.

INQUIRY WHETHER SIMILAR OFFER MADE TO CANADIAN INSTITUTIONS

Miss Aideen Nicholson (Trinity): My supplementary question is directed to the same Minister.

At the time that the Bill on the Bank of British Columbia was introduced in this House, the Minister of State for Finance stated that a number of Canadian financial institutions were canvassed about taking over that bank.

Was the same $200 million tax-free sweetener offered to those other Canadian institutions?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I recall the process at that time, there were a number of banks contacted to see whether they had any interest. Off the top of my head, I do not recall if any of the other banks were sufficiently interested in principle to embark upon any further discussions with them.

Mr. Heap: Vancity Credit Union was.

Mr. Wilson (Etobicoke Centre): The Hongkong Bank was interested. It was on that basis that discussions were commenced.

As the Hon. Member is aware, the CDIC is empowered to make offers to potential purchasers if, in its judgment, it is cheaper for the CDIC to make a direct commitment, as it did in this case, than it would be to allow the bank to go under.

Clearly, the second option was something that the CDIC and certainly the Government wished to avoid, and in the event it was cheaper than the judgment that the CDIC had made—

Mr. Heap: Did you offer that deal to Vancity Credit Union?

Mr. Wilson (Etobicoke Centre): —as to whether the bank would have gone under.

ROLE OF CDIC IN STRUCTURING DEAL

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is on the same matter.

I wish to ask the Minister of Finance whether it was CDIC that suggested the deal be structured in such a manner that the parent company in the Bahamas would receive the $200 million rather than the Hongkong Bank of Canada? If that is so, surely the Minister cannot stand in this House and tell us that the tax implications were not known to the Government.

Again, I repeat the question, and I think it is a question of integrity, why does one Minister stand up in the House, in this case the Minister of State for Finance, and tell us that the deal was structured in such a way that no one could figure out the tax implications, whereas officials from the Bank of Hongkong of Canada have stated quite publicly that the deal was structured in such a way to save them paying taxes? They knew several days before the deal was okayed that this was going to be the manner in which the $200 million was to be paid.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that the Hon. Minister of State for Finance and I have made the point that our primary motivation here was to save an important regional bank that, had it gone under, would have had very powerful repercussions in the financial community in western Canada, particularly in British Columbia.

Our primary motivation was to save that bank. We did not get into the details of the tax considerations of that transaction. We knew that the cost of $200 million was significantly less than the cost the CDIC had indicated it probably would be had the bank gone under. That was the motivation that we had, and that is why the deal proceeded on that basis.

POSSIBLE IMPACT ON GOVERNMENT DEFICIT

Mr. Simon de Jong (Regina East): My supplementary question is the following. Surely the Minister must recognize that by structuring the deal the way it was structured that in essence the Canadian taxpayer ended up paying because of the loss of approximately $100 million in tax revenue. Otherwise, CDIC would have had to pay more, and that would have come out of CDIC which is financed by premiums from the banks in the trust.

In essence, part of the load of bailing out the Bank of B.C. was shifted from CDIC to the backs of the Canadian taxpayers.

On November 26 of last year the Minister of State stood in this House and said that the bail-out of the Bank of British Columbia would "have no impact on the Government's deficit". He stated this knowing that Revenue Canada had already calculated that this deal would give this bank a $100 million tax gift.

Why did the Government not have the integrity to tell Canadians the whole truth about the deal? It is a question of integrity.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I totally reject that. If the Hon. Member wishes to have a reasonable debate on the facts of the issue then fine, we can have that debate. But the Hon. Member should not bring in these red herrings of integrity on a deal when we are trying to explain it clearly to the Hon. Member.

Earlier this week my colleague stated that the purpose of the $200 million payment was to get that money into the Hongkong and Shanghai Bank which had the capital, the financial resources, and the strength around the world to provide the backing to the Bank of British Columbia in a way that would ensure the continued existence of that bank. That was why the money went to the Hongkong and Shanghai Bank. That is why the deal was structured that way. It was not motivated for tax reasons.

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AIR TRANSPORT

PROMOTION OF TOURISM IN EASTERN ARCTIC—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, in the absence of the Minister of Transport, whom I had occasion to travel with across the length of the Arctic this fall, my question is directed to the Minister of Indian Affairs and Northern Development.

The Northwest Territorial Airlines that flies across the Arctic coast has now been bought by Air Canada. Because Air Canada is a public airline it should be much easier for the Government to provide subsidies for northern travel to promote tourism and economic development in the eastern Arctic.

• (1150)

Could the Minister tell the House whether the federal Government, in conjunction with the Government of the NWT, will be willing to provide subsidies to the northern segment of Air Canada?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Hon. Member for his question, and his interest, which continues to serve the people of the eastern Arctic.

As the Hon. Member knows, the ability of Air Canada now to be represented in the 10 communities in the Northwest Territories, the direct links to over 100 destinations in Canada which Air Canada serves, and the international links will surely serve the people of the Northwest Territories and the cargo which is needed and, in the reverse, the tourism industry in the Northwest Territories that he so strongly supports.

However, I would make a commitment to my colleague to discuss with the Minister of Transport and take the responsibility of discussing with the Government of the Northwest Territories a way of assuring that travel, which is so necessary in northern Canada, can be implemented with this takeover or this merger of Air Canada and NWT Airlines.

* * *

[*Translation*]

FREE TRADE

ALLEGED COMMENTS BY MR. REISMAN—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister and concerns the comments and statements of Mr. Reisman that those who do not share his views are Nazis and liars.

I think that it is important to point out that, contrary to what the Minister for International Trade has said, the fact that Mr. Reisman is a veteran does not allow him to call all those who do not share his views liars.

My question for the Prime Minister is as follows. If someone objects to this agreement and says that there will job losses in the footwear, textile, clothing and electrical appliances industries, do you think that he or she is a Nazi, a liar, or simply someone who, just like you, wants to defend the interests of Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, according to the Hon. Member, Mr. Reisman said that those who do not share his views are liars and Nazis. He never said such a thing. This is a fallacious comment on the part of the Hon. Member, but he is quite used to spread false

rumours about other people. Mr. Reisman never made such a statement.

I have already replied fully to another Member who asked a question about this. I shall examine the transcript closely and report to the House afterwards. However, I believe that it is important for us to deny vigourously such allegations as that just made by the Hon. Member.

In reply to the second part of his question, I would simply repeat to the Hon. Member what the Liberal Government led by the Hon. Robert Bourassa said as recently as yesterday and the day before, namely that the free trade agreement would have very beneficial effects for Quebec and Canada and that everyone, starting with the responsible leaders of this country, should support Quebec in this initiative.

REQUEST THAT GOVERNMENT REQUEST MR. REISMAN TO APOLOGIZE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Prime Minister—I am not sure he can even understand himself—has just said that what I said is false, but he added that he will read the transcript because he is not sure what Mr. Reisman did say. I think he is rather confused. Once you are in a position to read the transcript and learn what Mr. Reisman said, the way he treats those who do not share his views, when you find out that he said twice what you do not know he has said, all this time thinking that what I am saying is not correct, but when you discover that what he said is not fair to Canadians, are you going to ask him to apologize to all Canadians and Quebecers who do not think as he does, and to admit that Canadians who are trying to protect jobs are just as good Canadians as Mr. Reisman?

Right Hon. Brian Mulroney (Prime Minister): True, Mr. Speaker, I did not read the transcript. But I know full well that Mr. Reisman did not say that those who do not think as he does are liars and Nazis.

So I would ask the Hon. Member either to produce the transcript showing that Mr. Reisman said these very words or to apologize to all Hon. Members and to Ambassador Reisman not only for misleading the House but also for repeating a lie concerning a public servant.

* * *

[*English*]

EMPLOYMENT

JOB DEVELOPMENT FUNDS—REALLOCATION QUERY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I have in my hands notes prepared for the national caucus of the Progressive Conservatives, as well as the Quebec caucus, indicating an announcement to Tory Members of a reallocation of job development funds, an announcement which evidently is not being made to all Members of Parliament.

My question to the Prime Minister is a simple one. Is this another example of Tory patronage in preparation for an election?

Mr. Mulroney: Did you get those from Toupin?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am not sure where the Hon. Member got the documents to which he referred. However, if there are any announcements in respect of job strategy or job programs, they will be made in the usual manner.

ELECTION POSSIBILITY QUERIED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, these notes are not prepared as a presentation to the House of Commons, nor to the public at large, but to the Quebec caucus and the national caucus of the Conservative Party. We have the numbers.

Are we looking now toward an election pretty soon? Is this a repeat of the 1984 Special Employment Transition Program under which the Liberal Government created first-class unemployed and second-class unemployed? Is this a new Tory slush fund?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I know that the Hon. Member would like to receive notes with respect to his own Quebec caucus. Unfortunately that was demolished in the last week or so, so he should not be so jealous.

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

CALGARY WINTER OLYMPICS—TELEVISING IN FRENCH OUTSIDE QUEBEC—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister. Nearly one million francophones outside Quebec will be denied the right to watch the televised reports of the Calgary Winter Olympic Games, yet these same Canadian men and women will have to pay their share of the $200 million earmarked by the federal Government for financing the games.

Can the Prime Minister explain how he intends to maintain equity and cultural identity in this country when we have shameful evidence of discrimination towards almost one million Canadians? How can this Government behave so

unfairly after the kind of promises it made when the Constitutional Accord was signed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this has nothing to do with the federal Government, quite the contrary. Unless I am mistaken, the contracts were awarded by the organization which manages the games, and it was only after that we in the Government and others came to realize that certain Canadians, mostly francophones, might be deprived of as complete a coverage as that available to their English-speaking fellow citizens. The moment it was brought to my attention I got in touch with the Minister of Communications and asked her to devise some kind of formula to correct this unfairness, this injustice. As soon as the Minister reports to me I will hasten to get back to the distinguised Member for Ottawa—Vanier.

QUERY ON MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I raised the matter on several occasions in this House and I already asked a question that was related to it. But since you know very well the situation of minority groups in the provinces, do you not find it shameful, not to say discriminatory and unfair that close to one million French-speaking Canadians are to be deprived of their right to coverage of the Winter Games in Calgary? What will the Government do to help the CBC, the CRTC and the cable networks so that in the provinces, whether it is Manitoba, New Brunswick, Nova Scotia, Newfoundland or elsewhere people may watch the Olympic Games in French?

The Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, actually the TVA Network, which obtained the rights to broadcast in French, unfortunately does not cover the whole country. That is unfortunate, that is a situation however that has developed over the years, and in which the TVA network does not have the resources needed to cover—

An Hon. Member: Channel 10.

Mr. Mulroney: —yes, Channel 10—to cover all. The CBC was one of the bidders, and I take it that the contract was awarded elsewhere.

This being said, and despite the fact that contracts would have been awarded according to very objective criteria, it is a fact that the French TVA network does not serve all of French-speaking Canada. So, this is a gap that should be filled in the spirit of such an important event nationally. This is more or less what the Government is attempting to do, in co-operation with TVA and the CBC.

LABOUR

FINANCIAL ASSISTANCE FOR ELDERLY WORKERS—REQUEST FOR DETAILS OF NEW FEDERAL-PROVINCIAL COST SHARED PROGRAM

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is for the Minister of Labour. The Labour Adjustment Benefits Program, which provided financial assistance for older workers who were laid off in the textile, clothing, footwear and tanning industries and in some communities came to an end in August, 1985, and was to have been replaced by a new federal-provincial cost-shared program. Can the Minister tell this House what progress has been made in the negotiations with the provinces for this new program? Also, will the workers laid off since that date be penalized by the absence of an agreement?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as concerns the former LAB program, I should point out to my colleague that, while this program was supposed to come to an end in August, 1985, it was kept in place by this Government until August, 1986. Since June, 1986, I have consulted all my provincial counterparts about the new POWA program and those discussions are still going on. As concerns Quebec, I made a formal offer to my provincial counterpart last summer, and in our latest discussions, he informed me that he wanted to consult his colleagues before giving me an answer.

* * *

• (1200)

[*English*]

QUESTIONS OF PRIVILEGE

ALLEGATION BY SENIOR PUBLIC SERVANT—REISMAN

Mr. Deputy Speaker: I have received notice of a question of privilege from the Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a question of privilege. I believe my privileges as a Member of Parliament, particularly as an opposition Member of Parliament, have been breached when I am likened to a Nazi and associated with individuals such as Joseph Goebbels, the propaganda minister for Adolf Hitler.

As you well know, Mr. Speaker, that allegation has been made against not only myself but all Members of the Opposition—

Mr. Clark (Yellowhead): Quote the allegation.

Mr. Riis: —who have indicated their opposition to the free trade agreement.

Mr. Clark (Yellowhead): Quote the allegation precisely.

Mr. Riis: I refer to a report headlined:

> Reisman likens free-trade foes to Nazis

Mr. Reisman as a senior public servant, an individual with ambassador's status, has likened free trade foes to Nazis.

Mr. Clark (Yellowhead): Order, Mr. Speaker. This is an abuse of the rules.

Mr. Riis: When the question was put to him he said that he does not regret his remarks.

Mr. Clark (Yellowhead): This is abuse; another NDP abuse.

Mr. Riis: It seems to me that I am constantly being interrupted by the Secretary of State for External Affairs (Mr. Clark). Perhaps if he has an observation he will rise and make his point.

It makes my job as a Member of Parliament very difficult in terms of my constituents and others, having heard from one of the senior public servants of our country—

Mr. Clark (Yellowhead): This is an abuse of the rules.

Mr. Riis: —an individual paid by the taxpayers of Canada presumably to represent all Canadians and all taxpayers who has indicated and referred to those who oppose the agreement he has negotiated—

Mr. Clark (Yellowhead): Another NDP abuse.

Mr. Riis: —namely, all of the Members of the Opposition, as Nazis and has—

Some Hon. Members: Order.

Mr. Riis: —referred to them as having the same status as Joseph Goebbels.

I ask you to consider this matter, Mr. Speaker. I recognize that Ambassador Reisman is not a Member of the House of Commons. I realize also that when you examine Beauchesne's Fifth Edition you will find that calling anyone a Nazi is certainly unparliamentary.

Mr. Clark (Yellowhead): Give us the quotation. Follow the rules of the House.

Mr. Riis: To refer to anyone as "Goebbels" is also unparliamentary. I ask that you look into this matter.

Mr. Clark (Yellowhead): Such contempt for the House of Commons.

Mr. Riis: I have been constantly interrupted by the Secretary of State for External Affairs. I usually give him the benefit of listening when he makes his statements and I look forward to him standing in his place, someone who has played a significant role in the negotiations, and explain, if he believes that Ambassador Reisman calling opposition Members "Nazis" and likening us to Goebbels is an appropriate use of the term.

I do believe that our privileges as Members of Parliament, particularly those in the Opposition, have been breached by this senior public official.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to speak to the same question of privilege. I want to draw to your attention that apparently Mr. Reisman repeated and confirmed—

Mr. Clark (Yellowhead): Apparently.

Mr. Gray (Windsor West): —his remarks in committee yesterday. At that time he said, according to a press report:

> —that one doesn't try to deal "rationally and logically" with these people who "deliberately set out to defy fact and reason."

Mr. Reisman not only accused those who do not agree with his and the Government's free trade agreement as being Nazis but he has accused them, in effect, of telling untruths when they oppose the Government's policy.

Mr. Reisman speaks as ambassador, as chief trade negotiator. He is not only speaking as a private citizen on behalf of the Government when he says those things, but he is accusing those people who do not agree with the Government's position as people who "deliberately set out to defy fact and reason". He, Ambassador Reisman, is saying that they are untruthful and he is accusing as being untruthful Members of Parliament to whom the Government and its servants, including Mr. Reisman, are accountable and responsible. He is accusing also of untruthfulness not only parliamentarians, like the Leader of the New Democratic Party (Mr. Broadbent) and the Leader of the Opposition (Mr. Turner), and dozens and dozens of other Members of Parliament, but he is making the same accusations against millions of individual Canadians.

With respect to Members' privileges, I would ask you, Mr. Speaker, to examine what Ambassador Reisman said. I want to tell you that if you find there is a *prima facie* case of a breach of Members' privileges I for one would be quite prepared to move the appropriate motion immediately.

Mr. Deputy Speaker: It is not the Chair's intention to have the House enter into a long debate on this matter. The Chair with regard to this particular matter is willing to hear the different House Leaders.

Ms. Copps: I rise on a different point, Mr. Speaker.

Mr. Deputy Speaker: I will come back to the Hon. Member. On the same matter I believe the Minister of State (Mr. Lewis) is rising.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I regret very much that my colleagues have tried to raise this as a matter on the floor of the House. I think it demeans the debate. We are prepared to have a debate on the substance of the matter.

Mr. Tobin: No you are not.

Mr. Lewis: If one were to examine fairly the words quoted in the press one would find that no such comment was made. The best evidence I could give you of that are the remarks of the Hon. Member for Essex—Windsor (Mr. Langdon). If you check the blues you will find that the Hon. Member for Essex—Windsor quoted properly the text of what was said as I read it in the newspaper. The best evidence of this comes from the very Party, the New Democratic Party, whose House Leader raised the matter. I would quote those same words but I do not have them in front of me. As I read the text in the newspaper this morning the Hon. Member for Essex—Windsor, a Member of the New Democratic Party, was right on. He quoted accurately. He did not distort words and then went on to a question from that. The best evidence before you comes from the New Democratic Party—the Hon. Member for Essex—Windsor. I submit there could be no point of personal privilege resulting from a broad comment made outside the House; that it can be said to affect a Member's privileges inside this House and thus be a question of personal privilege which either offends the Member because it was said in this House or prevents the said Member from doing his or her job properly as a Member of Parliament. It happens. We are in the public milieu. Comments are made.

Hon. Members in an effort to raise, not the substance of the issue, not the substance of the free trade debate, but mechanics, have made an effort to associate themselves with remarks they found offensive.

Mr. Tobin: That doesn't have anything to do with the question of privilege.

Mr. Lewis: We are all big people. This happens all the time. One could associate oneself for example with the remarks of Senator Hebert who referred to the Tory Party as "fascist". We did not raise that matter because we would not put a specious point of order or a specious question of privilege before you, Mr. Speaker. We know it happened in the other place where they have other problems. The remark was not made here and, therefore, we did not raise the matter. I still submit that the best evidence of exactly what was said, the evidence I ask you as a Member of the government side to base your decision on, is the evidence raised in the House of Commons by the Hon. Member from Essex who quoted correctly the remarks of Ambassador Reisman in the Journals today.

• (1210)

Mr. Deputy Speaker: The Chair, I believe, has the point with regard to the matter which we called this morning the "Reisman matter". The Chair will first find out exactly what was said. The Chair will reserve on the matter and get back to the House as soon as possible.

On a different question of privilege, the Hon. Member for Hamilton East (Ms. Copps).

PRIVILEGE

ALLEGED ASSOCIATION BY MINISTER WITH UNACCEPTABLE REMARKS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to bring to the attention of the Chair, in reviewing the comments made and repeated on the Nazi question, that a Minister of the Crown this morning here in the House, specifically the Minister for International Trade (Miss Carney), associated herself with those remarks. I believe this is an important question of privilege and a different question of privilege because, while Mr. Reisman acting as an ambassador made comments outside the House, this morning in defending the ambassador, the Minister associated herself with remarks which, frankly, not only insult Canadians but, in particular, insult Members of Parliament and prevent us from carrying out our responsibilities. If there is supposed to be—

Mr. Hnatyshyn: Are you against war veterans?

Ms. Copps: The Minister asks if I am against war veterans. The very point that must be examined *vis-a-vis* the Minister's association is why did we fight in those wars if not to prevent people, including the ambassador and representatives of the Government of Canada, from making the kinds of remarks that were made outside the House and that the Minister associated herself with in the House. That is why we fought wars.

When the Speaker is reviewing today's Question Period in *Hansard*, could he please examine the specific remarks made by the Minister for International Trade associating herself with the campaign attacking those people, who are opposing the bad deal of the Prime Minister (Mr. Mulroney), as Nazis and as being part of "the big lie" and Goebbels' information machine? By defending those remarks in the House, she did not dissociate herself from them. In fact, it took the Prime Minister to pull her up short in her seat and to ensure that he will review the matter and put this whole thing to rest.

Mr. Nystrom: Mr. Speaker, I will be very brief and technical on this.

Mr. Clark (Yellowhead): On what point?

Mr. Nystrom: On the point of Mr. Reisman and the comments of the Minister for International Trade (Miss Carney).

Mr. Deputy Speaker: First, the Chair does take as a separate point the question of privilege raised by the Hon. Member for Hamilton East (Ms. Copps). The Chair will look into the matter and will return to the House on that point.

The Chair has mentioned before that we do not want the House to get into a debate over what I called the "Reisman matter" this morning. However, I am willing to hear the Hon. Member on a specific matter on which I believe he wishes to cite Beauchesne's. But certainly the Chair is not in the mood

to entertain further debate on the matter. I would be willing to listen to a legal argument if that were the case, albeit a short one.

Mr. Nystrom: Mr. Speaker, it is the same matter raised by the Hon. Member for Hamilton East (Ms. Copps).

Mr. Tobin: I rise on a point of order. I would like the Speaker to know that it was my intention to rise on the same point of privilege raised by the Hon. Member for Hamilton East (Ms. Copps) with respect to the Minister for International Trade (Miss Carney). I do not know if the Hon. Member for Yorkton—Melville (Mr. Nystrom) is on a different point or not.

Mr. Deputy Speaker: I will hear the Hon. Member on the second question of privilege. We are back for a minute, the Chair hopes, on the first question of privilege. The Hon. Member for Yorkton—Melville (Mr. Nystrom).

* * *

PRIVILEGE

ALLEGATION BY SENIOR PUBLIC SERVANT—REISMAN

Mr. Lorne Nystrom (Yorkton—Melville): I will be very brief. The comment has been made that no specific accusation has been made against a specific Member. I want to refer to Mr. Speaker Jerome, a highly respected Speaker of this House back in the 1970s, who responded to a question of privilege raised by Walter Baker, a very distinguished House Leader of the Conservative Party. In that case a Mr. August Choquette had made a slanderous accusation against the House while giving testimony. Mr. Choquette was quoted as saying in open court that if everyone who had ever taken or given $600 or $700 in bribes in their life was arrested, 50 per cent of the MPs would no longer be sitting.

After citing various authorities in support of his position, Mr. Baker of the Conservative Party moved that the accusation that a substantial portion of the Members of House of Commons were receiving bribes be referred to the Committee on Privileges and Elections. While the Speaker stated that he had no difficulty in agreeing that there was a question of privilege, he expressed some doubt as to the form of the motion.

Mr. Speaker Jerome said that in this case, the motion having been amended to include the name of Mr. August Choquette, constituted a question of privilege, and the Baker motion was adopted by the House. Mr. Speaker Jerome cites a whole number of Standing Orders and citations from Beauchesne's, but I will not bore you with those. They appear on page 26 of his book.

I think we should look into this matter because what the Minister for International Trade (Miss Carney) has said today in reference to the Reisman statements does have an impact on the privileges of all Members of the House. I think in this case, you should decide whether or not Walter Baker's motion of May 7, 1976, is indeed a precedent.

My last point is that I think the Minister for International Trade, in supporting what Mr. Reisman said, is also making a reflection on other Canadians who are not in a position to defend themselves on the floor of the House. They refer to a lot of ordinary Canadians who feel very strongly on this particular issue and are not able to defend themselves.

There are some precedents for that that I recall from my experience in the House as well. In those days, the Hon. Member for Yellowhead (Mr. Clark) was a staunch defender of those ordinary Canadians who are not here in the House and not able to defend themselves.

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PRIVILEGE

ALLEGED ASSOCIATION BY MINISTER WITH UNACCEPTABLE REMARKS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the record should show clearly that the point of privilege raised by the Hon. Member for Hamilton East (Ms. Copps), indeed repeated by myself, is not directed at the comments of the Prime Minister (Mr. Mulroney). The Prime Minister made what I believe to be an appropriate response in the House today when he undertook to check the record and respond back to the House at the first opportunity, presumably next week.

The Minister for International Trade (Miss Carney) was confronted as the Minister responsible for the ambassador with these remarks. *Hansard* will show, as soon as the Speaker has a chance to review her comments, that when confronted with the remarks reportedly made by the ambassador, the Minister did not dissociate herself from the remarks in responding to an NDP questioner. She did not take the position of the Prime Minister, who said that he would check the record and make an appropriate response in due course, but rather said that if the ambassador is suggesting that those who are engaged in a campaign against free trade—I am sorry, a separate point.

Mr. Deputy Speaker: I do not want to cut off the Hon. Member, but I think he is again getting into debate. If the Hon. Member has a specific point to raise, as did the Hon. Member for Yorkton—Melville (Mr. Nystrom), I am certainly willing to hear it, but as the Hon. Member understands, the Chair does not want this debate to continue.

Mr. Tobin: Mr. Speaker, I shall be very brief. I am advising the Chair that if he checks the record, he will find that the Minister for International Trade has defended the notion that opposition Members are Nazis and are engaging in "the big lie", as was done by Nazis in World War II, in opposing the Government's free trade initiative. I advise the Chair that

Hansard will show that, and I am asking the Chair to find that not only were those comments made outside the House by a Government representative, Ambassador Reisman, but that those comments have now been defended and in fact repeated in the House by a Minister of the Crown. That is beyond any doubt clearly in violation of the privileges of Members of this Chamber.

Mr. Steven W. Langdon (Essex—Windsor) Mr. Speaker, since the Deputy House Leader (Mr. Lewis) has referred in such glowing terms to the setting forth of my question, I simply want to indicate that in my view it would be very important to look not just at the original stories dealing with Mr. Reisman's comments but at the stories which followed from committee yesterday in which Mr. Reisman first backed off from his statements and then appeared in press comments subsequent to the committee meeting to have reinforced and restated his opinions. I think it is both sets of newspaper reporting that should be examined.

• (1220)

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I want to make just one reference to *Hansard* in order to aid you in your decision-making. It is found at page 10166 of *Hansard*, October 20, 1987:

> Canadians should be asking which is worse, genuine racism or using racism as a tool? I suggest that this Government has been using racism as a tool to pass repressive legislation.

No one ever raised a question of privilege about it, but those words were spoken by the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Manly: Very true!

Mr. Friesen: How is it that if a government Member is purported to have made that statement, it is seen as bad, yet when an opposition Member stands in this House and makes an accusation like that against the Government that is seen by members of the Opposition as being okay?

Mr. Deputy Speaker: I thank Hon. Members for their representations. The Chair will, of course, look into both questions of privilege and report to the House.

* * *

POINT OF ORDER

CORRECTION TO STATEMENT BY MINISTER

Right Hon. Joe Clark (Secretary of State for External Affairs): Point of order, Mr. Speaker. During Question Period today, when I referred to the agreement sanctioned by the Right Hon. Leader of the Opposition (Mr. Turner) during his very early days as Leader of the Liberal Party, I referred once correctly to it as an agreement and once incorrectly as a treaty. It was an agreement. It is nonetheless binding, but I want the record to show that my reference to the word "treaty" was an inaccurate reference.

Mr. Deputy Speaker: I thank the Hon. Minister.

The Hon. Member for Skeena (Mr. Fulton) on a point of order?

Mr. Fulton: Question of privilege, Mr. Speaker.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY CONDUCT—REQUEST FOR CLARIFICATION OF RULING

Mr. Jim Fulton (Skeena): Mr. Speaker, word made its way to me just prior to eleven o'clock this morning that I was not going to be recognized during Question Period. I had a very serious matter to raise with respect to the Lubicon Indian Band. What I want to find out is precisely what the ruling is. The matter I was directly linked to was adjourned yesterday and my understanding of a matter that is adjourned is that a ruling is being considered, one way or the other.

It seems clear to me that once word arrives to me that I am not going to be recognized during Question Period, when there are important matters to raise, such as those affecting the Lubicon Band because of the decision made last night by the Government of Alberta—

Mr. Clark (Yellowhead): There are consequences to your actions, Jim.

Mr. Fulton: —it means that my rights as a Member are being tampered with.

Mr. Clark (Yellowhead): By yourself.

Mr. Fulton: I would like some clarification from the Chair as to exactly what the ruling is with respect to the matter raised on Wednesday. As I made clear to the Chair yesterday, it is not my intention to withdraw the remarks I made in relation to the Prime Minister (Mr. Mulroney).

Mr. Speaker: Yesterday the Hon. Member for Skeena (Mr. Fulton) took a position with the Chair that he would not withdraw remarks which are clearly unparliamentary, the kind of remarks which are not permitted here, never have been permitted here, and I think the wish of this House is that they will not be permitted here. Having done that, the Chair has one option; the Hon. Member could be named and put out of here for a couple of hours. In the opinion of the Chair that is no discipline whatsoever.

Second, I have asked the Hon. Member to reconsider his position. I have not put any time limits on it. I should also say that the Hon. Member for Skeena is very well and honourably

known to me, not only as a colleague here, but personally. I have the very highest regard for the Hon. Member. I also think I can have some understanding for his feelings in this matter. However, no individual Member's feelings can take precedence over the rules and traditions of this place.

If the Hon. Member wishes to serve his constituents, then he must put himself back in grace in this House.

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*English*]

IMMIGRATION

TABLING OF ANNUAL REPORT ON IMMIGRATION LEVELS

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour to table, in both official languages, copies of the annual report to Parliament on future immigration levels.

* * *

[*Translation*]

CANADIAN HUMAN RIGHTS COMMISSION

PRESENTATION OF SPECIAL REPORT ON INCOME BENEFITS FOR NEW PARENTS

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, pursuant to Section 47(2) of the Canadian Human Rights Act, I have the honour of tabling, in both official languages, a special report to Parliament, by the Canadian Human Rights Commission, on income replacement benefits for new parents.

* * *

[*English*]

JUSTICE AND SOLICITOR GENERAL

TABLING OF GOVERNMENT RESPONSE TO FOURTH REPORT OF STANDING COMMITTEE

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table, in both official languages, the Government's response to the fourth report of the Standing Committee on Justice and Solicitor General. This interim report deals with the very important problem of missing children. It is important to note that the study of this issue was brought about in no small measure by the deep concerns of the Hon. Member for Halifax West (Mr. Crosby). He should be commended for his efforts.

IMMIGRATION

STATEMENT BY MINISTER ON IMMIGRATION LEVELS FOR 1988

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, I am pleased to table the annual report to Parliament on immigration levels for 1988. This report embodies the view shared by many of my provincial counterparts and consultative partners in the private sector, that continued increases in immigration represent many benefits for Canadians, both from the practical standpoint of economics and in social and demographic terms.

For 1988 we are announcing a level range of 125,000 to 135,000, an increase of 10,000 over 1987. As Hon. Members know, this does not represent a target, a quota, or a ceiling, but simply a planning range supported by financial and human resources for our immigration program.

It should be noted in this regard that for the first time in many years it is anticipated that the 1987 actual landings will meet if not exceed the level set for this year. We expect a similar accomplishment in 1988 as well.

This kind of success demonstrates to Canadians that we place a great deal of importance on immigration as a vital part of Canada's development as a nation. There has been some discussion of increases being spread over a three-year period. While I considered this approach, I concluded a one-year announcement was appropriate. The basic reason for that is that my department is currently conducting a productivity review with External Affairs to consider ways in which a greater efficiency in processing immigrants could provide for a greater number of admissions. I would like to await the results of this review next year before considering what levels we should have in 1989 and beyond.

[*Translation*]

Mr. Speaker, many Canadians still believe the old story that immigrants steal jobs from Canadians, which is just not true. The increased consumption of goods and services due to immigration has the further effect of providing for a net increase in jobs and economic activity in this country. Canadians should realize that immigrant business people alone, who represent less than 3.5 per cent of all immigrants, annually inject more than $1 billion into the Canadian economy.

However, aside from the very significant economic benefits for Canada, the primary objective of Canada's immigration policy is still family reunification, which is reflected both in the principles underlying this report and in the increased levels forecast for 1988.

Mr. Speaker, we expect that 50,000 immigrants in the family class will be admitted to Canada in 1988. If more are eligible, they are welcome.

This figure is the highest one for family class immigrants since 1981. I may add that under the present Government, this figure has increased by more than 25 per cent since 1984.

• (1230)

I think it clearly shows how important family class immigration is to this Government, a policy that will be further reflected in changes that will expand the criteria for this class. These changes in the regulations will mean that individuals selected for immigration to Canada or being sponsored by family members already in Canada may include sons and daughters aged 21 or over, if they have never been married. Previously, children over 21 were not considered dependents and were assessed as assisted relatives.

In addition, the assisted relatives selection criteria will be amended to increase the additional number of points for married children and brothers and sisters from 10 to 15. These measures reflect the spirit and the intent of the recommendations of the standing committee and provide more opportunities for family members to be reunited.

Mr. Speaker, as we all know, the subject of immigrants and refugees has provoked some very lively debate in recent months. The policies and procedures inherited by this Government proved inadequate to cope with the new situations and new challenges, due especially to the general and increasing pressure of economic migration and to the ongoing question of genuine refugees.

[*English*]

The Government has therefore been required to take major initiatives to strengthen Canadian policy and to reaffirm Canada's obligations and responsibilities in these areas, both nationally and internationally. These measures ensure that Canada's immigration policy will remain open and outward-looking to all peoples of the world. We have opened up new opportunities for families to reunite. We have responded to the family reunification recommendations of the Standing Committee on Labour, Employment and Immigration. We have streamlined the processing system for the family class.

At the same time, we have signalled clearly that Canada's refugee policy will no longer be available as an alternative avenue for immigration. We have taken interim control measures to manage the flow of illegal migrants. We have tabled a Bill on refugee determination designed to streamline that process and to curb abuse of the system. We have tabled a Bill to increase penalties for smugglers and prevent organized fraud.

We have also begun the productivity review I referred to earlier. In conjunction with the Department of External Affairs we are seeking ways to do more for less in the area of processing which it is to be hoped will lead to marked improvements in service for all our clients.

I would like to turn now to the annual refugee plan which is included in the report. I am concerned that recent criticism of the proposed refugee legislation has coloured the perception, not only of concerned refugee aid and advocacy groups, but of the average Canadian. I wish to make it absolutely clear that the longstanding generosity of the Canadian people to the legitimate refugee in need of Canada's protection is not only reaffirmed by the Government but enhanced.

The levels for landings of government-assisted refugees have been increased by 1,000 to 13,000 in 1988. This is an increase of some 30 per cent in direct government-sponsored refugees since the Government took office.

It is also expected, Sir, that some 2,000 people will be landed as refugees in the course of 1988 after determination by the Refugee Status Advisory Committee. As well, a planning range for humanitarian admissions under special circumstances has also been established and set at between 3,000 and 6,000. Finally, as all Members know, there remains no level or limit to private refugee sponsorship.

[*Translation*]

There are about 10 to 15 million refugees throughout the world. However, resettlement far from their country of origin is seldom the answer to their problems. The UN High Commissioner for Refugees prefers other solutions such as voluntary repatriation or resettlement in countries of first asylum in the same region.

However, for those who have no other option, resettlement in a third country, with the help of government and private sector, may be the answer.

Canada uses its acceptance program abroad to help refugees who are in greatest need and also to urge other resettlement countries to follow its example. In this respect, a concerted effort by the international community removes some of the pressure on countries of first asylum and encourages them to keep playing their essential role.

I may add that in response to concerns expressed by Canadian non-governmental organizations, the Government will sponsor increased numbers of refugees from Latin America and Eastern Europe in 1988.

I can, therefore, state before the House without any hesitation that since the present Government came to power, Canada's commitment to refugees the world over has never been as serious as it is now, and that as long as the Prime Minister (Mr. Mulroney) leads this Government, this trend will continue in the future.

Mr. Speaker, it is not a coincidence that nearly 100 countries, members of the Commonwealth and the francophonie, now see Canada as a source of moral leadership. These countries have placed their confidence in the courage and determination being shown by the Leader of this Government and of our country, never to compromise our principles on human rights.

[*English*]

We will fulfil, to an ever greater degree in the future than we have in the past, those humanitarian obligations we have freely entered into which have now become so vital a part of our national identity. We will continue to lead the world in seeking constructive solutions and answers to these critical

international problems. This may prove to be especially significant as we begin to consider our own demographic situation in the years ahead.

If current below-replacement level fertility rates continue—and there is no reason to think they will not—Canada's population will begin to decline shortly after the turn of the century. Present net immigration levels—by that I mean immigration minus emigration—only slow and do not stop such an impending decline. A policy of long-term moderate and controlled growth in immigration established in the near future may deflect this outcome. It is something we must consider.

The growing complexity and urgency of this and other immigration issues, both national and international, underline the importance of the consultative process. It is my hope, therefore, that in the course of the coming year we shall find ways of broadening and expanding that process, new and better ways of communicating with our partners in the provinces, the non-governmental organizations, the legal and academic communities, and with Canadians themselves.

It has become fashionable to ridicule and belittle the words and phrases of political debate. That criticism, however, makes them no less valid, no less true. I should like to conclude this report with a reminder to all Members and all who may be listening of just how important immigration is to this country.

Immigration is one of the fundamental supports upon which Canada was founded and upon which we have developed ever since. It remains a powerful force in the lives of all Canadians. The benefits brought to the immigrant and the refugee, both economically and socially, can be seen in the kind of society we are—dynamic and industrious but compassionate and considerate as well. Respect—respect for one another, respect for the traditions we perhaps do not share in common, respect for the heritage we are creating together, and respect for the Canadian way is the gift of immigration.

The integrity of our policies is, therefore, absolutely vital. We have established ways and means, and they must be respected and upheld because it is through them that we stand ready to share our opportunities and the benefits of life in Canada, and to welcome them with a warmth unequalled by any nation. This is never more true than when it comes to the reunion of the family and the extension of sanctuary to the genuine refugee.

• (1240)

This report anticipates that Canadians will share this positive view of immigration, that they will be reassured by the steps the Government has taken to reaffirm its importance and, not least, that they will join us in realizing the importance of immigration to Canadian life.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Minister may rejoice and be pleased in tabling his report today, but that should be the extent of his pleasure because whatever his Government says these days, be it on trade, drugs, environment, science and technology, fisheries, cruise missiles, you name it, it lacks credibility, and the same must be said about immigration. We on this side of the House believe that the Government once again is misleading Canadians, and I will tell you why, Mr. Speaker.

First, today the Minister announces the increase from 125,000 to 135,000, yet only a few months ago the Prime Minister (Mr. Mulroney) proclaimed that Canada should let in up to 200,000 immigrants. A few months ago the Secretary of State (Mr. Crombie) proclaimed 175,000. Today the Minister deflates his own Prime Minister's figures. Which are we to believe?

I will give another example. We all know how anxious Canadians are to reunify their families. Last year the Minister for Immigration (Mr. Weiner) projected a total of 105,000 to 115,000. Yet he admitted only 86,000 people. The Minister today is promising 50,000 family reunifications, yet he knows deep in his heart that he does not have the financial and personnel resources that are needed to process these people. In addition, last year he promised, for 1987, 45,000 family reunifications and delivered only 35,000, which represents 20 per cent below that projection.

Another area where promises were not kept is in humanitarian immigration. Last year the Minister promised 5,000 to 8,000 people. This year he back-pedalled to somewhere between 3,000 and 6,000 people.

The Minister's statement also lacks credibility because it deals only with figures. It contains not one word about services for an increasing number of projected new arrivals. Immigrants are more than just numbers, we must remind the Minister. In his statement he does not devote one word to immigration adjustment or to the services which are needed upon arrival by an increased number of people. What a shame.

To be taken seriously, the Government and the Minister have to rebuild lost confidence. Church groups, volunteer organizations, minority groups and immigration and refugee aid groups sharply and understandably criticized the Government last summer for its regressive and ill-conceived policies. A Bill introduced in this House in August, you will remember, Mr. Speaker, as an emergency measure, is still waiting to become law.

The Hon. Member for York West (Mr. Marchi) and I welcome the two promises made today. Persons selected to immigrate to Canada, or who are sponsored by family members already in Canada, will now be able to include their sons and daughters who are 21 years of age and over if these children have never been married. We welcome the promise made that the immigration selective system will be modified so that bonus points awarded to married sons and daughters and brothers and sisters will be increased from 10 points to 15 points. These are recommendations stemming from the standing committee and we now wait to see when and if these measures will be implemented.

Basically, there is a profound question of confidence at stake. It boils down to the question, can we have confidence in the promises made by the Prime Minister and this Minister in light of the performance of this Government? Canadians are wary of these promises.

Mr. Dan Heap (Spadina): Mr. Speaker, I wish to begin by thanking the Hon. Minister for both the prompt and early delivery of his 1988 levels report to the critics and also for a generous appendix of useful statistics.

His report brings one important piece of hopeful news but unfortunately ducks or obscures most of the issues. The hopeful news, is that unmarried children over 21 years of age, we are told, will now be admitted as members of the family class. We understand that to mean without employment criteria, without being screened for education, skills, job offers, or any of the criteria which apply to independent immigrants and assisted relatives. If they are married, we are told, and come as independent immigrants, they will receive a 15 point bonus for kinship instead of a 10 point bonus, and we welcome that also.

We are also assured that if more than the planned 50,000 apply—and I welcome the increase in the planning from 45,000 to 50,000—and are eligible, they will be welcomed.

However, there is no promise to increase the overseas staff which a year ago was planned to be increased but was cut back by the action of the Department of External Affairs, and no promise to redeploy the overseas visa officers so as to reflect the actual volume of applications in different parts of the world. Therefore, it is very questionable whether the Minister can succeed in the increase he has promised.

The news, however, of the enlargement of the concept of the family is good news. It not only helps immigrants to settle into Canada, that is, by bringing in immigrants who already have a family to welcome them, it also directly benefits families in building family life, reflecting the Government's attention to the values of family life, and enabling Canadians to develop those small support systems that are centred in the family. For that the New Democratic Party is grateful because we have urged this change for several years, and we do commend the Minister for this move.

Otherwise, the news is mostly gloomy. It is mainly that the brain drain still reigns as the chief concern in Canada's immigration policy. The point system still tries to scoop the skilled and educated elite from around the world to Canada's benefit, regardless of what is done in the former colonial countries. Furthermore, there is very little practical result yet to be seen for the Minister's claim that he has streamlined and speeded up the immigration procedures.

There is also an interesting contrast. While the Minister has increased family reunification a little, the increase for refugees is stingy considering the needs of the persecuted and Canada's unusually rich resources. The Government is increasing the over-all planning level for Government sponsored selected refugees by only 1,000. It is cutting back by 3,000 on the planning level for humanitarian admissions. In other words, the Government, while it brags about stepping forward by 1,000—from 12,000 to 13,000—is in fact stepping backward by 2,000. That is in light of the fact that Canada's commitment is not merely narrowly to the UN convention on refugees but more broadly—which in the past years Canada has honoured—has a statutory commitment to a humanitarian goal in our immigration policy. That goal is being sharply reduced by the Minister.

• (1250)

We also have no assurance that there will be action to respond to the complaints of the churches, which have advised the Minister and the legislative committees that studied the Minister's repressive refugee legislation, of very specific details of how seriously the Government's red tape cuts back on the number of people that churches are able to sponsor. The churches, when they have undertaken a certain number of sponsorships, find that they cannot bring in all those people because of the Government's red tape.

For example, Chileans I know of in Buenos Aires, who have been recognized by the UN as refugees and sponsored by Canadian churches, have been refused by the Minister's Department for reasons that were never properly explained. Therefore, when the Minister says that he hopes that the churches will sponsor perhaps 7,000 or 6,000 refugees, he should have undertaken to cut the red tape which hinders them from doing that.

The third point is that while the Government has promised 2,000 refugee claimants to be landed by the refugee status advisory committee during the year 1988, he conceals the fact that these are cases left over from previous years. If Bill C-84 and Bill C-55 ever become law, that flow of claimants recognized in Canada will dry up very sharply since nearly all the claimants will be turned away unheard.

The Minister has bragged about the example that Canada sets to other countries of resettlement. The example that Canada will set, if Bill C-55 becomes law, is that a large number of people—according to the Government's estimates probably the majority—who come to Canada claiming refugee status will be sent away without the full oral hearing that is required by the Supreme Court of Canada's interpretation of our Charter of Rights and Freedoms.

They will be sent away without Canada having decided whether or not they are in fact refugees. They will be sent away to some other country, perhaps a country to which they passed through. The example Canada is setting is that we will not even ask, we will not even listen to their refugee claims. We will send them on, whether it is to Germany, France or wherever. We expect those countries to deal with that hot potato that we will not deal with. That is a disgraceful example. It is a denial of Canada's signature on the United Nations's Convention regarding the status of refugees.

There is another irony associated with the refugee policy of the Government which the Minister fails to acknowledge in his report. That is the role of the much attacked administrative review of the people who applied for refugee status. These people were examined for possible landing on non-refugee grounds by a decision a year and a half ago. They have been attacked by Ministers and by Members of the government Party as queue-jumpers. The fact is that without 6,500 of those people who were landed in 1986 from the administrative review, the Government would have fallen not 5,000 or more short of its 1986 planning level but about 11,000 short. So the Government's pride in almost reaching its level in 1986 is based in part on these people that it despises and calls queue-jumpers. In 1987, nearly 14,000 have already landed from the administrative review. Without that it is very doubtful that the Government would come close to this year's planned level of landings.

In the Government's allocation of the 1,000 increase planned for refugees selected overseas, the Government fails to take account of the situation that is mushrooming in Central America. With the increase of the death squad killings condoned by the Governments of Guatemala and El Salvador, which have yet to prosecute anyone for those killings except when they went so far as to kill American churchwomen in El Salvador, with that rise in the level of fascist-type terror in El Salvador and Guatemala, there needs to be a substantial increase in the planned levels for Central American refugees in Canada. There needs to be an increase at least in line with the 1986 totals from Latin America which were 4,735. Instead, the Government has provided only an increase from 3,200 to 3,400 for all of Latin America.

As well as ignoring what is happening in Central America, the Government is ignoring what is happening with one of our trading partners, Chile, a country to which this country has from time to time shipped war goods. The Government now, through its so-called access to information law, prevents people from finding out what is being shipped there in the way of war goods. Chile has intensified the repression even beyond anything that has existed in the last dozen years in that country. That is not recognized or taken into account by the Government's proposed planning for refugee acceptance.

I do recognize, and I strongly support, that the Government has doubled the Middle East and West Asia planned level. It has brought it up from 900 to 1,800. I hope that this will include a substantial increase of several hundred for Afghan refugees in Pakistan, India or other nearby countries. The designation of West Asia-Middle East is a very broad designation covering an area that has many millions of refugees from several different sources of conflict. But the record of Canada in failing to consider Afghan refugees is another disgraceful record. I hope the Government is on the way to remedying that.

Therefore, I thank the Minister for his report, particularly in the matter of enlarging the concept of family reunification. I hope he will take the administrative measures and provide the resources to carry out the plans he has announced. I strongly urge the Government to reconsider the administrative changes and even legislative and policy statement changes which do not reflect the reality of Canada's obligation to refugees and to the people in humanitarian need that come to Canada or desire to come to Canada. These are people who would have a good case for coming to Canada, if the Minister would listen to them.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF THIRTY-SEVENTH REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour of tabling, in both official languages, the Thirty-seventh Report of the Striking Committee.

Mr. Speaker, if the House gives its consent, I intend to move concurrence in this report later this day.

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

* * *

• (1300)

[*English*]

JUDGES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-88, an Act to amend the Judges Act.

Mr. Deputy Speaker: Shall the Hon. Minister have leave to introduce the said Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

STRIKING COMMITTEE

CONCURRENCE IN THIRTY-SEVENTH REPORT OF STANDING COMMITTEE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, if the House gives its consent, I move, seconded by Mrs. Vézina, that the

Thirty-seventh Report of the Striking Committee, tabled earlier today, be concurred in.

Mr. Deputy Speaker: Does the Hon. Member have the unanimous consent of the House?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

PETITIONS

REQUEST FOR IMPROVEMENT TO MAIL DELIVERY SYSTEM IN PRINCE ALBERT, SASKATCHEWAN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have the honour to present a petition on behalf of a group of citizens from the City of Prince Albert. The petitioners suggest that certain areas of the City of Prince Albert should have mail delivery service equal to the service provided to every other area in the city, and that the imposition of supermailboxes lowers the value of property. They suggest that there be a halt to the installation of supermailboxes, that carrier service be provided, or the level of service in group boxes with no charge maintained.

This petition is signed by approximately 60 petitioners.

I have another petition, Mr. Speaker, which states that the petitioners in this particular area would rather have the old boxes than the new ones.

I am unable to present this petition because of a technicality. It is signed by 200 petitioners.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I request that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by 32 minutes. Therefore, Private Members' Hour will begin at 2.32 p.m.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to say a few words on this Bill. Although it is a technical Bill, with a technical title, it is not a very difficult Bill to understand. It is an intimidating Bill in the sense that the Ways and Means motion on which the Bill is based is contained in two very large volumes of approximately 3,000 pages. Consequently, although the Bill itself is not major, it means many things to many different organizations and groups involved in the movement of goods across the border.

The principles of the Bill are very simple. It harmonizes the description of commodities and the coding systems that are now used for tariffs. It is interesting to note that this is the first change in the coding and the structure of tariffs since Confederation. To some extent, that has been brought on by the fact that we are in almost continuous negotiations with other trading nations of the world. Because of the GATT negotiations and other agreements we have been signing, it has become necessary to have this type of harmonization of terms and coding.

Our present system is complex, surprisingly so because we have too few categories into which things may be slotted. There are only 12 categories or groups used in the coding of products. Consequently, it is quite common for the products or goods to fall into the wrong category because of the simple grouping.

In the present tariff structure, there are approximately 3,500 tariff items. This seems to be a large number, but because of the complexity of our trade these days it is very difficult to recognize into which category or group the goods fall. This is being increased to approximately 8,000. In many cases, it is a simple subdivision of items that are presently in the tariff codes. Again, it is because of the increased complexity of our trade and the GATT negotiations that we deal with from time to time. Hopefully, most of those GATT changes will assist in speeding up the movement of goods through the customs offices.

I am sure that every Member in the House has received a complaint from importers or exporters on the delays of either getting goods out or in. Any reform which would increase the ability or the time it takes to get a particular item into the country would be considered worth-while.

This Bill provides for the Customs Tariff, and at this particular time in our country when we are negotiating the Mulroney-Reagan agreement on trade, it is interesting that this Bill has come forward at this time to make the type of changes which should have been made some time ago.

• (1310)

It is a fairly technical Bill which restructures the Customs Tariff according to the principles of harmonized commodity description as indicated before. If it is accepted internationally and is based upon a system of standardization, it should clarify and improve the statistical base on which we now define our trade.

The Bill is being brought forward to some extent in exactly the same scenario as the Mulroney-Reagan trade agreement has been negotiated, in that we are uncertain exactly what it means and why it is important to have the Bill passed quickly at this particular time.

I believe it was yesterday that the Hon. Member for Regina East (Mr. de Jong) read into the record a letter from the Automotive Industries Association of Canada. I would like to refer to a couple of points in that letter which show that there is a parallel between this Bill and the trade agreement and that perhaps we are moving a little fast in both cases. According to the letter, the association believes that the implementation date of January 1, 1988 for the new harmonized tariff system must be set back at least three months to April 1, and that such action would parallel the three-month setback being provided in the United States for comparable legislation. It also indicates that the document, some 3,000 pages long, will receive no more than a cursory examination by a majority of Members of Parliament, and that it feels pressed because it does not understand the effect of the changes in the Bill.

As I said, we have a parallel here with the Mulroney-Reagan trade agreement. Again we are being pressed to accept a Bill or an agreement for which we do not have a final text. Of course we will get the final text a few weeks before it will be signed by the Prime Minister (Mr. Mulroney) and the President of the United States. In both these parallel cases the citizens of Canada, Members of the House of Commons, and the people involved in trade will find themselves in a position of signing something which they do not really understand or being presented with something on which they have not had an opportunity to express their opinions sufficiently. It is very important to make note of that now before the Bill goes to committee.

Another suggestion of the Automotive Industries Association of Canada was that it needs more time to understand it better. It also recognized that the House of Commons operates under a certain amount of pressure and therefore requires more time to understand the kinds of laws being made, just as we in the Opposition and many other people across Canada would like to understand the effects of the Mulroney-Reagan trade agreement on our industries and on our economy.

Also, the letter from the Automotive Industries Association of Canada indicated that a significant portion of Canadian industry exists because of the end use made or not made in Canada. To abandon completely that concept without a satisfactory conversion period could result in a shifting of manufacturing capabilities to plants outside Canada. Although the association favours the free trade agreement between Canada and the United States, if we can call it a free trade agreement, a minimum of a five-year phase-in is needed.

Again I suggest that the same concept must be applied to the Mulroney-Reagan trade deal. More time is necessary. There should be no suggestion that it be passed now and that Parliament or the country be locked into that trade agreement on the basis of the very little information we have now and the very little information which seems to be forthcoming, since we were told that we will not get the final text of the agreement until probably the end of November. Also, it is supposed to come into effect early in January. More time is needed in both cases.

I want to refer to another area of concern about the harmonization Bill. On June 6, 1986 the Tory Government imposed a 10 per cent duty on books and periodicals in response to the 35 per cent tariff which the Americans had imposed upon Canadian shakes and shingles. They imposed duties on other items as well, but I want to deal with the duty on periodicals and books. That retaliatory action injured the very industry which it was designed to protect—the Canadian book publishing and printing industry. It increased the cost of books. Book sellers and publishers found, therefore, that the public was less inclined to buy books.

The Canadian book publishing and printing industry was outraged at the choice the Government had made in its response and made clear that the Government's decision to impose a 10 per cent duty was jeopardizing its already fragile enterprise. A lot of harm was done in a very short time, from June 6 until it was removed in February, 1987. I suppose its removal in February, 1987 proved its ineffectual response to U.S. tariffs.

Bill C-87 retains the current statutory rate of duty on books and periodicals. However, the items continue to enter Canada duty-free, because a remission order allows the duty to be rebated at a later date. We have had a second attack on the movement of books and periodicals throughout the country. One of the requirements of the Mulroney-Reagan trade agreement is to remove the favourable postal rates for Canadian magazines moving across the country. Without this favourable postal rate the Government might just as well have reimposed the 10 per cent duty on books instead of a remission order to be rebated. The system rebating duties is quite

common in our structure of customs and duties. If you take a look at the Public Accounts tabled last week you will see pages and pages containing remission orders worth billions of dollars. If you try to follow them through you will find that it is practically impossible. The Auditor General in his report on Tuesday put his finger on this whole area of accountability because he feels, as do many Members, that the process of accountability on remission orders is minimal. Something should be done. In the bookselling industry the idea that you must pay the duty and then ask for a remission order to get it back is a hardship. Many of our bookstores and publishing firms are not that well off. They find it hard to pay the duty and get it rebated later.

• (1320)

I see that I should come to a close, Mr. Speaker.

Mr. Nickerson: You should.

Mr. Hovdebo: Duties are almost a fancy with many people. I am sure the Hon. Member for Western Arctic (Mr. Nickerson) recognizes that most people do not know that they are paying duty. Most people do not even realize that duties have been added on to the price of the goods they buy. They pay hidden taxes without too much complaint, and it behooves us as Members of Parliament to be sure that the amount of the duty and the process by which duties are imposed is done fairly and properly. To do that more time should be given so that industries and individuals affected can have an opportunity to voice opinions pro or con on how the duty is being imposed, the size of the duty or even the code slot into which the particular good or product is being placed.

We then accept as Members of Parliament, as does the Government which makes the decision on duties, the responsibility of making sure that the almost insidious process of taxation that goes with duties not recognized by the individual paying them are correct. We should take the time not only in the approach on this Bill but in the efforts we make to amend it in committee to be sure that we know what is going on.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I heard the socialist Member for Prince Albert (Mr. Hovdebo) refer to a letter from the Automotive Industries Association stating that it was not in full agreement with the Bill concerning the customs harmonized system. What needs to be said, Mr. Speaker—and our socialist colleague should have mentioned it—is that the letter is based on what is now dated information and on a faulty interpretation of the Bill. We did whatever was required to have Department of Finance representatives get in touch with the association.

Since the Hon. Member for Prince Albert went to the trouble of focusing on an allegedly negative response to our Bill, I believe he should have listed as well the many associations which did express support for this measure, such as the Canadian Association of Customs Brokers, the Canadian Importers Association, the Canadian Manufacturers Association, the Motor Vehicle Manufacturers Association, the Canadian Association of Provincial Liquor Boards, the Information Technology Association of Canada, the Aerospace Industries Association of Canada, the Canadian Horticultural Council, the Canadian Fruit Wholesalers Association, the Canadian Chemical Producers Association, the Association of Canadian Distillers, and the Canadian Textile Institute.

I would also have liked my colleague from Prince Albert to tell us where he stands with respect to Bob White's position, he who lives off the auto workers, he who is paid with the union dues of the very people who have enjoyed free trade since 1965, something they are defending so staunchly. Finally, still with resprct to free trade, I would have liked to hear the comments of the Hon. Member for Prince Albert concerning the position of their real leader, the one who pays them, the one who finances their political Party, the one who does their advertising with money earned since 1965 through free trade in the car manufacturing industry. I would have liked to hear just where he stands concerning his real leader, his financial backer, Bob White.

[*English*]

Mr. Hovdebo: Mr. Speaker, maybe it was in the translation, but I think the Hon. Member for Lévis (Mr. Fontaine) did not understand what I said. I did not suggest that the Automotive Industries Association of Canada, which has nothing to do with the union—this is the bosses association—and the New Democratic Party were against the Bill. The need to make changes in codifying and recognizing what slot a particular good should fall into is not being questioned at all. The two huge volumes made up of over 3,000 pages need careful scrutiny. That is what the association is asking for. It is not showing itself as being particularly against the Bill and neither are we as a Party against the idea of sophisticating to some extent the process of codified products crossing the border. Harmonizing does just that, and we think that it should have been done a long time ago. The Member from Lévis seems to be very confrontational in his approach suggesting that both the letter and the New Democratic Party are against the program. We are suggesting to Members of this House that we have a responsibility to make sure that we pass good legislation.

• (1330)

Back in 1984, the Prime Minister, and I am sure the Hon. Member himself, told their constituents that when they formed the Government, they would consult. That is all we are asking for. Let us consult the people who are most involved in the movement of goods and find out if the things we are suggesting might be wrong or might take more time to implement.

[*Translation*]

Mr. Fontaine: Mr. Speaker, the Member for Prince Albert (Mr. Hovdebo) advises us to consult. That is exactly what I was saying. Our Government is consulting the public on major legislative projects, whereas the socialist Party is listening to

Bob White, their big financial backer. By listening only to Bob White, the socialist Party is not working for Canada, but for Oshawa where the auto workers are well paid because of free trade. The socialist Party doesn't want the rest of Canada to get benefits similar to those resulting from the free trade deal of 1965. They do not agree to that and they only listen to the advice of the guy who gives them orders, who wants something for Oshawa and nothing for Canada.

[*English*]

Mr. Hovdebo: Mr. Speaker, again I point out that these are the bosses and they have nothing to do with Bob White particularly, except that they must recognize that if they do not get along with Bob White, they will have problems.

The industry has not had seven years to gear up to this new harmonized trade structure, but the Government has had that time. Therefore, the association has said the following in a letter:

> We have had less than seven months to obtain and digest information and respond. We respectfully request that you delay implementation of the new HTS until both Government and industry are ready—April 1 at the earliest.

I am suggesting as well that the consultation process has not been long enough. This legislation requires that the Bill be put into effect on January 1. If it goes into effect on January 1, automobile suppliers and others who deal with goods crossing the border will not have had enough time to read those 3,000 pages and be sure their industries will not be negatively affected by the law after this Bill is passed.

Mr. Althouse: Mr. Speaker, I would like to ask a question of my hon. friend from Prince Albert. Given that the industries association points out in some of the correspondence it has had with all Members of Parliament that a report it is preparing along with Government as to how to handle the proposed amendments to this new harmonized trade system will not be printed in November as originally hoped for and will now not be available until some time in April of 1988, I ask how we can expect to implement legislation until the rules and regulations are finalized. How can we in good conscience pass something like this when the rules and regulations are not final, are not understood by the industry, nor even in fact available to the industry? Why should we make it effective until those rules and regulations are before the public?

Mr. Hovdebo: Mr. Speaker, that is exactly the point I have been making. In fact, the report to which my hon. colleague referred will not be available by January 1; it will probably not be available until April. These organizations feel that implementation, even immediately after the report, is complete will not give them enough time. They say, at the least wait until April 1, but if possible, wait even longer.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to rise to speak to Bill C-87, an Act respecting the imposition of duties of customs and other charges. This Bill is certainly an important one. As the previous speaker mentioned, it has been in the making for a number of years and is basically directed at providing a comprehensive revision of the Customs Tariff that will govern the application of duties on goods imported into Canada.

I think there are very few of us who would disagree that it is important that we attempt to restructure our tariff system according to the principles of a harmonized commodity description and coding system and to move to a more comprehensive, internationally-based system so that Custom Tariff classifications and trade data are standardized.

I do not think we have great difficulty with that, but it is a very complex Bill. It sets out a greater number of items than those that are in the existing legislation, some 8,000 as compared to the existing 3,500. This may be quite appropriate in order to refine the system so that it is more understandable to those affected.

As a relatively new Member of the House, one of the comments one most often hears from the average Canadian is that much of what we do is incomprehensible. I suppose I can agree with that in part, and hope I do not add to that too much. Given the seriousness of this Bill and its complexity, it is important that this House take the time and give the time to those affected to really understand and study the Bill.

It is important to reiterate that this kind of Bill does not affect many Members of the House but certainly affects a large number of small and large business people. We in the New Democratic Party are very supportive of the business community and understand that many small businesses, and I can speak for those in my riding of the Yukon, do not have the personnel to allow staff members to devote however much time is necessary just to study this 3,000 page Bill. Therefore, it takes them much longer to understand all of its ramifications on their particular businesses and industries.

Another speaker has mentioned that many of these tariffs are hidden to the consumer. They are built into the price. It is therefore extremely important—and again I want to refer to small business in particular—given the fragility of many small businesses which work on very small profit margins and must understand clearly any legislation which affects consumer prices and their ability to import and export goods.

Again, while the intent of the legislation is not one with which we disagree, it is incumbent upon Members of this House to ensure that those affected, the business people as well as consumers, are given sufficient time to understand completely the ramifications of the legislation and to be able to address them in a forum in which they can make their views known.

• (1340)

We just had an exchange between two Members of this House regarding some comments by the Automotive Industry Association that the implementation schedule for this new harmonized tariff system, set for January 1, 1988, be set back at least two months. Added to that, it was pointed out that the

rules and regulations under which this Act will function will not be ready until at least three months after that date, probably around April. Legislation is one thing, but if you are in business and you are affected by any legislation, you must take the time to really understand the rules and regulations. If we have 3,000 pages to go through in the one instance, the rules and regulations will of course be equally complex.

I mention again the particular limitations of small business. We in the NDP certainly feel that small business is one of the stand-bys of Canadian business, and we know that the majority of jobs created in Canada are the result of the efforts of the small business person. I might mention that in *The Globe and Mail* today there was a very good article about the role of women in small business and how successful business run by women has been.

This request simply to extend the time so that everyone can understand what is happening does not seem unreasonable to me. We have just been through a very lengthy debate on the Meech Lake Accord. One of the very basic criticisms one hears as you go around this country is that there was not sufficient time for people to be consulted about that Accord. It was seen that First Ministers agreed to it in a very short time with little public consultation. That is a responsibility and a charge which I think everyone in this House must address.

It is a similar situation with the Mulroney-Reagan trade agreement. We are being asked to sanction the free trade road show which is going to go around the country listening to people's views. That is very important, but again it is to be done within a very short time frame, with a very clear objective, and one wonders how many average Canadians will get on the agenda when those hearings arrive in their community. I certainly hope that, unlike other such hearings, the committee makes sure it goes to the Northwest Territories and Yukon where there are many questions about this agreement. We see some parallels here in that this is a complex Bill and we think it reasonable that the people affected have the time to consider it.

One can understand why the Canadian public seems to get a little confused at times by some of the things that happen as a result of the passage of this legislation. I have mentioned before that even the title is pretty difficult for people to understand. I am not necessarily criticizing it, but the public sometimes gets a couple of different messages from people when it is explained what it will mean to them. I would like to give some examples of that in the current Mulroney-Reagan trade debate.

In 1983 *Maclean's* magazine said that David Crombie—

Some Hon. Members: Order!

The Acting Speaker (Mr. Ellis): The Hon. Member should know that personal names are not used. I know I am going to get some points of order if she does not refer to Members by their riding or ministry.

Ms. McLaughlin: Thank you, Mr. Speaker. The Hon. Secretary of State (Mr. Crombie) said in 1983, according to *Maclean's* magazine, referring to the free trade deal, that, "It's silly". I do not know that I would use such highly technical language, but it certainly is confusing for a number of people. I want to give a few examples of that.

Recently, in fact last week in Washington, a U.S. Republican Senator, Mr. Murkowski, called Canada's position on Alaskan oil development inconsistent with our position in favour of wilderness designation of the Alaskan coastal plain. If you are not familiar with it, that issue concerns the Arctic national wildlife refuge which contains the largest caribou herd, the one of a kind porcupine caribou herd, on which many people from my riding rely for their existence. We have had negotiations with the Americans on this issue, and in support of the Government I must say that it has been very supportive of the idea of having this area designated as a wildlife refuge. However, at the same time, in the Mulroney-Reagan trade agreement, we seem to have negotiated access to Prudhoe Bay oil. What Senator Murkowski says is: Make up your mind. On the one hand you are saying, "Keep this land a wild refuge", and on the other you say, "Open up areas for access to oil". This is confusing to the Americans, to the average Canadian, and pretty confusing to me. We seem to be giving two messages to people.

Certainly this tariff Bill is an extremely important Bill to understand because there is so much discussion right now about the Mulroney-Reagan trade deal. I believe there will be some considerable confusion in the public's mind because so many people hear every night on television and read in the newspapers various and sundry versions of the deal. Of course, we have not seen a final version, what it will mean, and so on. Some people will assume there is some link here. I am not suggesting that. However, there are a few things we have to point out about the trade deal which have led to some of this confusion.

First, in the free trade deal we saw the U.S. get most of what it wanted. It wanted full access to Canadian energy supplies and got it. It wanted an open market for investment in Canada, and it got that. This is also the first time that free trade in services was included in a trade pact. There is some question that this might be a model the U.S. can use at GATT to open up services world-wide.

We have had much discussion in this House about Bill C-22, the drug Bill, and I will not go into that. Yet the Mulroney-Reagan trade agreement calls into question our ability to stand up for Canadian sovereignty, Canadian direction and protection of our intellectual property.

Another area I would like to mention briefly concerns the elimination of western grain transportation subsidies. To say a word about subsidies, when speaking in our various communities one often picks up the idea, quite well promulgated by the Americans, that the U.S. has a free enterprise system, and there are really no subsidies. It is a market where the strongest

will survive, they know how to do it, and they have made a strong rich country on that basis. A little bit of that is true, but like every myth, some of it is a bit of an exaggeration. It is important for Canadians to remember that the American economy in many sectors is very heavily subsidized by individual states as well as the federal Government. It would be wrong to say that the Canadian economy is a heavily subsidized economy compared to that of the U.S. The same would be true about the whole tariff agreement as well.

Finally, I would like to say that in the Mulroney-Reagan trade agreement there are two areas in particular which give people in Canada some cause for concern. They are related to a suspicion or unease about whether we are in fact protecting Canadian sovereignty. I believe that people intuitively realize that the economy of a country of 250 million people will be basically different from that of a country of 25 million people. They must have different systems. Our geography, our climate, and the fact that we have, as in the North, widely dispersed areas, require a degree of subsidization if Canadians who live in Rankin Inlet or Old Crow are to receive the same benefits as the average Canadian, given the obvious limitations of living in the far North.

• (1350)

Sometimes when studying the equalization of a standard of life for Canadians we look at some regions, north of the 60th parallel as an example, as a sort of welfare state subsidized by taxpayers rather than as an investment and part of the future of the country.

I want to speak briefly about the development of a continental energy policy. There are a lot of questions about whether Canada will retain sovereignty and control, whether we will have made-in-Canada prices for oil and gas, whether we will have controls in times of shortage, and whether Canada will be able to direct its own economy in this area. This is a big concern to the North.

The second area which goes along with this in a very significant way is foreign investment review. The level of assets for companies subject to foreign investment review has been raised from $5 million to $150 million. There are only a few hundred companies in Canada which fall within that category.

I have tried to illustrate that there is a general suspicion with regard to all trade and trade-related activities. I put this Bill in that category because it deals with tariffs. There is a suspicion that we are not standing up for our sovereignty and are not getting the best deal. There are many aspects of the Mulroney-Reagan trade deal which have made people uncertain about whether we have really stood up for ourselves or have allowed ourselves to fall down and become the fifty-first state.

Requests such as that by the Automotive Industry's Association should not be pushed aside. They simply want, as I suspect many larger and smaller associations do, an opportunity, not to defeat the Bill or to be obstructive, but only to understand what the implications are for them. It is unfortunate that when Canadians want to question something they are seen as being obstructive and in opposition rather than only wanting to understand what the implications are for them and their role.

I hope this Bill will go to committee and that the Government will take these concerns seriously. I know the Government would want businesses to understand this legislation. I urge that this recommendation be studied very closely.

[*Translation*]

Mr. Fontaine: Mr. Speaker, I had no intention of commenting on the remarks of the Hon. Member for Yukon (Ms. McLaughlin), but since she chose to talk about the free trade agreement I, too, would like to say a few words on this subject.

First, I should like to remind her that on May 10, 1965, right here in the House of Commons, Mr. Tommy Douglas who was then Leader of the socialist Party had this to say about free trade in the automobile industry, and I quote: "The other criticism we have of this agreement is that it appears to make no provision at all for the employees in the automobile industry who will be displaced as a result of it."

But I must point out to my colleagues that since then, as a result of free trade in the automobile industry, we export $33 billion a year to the United States and 840,000 people depend on that industry for a living. Assuredly she is under instructions from Bob White, who is contriving to use workers' funds to further the socialist Party's political goals, but she should remember her party's position 30 years ago, the results of which we are seeing now. And today those same people are opposed to free trade. They are alarmists, Mr. Speaker, alarmists who remind me of another union leader, Jacques Proulx, the Chairman of Quebec's UPA, who says he is looking forward to a stock market crash. He hopes the stock market downgrade will go on so that it will harm and put an end to free trade negotiations.

Mr. Speaker, the members of his organization, the farm owners should, in view of those irresponsible and virtually idiotic suggestions, demand the immediate resignation of Mr. Jacques Proulx who is hoping for the collective demise of our Quebec small businesses due to the stock market crash. It is just as idiotic as the position taken by my colleague for Yukon (Ms. McLaughlin) against free trade, as the position taken by all the people ruled by Bob White, who uses money earned because of free trade to deprive other Canadians across Canada of the benefits he wants to monopolize in the riding of Oshawa, the riding represented by the socialist leader (Mr. Broadbent).

[*English*]

Ms. McLaughlin: Mr. Speaker, I always appreciate the instructive comments of the Hon. Member for Lévis (Mr. Fontaine). I will certainly speak to Bob White and Shirley Carr the next time I see them and convey the Member's comments to them.

Mr. Fontaine: Come to my riding.

Ms. McLaughlin: I would be happy to do that as well. I am sorry that I do not have the historical perspective to refer back to 1965. I would like to say that I was not born then, but that would be incorrect. I will, however refer to a few comments made by the current Secretary of State for External Affairs (Mr. Clark) as quoted in *Maclean's* magazine in 1983. With regard to free trade he said:

> Unrestrained free trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear. Before we jump on the bandwagon of continentalism, we should strengthen our industrial structure so that we are more competitive.

The term "free trade" is extremely misleading. I would have thought that someone from his side of the House would not have thought there was a free lunch and would not be trying to tell the Canadian people that there is a free lunch by using that statement. This is a Mulroney-Reagan trade deal.

[*Translation*]

Mr. Leblanc: Mr. Speaker, I would like to put a fairly direct question to the Hon. Member for the NDP and socialist Party, as my colleague said earlier. What does she have to say about the fact that entrepreneurs, investors, business people and all our captains of industry are in favour of free trade? How come—I must say I think this is horrifying and I can't understand why they do this—how come the New Democratic Party and a number of labour leaders are against free trade, when at the same time, the people who do the investing and who take the risks, the people who are responsible for the money they invest, how come they are in favour of free trade, and their employees or perhaps rather their representatives—In fact, I talked to several employees and union members who said they did not support the negative statements made by their union leaders.

What we have here is a complete paradox. The person who has the responsibility and who does the risk taking says he is in favour of free trade, and the person who does not take the risks is against free trade, and with him the NDP. I don't understand. Would the Hon. Member care to comment?

• (1400)

[*English*]

Ms. McLaughlin: Mr. Speaker, as a former business person myself, I would like first to say that we in the New Democratic Party speak to both businessmen and businesswomen. There is no homogeneous opinion. I think that must be quite clear to members opposite as it is to members on this side of the House. That is what the debate of the Mulroney—Reagan trade deal is all about. There is no homogeneous opinion from businessmen or businesswomen.

I would say that there are many people in my riding, and in other ridings, to whom I have spoken, particularly small business people, who are extremely concerned not about just the short-term implications, but about the long-term implications. We are looking to the future of Canada, not to Canada in 1989 but to Canada in the year 2009 and 1999. I believe one of the things we are here to do is to debate those different perspectives with both businessmen and businesswomen.

Mr. McKenzie: Mr. Speaker—and I see we have a very distinguished Speaker this afternoon—I would like to speak on the Broadbent-White opposition to the free and fair trade agreement. However, first I would like to read something into the record:

> Expansion of our trade with any and all countries willing to trade on a fair and equitable basis will benefit both ourselves and them. Careful planning is needed to adjust our production to the trade requirements of a fully employed economy. Tariffs are out-moded patchwork attempts to protect domestic industry; they restrict trade while giving less and less protection to the home industry.

One would think that this comes from the Conservative Party manual, but it does not. It comes from the New Democratic Party, a Party which is all over the map. It has policy conferences, all kinds of statements and policies on trade as of last March, but after those Members come away from their convention, they take a totally different position. I would like to quote some of the New Democratic Party trade resolutions; first, "Increased activities promote trade". That is what we are doing. The New Democratic Party has other policies. There is one thing about the NDP, one always knows where it stands. It has two positions, for and against it. I will give you, Mr. Speaker, another statement: "Pursue mature state-to-state relationship and cease to deal with the U.S. on an issue-by-issue basis". Why has the NDP not stuck with that policy that it supported last March? I find it very strange that that Party has walked away from it. Here is another one: "Focus Canadian efforts on resolving specific disputes". That is exactly what we are doing. The NDP goes on to say: "Explore sectoral free trade with the U.S. and other countries with production safeguards similar to the Auto Pact". That is exactly what we are doing.

The Hon. Speaker knows all about what the socialists and labour unions did when they formed the European Economic Community. They were howling and screaming against it. Now there are 13 countries in the European Economic Community. Thousands and thousands of jobs have been created. Nobody lost their identity, their culture, their heritage, and we do not hear a squeak or a peep out of the unions, the labour movement or the socialists in the European Economic Community now. And we will silence them all before we are finished.

Ms. McLaughlin: I just remind the Hon. Member that the Democratic Party—

The Acting Speaker (Mr. Ellis): I am sorry to interrupt the Hon. Member, but the time for questions and comments has expired. However, we will give her just a moment to respond briefly.

Ms. McLaughlin: I will just briefly say that the New Democratic Party does not stand for hitching itself to one star, that is, the United States, which will just drag it down, but,

rather, it supports multilateral trade with the United States and other countries, sector by sector, and having our economy designed and directed by us, not by the United States.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I always enjoy the interjections by my hon. friend, the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie). Having quoted the New Democratic Party trade policy and industrial economic policy for Canada, and saying he agrees with them—I think that was the implication—I am prepared to sell the Hon. Member a membership to the New Democratic Party any day. I would be pleased to do that. As long as there is no IQ test attached to it, we will be okay.

What we are witnessing here as the afternoon wears on is obviously some sensitivities. We saw earlier that the key negotiator, Mr. Reisman, the Ambassador negotiating for Canada, was so frustrated, he started to call his opponents Nazi supporters, or tried to equalize those of us who oppose this to the Nazis or at least to taking on the personality of Joseph Goebbels of Adolf Hitler's regime. That is getting pretty low. That is about as low as we have now come in this interchange when those kinds of insults are hurled by the Ambassador, who is paid by the taxpayers of Canada to represent all the people of Canada, not just one side of this discussion.

It is a very important discussion and I suspect that what is reflected is anxiety. The Government has taken a very clear position that its economic policy for the future is to tie the economics of Canada to the falling star of the United States economy. Those of us who tend to question that are now being called names. The Government has to find a bogeyman rather than admit that perhaps it has erred. Perhaps the problem with the Government, as reflected in the popularity polls—the Government is now at 24 per cent for the fourteenth straight month—is a result of all these initiatives. It should do the honourable thing and take a look at itself. What is the problem?

The Government blames others. It blames the press for all the bad press it receives. It blames the opposition Members, the small Opposition in the House of Commons against the overwhelming parliamentary majority of the Government. It has now even got to calling people opposed to its policies, whether it is a trade union leader, business leader or farm leader, Nazis.

I can understand the frustration, but, if I may be permitted to suggest, the Government should go back and listen to some of its Party spokespersons in years past, people who have stood up for what they believe, in the best interests of Canada. I refer to no other than Sir John A. Macdonald. If he were standing in the House of Commons today, he would walk across the aisle to this side of the House. He would be standing on the opposition side opposing this sell-out to the United States, opposing a continentalist energy policy. I would challenge my Conservative friends opposite to identify a single speech, a single comment made by Sir John A. Macdonald, advocating a continentalist energy policy. That is challenge number one.

Let me offer another challenge, Mr. Speaker, particularly to my hon. friend, the Hon. Member for Bow River (Mr. Taylor). Could he identify that in any of the hundreds of thousands of speeches that John Diefenbaker gave in this House and outside the House, a parliamentarian *par excellence*, a Leader of the Progressive Conservative Party, who had a vision of what this country should be? It was a country that saw itself as putting Canada first, not a foreign country, not the United States. He stood in this House of Commons day after day, month after month, year after year, and gave speeches saying it was time Canada got control of its economy and its destiny and built on it with the kind of resources, both human and natural, we have.

If John Diefenbaker were here today, he would also be crossing the floor. We would have a migration of good Conservatives cross the floor of the House of Commons. We would have to expand the walls, push them back, to allow all of these thoughtful, traditional Conservatives to stand on this side of the House. Mind you, we might balance it, because the Liberals would all be moving to the other side, historically.

Mr. Taylor: Let's talk about the living.

Mr. Riis: Well, how about we starting off with the past Prime Minister of Canada, the Hon. Member for Yellowhead (Mr. Clark), who is now Secretary of State for External Affairs, when the question was put to him prior to the last federal election? After all, there is no mandate for this Government to impose a Mulroney-Reagan trade deal on the people of Canada. As a matter of fact, it is quite the contrary. When the question was put to the previous Prime Minister, the Secretary of State for External Affairs, the Hon. Member for Yellowhead, he said this, "Unrestricted free trade trade with the United States raises the possibility that thousands of jobs would be lost—". He said that thousands of jobs would be lost.

• (1410)

Then, just a few days ago, Mr. Speaker, you will remember that the Minister responsible for employment echoed those figures when he said that as many as 500,000 jobs may be lost.

Mr. Manly: Maybe more.

Mr. Riis: Maybe more, maybe less.

He is a thoughtful man. He is a man who understands the economy of this country. He understands the clauses of the trade deal. He demonstrated he had the courage of his convictions when he told the truth. He said as Minister of Employment responsible for the employment of Canada, "I predict that it is possible that we could lose 500,000 jobs". He was simply echoing the words of our present Secretary of State for External Affairs.

One could go on to others who are living, I might add to my hon. friend from Crowfoot, some of the living Members on the

government front-benches. I go to the Secretary of State of Canada (Mr. Crombie). When he was asked what he thinks about free trade he said, "It's silly. Canada must improve relations in trade with the United States, of course. But our national destiny is to become a global leader, not America's weak sister". Those were the words of our present Secretary of State. I respect him for those views. He is an honourable man. He tells the truth. He tells it as it is.

Who can I go to next? I suppose one of the people for whom I have a great deal of respect in this House, and I suspect most Canadians do, in spite of our political differences, is the Minister of Finance (Mr. Wilson), who I think is one of the few front-benchers who really does lend a sense of dignity to this place. The following question was put to him as a person who was soon to become the Minister of Finance responsible for the fiscal and monetary policy of Canada. "What do you think about the free trade deal with the United States"? He replied, "Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally".

He is another honourable man. He is another Member of the House of Commons, the Parliament of Canada, who speaks straight, who tells it as it is. In a sense he sends out a clear signal to the people of Canada as a spokesperson of this House.

I could go to our present Prime Minister (Mr. Mulroney), a man about whom I have a number of views. Just before he ran in the last federal election and became the Prime Minister of Canada he was asked, "What do you think of free trade with the United States, Mr. Mulroney"? He was then the Leader of the Official Opposition. He said, "Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of total world trade, which has dropped by 33 per cent in the past two decades".

Here again was the Prime Minister who, when a question was put to him in a straightforward, objective and clear way, said that he opposes it. Of course, he then went on with his infamous story. I think he paraphrased Tommy Douglas actually when he said, "Why would we support free trade"? Why would we support a trade deal that would liken us, as a mouse, to being in bed with an elephant? Everything would be fine until that elephant rolled over and crushed the mouse. You know who the mouse was, Mr. Speaker. It is us Canadians. Now we have a situation where, in fact, we, the mouse, are jumping into bed with the elephant. That seems to be a rather strange turn of events.

I enjoyed reading about Mr. John Gamble. We all remember John as an esteemed colleague of this House for many years.

Mr. Manly: He should have won the leadership.

Mr. Riis: My friend from Cowichan—Malahat—The Islands says that perhaps he should have won the leadership. He also had a very clear view, which, of course, was shared by our present Prime Minister. The question was put to Mr. Gamble about free trade with the United States. I do not think we could find more of an entrepreneur. He was the entrepreneur of entrepreneurs. He was a very fair-minded free-enterprising spirit. When the question was put to him, he said, "We would be eaten alive. If we open our market to the United States, we won't be able to sustain our manufacturing". That was from a person with a great deal of passion whom I think most of us respect.

I could go on. I have a whole list of people from the front benches and, as my friend from Crowfoot indicated, who are living today, who are alive and well. When the question was put to them one after the other about what they felt about free trade, all of them in one way or another, either directly or indirectly, spoke against it. Now that they are elected, they were asked, "What do you plan to do with our economy"? They said, "Well, we have a great idea. We are going to enter into a free trade deal with the United States". That is a total betrayal, Mr. Speaker, if I may say so. When one says that one is not going to do something and then is elected to office and does it, is that not in a sense misleading the people of Canada? I do not want to get into the use of words that will cause me difficulty in referring to Hon. Members across the way.

I do not see that the people of Canada can have any other view than simply this. "We voted for a Party that said it would do this. When they were in office they did that". We feel that is not in the best interests of this country. For that reason I am very discouraged that our Ambassador for trade has fallen to the very low depths of getting into name-calling with respect to those who have opposed this particular deal who, in a sense, are simply agreeing with what the present Cabinet by and large said prior to 1984.

I want to refer to the task at hand, that is, Bill C-87. This Bill as I see it is very symbolic of what is going on today. I just started to glance through it over the last few days to see what the Bill is all about. I do not have the strength, presumably, to hold all of the volumes that will be attached to this Bill. This is just a part of it, Mr. Speaker. There are pages and pages, thousands of pages—perhaps not thousands of pages, I do not want to get too caught up in rhetoric—there are hundreds and hundreds of pages of very complicated material that we are supposed to digest now, quickly sned it to committee, quickly review it, get on to third reading and pass it quickly. Ideally, we are to pass it within the next few days. To do that job appropriately would be impossible. To do it adequately would be impossible.

As has been brought to our attention, we have received letters from different groups which have indicated that they would like us to give more thought to this Bill. They would have liked the Government to have consulted more. There was some consultation with various trade groups, brokers, manufacturers and the small and large businesses involved in international trade. But they make it very clear to us that adequate time was not given to this matter, that there was not adequate review and attention paid to all of the details. They

are asking the Parliament of Canada to hold off implementing all of these various provisions quickly until they can really analyse and assess what the impact will be on their various industries. This is something which, of course, will touch the lives of thousands of Canadians and thousands of different industries in the import-export business. Of course, that accounts for the lion's share of Canada's economy.

The reason I say this is symbolic is that it is exactly what has happened with the Mulroney-Reagan trade deal. Here, literally at the eleventh hour, minutes before midnight when it looked as though it were impossible to get this deal, they pushed it to the wall and, bang, signatures were put on it. We initialled a trade deal. We are now trying to figure out what it is all about, what it all means. The Prime Minister said, "Listen, do not worry, people of Canada, and do not worry the elected representatives of the people of Canada, because within two or three weeks we will have the entire trade deal signed, sealed and delivered, the t's crossed and the i's dotted, then you can review it and we can send it out across the country so that the people can review it to see how it will affect their lives, their businesses, their regions, their sectors of the economy".

We now find out that such will not be the case. We will not have the completed document until literally days before the President and the Prime Minister of Canada sign the final agreement. This means that 99.9 per cent, I guess, of Canadians will never even have a chance to look at the trade deal at all.

The Prime Minister of our country said that this was the biggest economic deal ever. He said that this was the biggest trade deal in Canadian history. He is only going to allow at the most a few days—and even that is not clear at this point—for Canadians and their representatives to review this material on which to make a reasoned decision.

So, Mr. Speaker, here we are. We are about to enter into this horrendous trade arrangement with one of the world's major trading nations, and Canadians will not have a chance to review the deal. We are being asked to sign a blank cheque, to buy a pig in a poke, to sign away our future in the name of some unknown trade deal with the United States.

That is not the way to do business. If we ran a business like that, if we ran a farm like that, or even our own lives like that, always making decisions at the very last second based on inadequate information, by definition, we would not be successful. You would not succeed, Mr. Speaker.

• (1420)

That is why we sometimes spend days and weeks in the House evaluating a particular Bill. My hon. friend, the Hon. Member for Surrey—White Rock—Delta (Mr. Friesen), and I have sat on legislative committees. We go through Bills clause by clause and phrase by phrase, change a word here, add another phrase there, and attempt to understand and improve the legislation. This may take weeks on a fairly simple piece of legislation, but to do it properly requires time. Here we have pages and pages of the Customs Tariff legislation that we will have to zip through in a few days. It is the same when dealing with the trade deal with President Reagan. We feel that this is inappropriate as a process, let alone the deal itself.

Needless to say, we are very concerned. We have now reached a point where there is almost alarm on how this will be dealt with. The Government has indicated that it is quite committed to touring the country on this deal. It will look at this document, not the thousands of pages, but this little flimsy thing that was tabled in the House of Commons, and it states that this is enough to go on.

Can you imagine, Mr. Speaker, signing a mortgage for a house without reading the mortgage? We remind people across the country that when a deposit is made in a bank, when a mortgage is signed, when a legal deal is entered into, they should read the fine print. Have a lawyer explain the meaning clause by clause. But when it comes to the biggest trade deal in Canadian history, we are asked to have faith and sign the document, and we are told that everything will be all right. Considering that this comes from a Prime Minister who reflects the support of fewer than a quarter of the people of Canada, that is not much comfort.

To be fair, what we have here is a request to have a leap of faith. There are those who leap ahead in this leap of faith based on free trade with the United States. They think that this is a good deal. Historically, in this country Liberals have always thought it was a good deal. The economic *laissez-faire* position of the Liberals has always been that a continentalist policy here in North America where Canada and the United States virtually enter into an economic union is a good idea. From the very beginning, two groups have always stood up in the House of Commons and opposed that type of view of the future of Canada in the North American context, that is, the Conservative Party and the New Democratic Party.

Anybody who has read Canadian history realizes that Conservatives did not like a free trade deal and a continentalist policy with the United States, and neither do New Democrats. Now we see a change of plan, which I do not understand. I am very confused when I ask myself what has changed over the last hundred years that we are rewriting Canadian political history; the Conservatives now want to sell out the country and the Liberals are joining the NDP. It is interesting.

I see that I have one minute left, Mr. Speaker, and I will conclude my remarks by simply stating that when it comes to Bill C-87, all of those changes to our Customs Tariff and the implication that we have to deal with this very quickly, are symbolic of how we are now doing business generally as a House of Commons, rushing and jamming things through without adequate and proper evaluation, study, and consideration. I wish to say that we are not in favour of this approach. We do not feel comfortable with it at all. Consequently, when it comes to a vote, I am afraid that we will have to vote against Bill C-87. Hopefully, once the Bill is sent to the Standing Committee on Finance and Economic Affairs, the expertise on

that committee will permit Members to analyse it thoroughly and properly and bring back the appropriate amendments for the House to consider.

Mr. Attewell: Mr. Speaker, I worked with the Hon. Member for Kamloops—Shuswap (Mr. Riis) on the Standing Committee on Finance and Economic Affairs for almost two years. I have a great deal of respect for the Hon. Member in that area, but some of the things that he has uttered today I find baffling.

I wish to draw the Hon. Member's attention to an article written by Douglas Fisher in the *Toronto Sun* on Sunday, October 25. The article states:

> Ontario is producing over half of our total merchandise export to both the world and the U.S., and almost half of the latter is in automotive products.
>
> Can you see the unbelievable irony implicit in those latter totals. Tie them into the blistering attack on the free trade deal by Bob White and the automotive unions. Such high production and export is a direct consequence of the main accord we already have with the U.S., the automotive agreement negotiated two decades ago by Simon Reisman, today's villain and traitor to White and Broadbent.
>
> Want more irony? Back when this marvellous deal was made, who was dead-set against it? Yes, the Canadian head of White's union, and the federal NDP.

In all honesty, Mr. Speaker, I think it is a little unfair to go back too far in history. I also think that my hon. colleague is a little unfair in going back and asking what has changed in a hundred years. A great deal has changed in 100 years. A great deal has changed in the last 18 to 24 months.

Mr. Fisher further states:

> Do you not wonder, looking over the trends and the components of our trade interdependence with the U.S., where we may get other buyers for our goods if this trade is in jeopardy through rampaging U.S. protectionism or an American recession?
>
> The Common Market? Japan? China? The U.S.S.R.? You know the answers, even if you have forgotten how miserably both John Diefenbaker and Pierre Trudeau failed in finding alternatives to American trade.
>
> We must look at the American trade and not blink, not duck away. Above all we should not scream in fear or hate about a sellout, or of nationality and culture going, then gone.
>
> What do you think we'll get from the Bob and Ed show and from David Peterson if, as they clamor, we reject the treaty and the Americans, as is likely, dismantle the Auto Pact?

I wish to ask the Hon. Member a couple of basic questions. Let us forget who said what 10 years or 20 years ago. Would the Hon. Member not agree that the prudent thing to do is analyse the situation today, and what the prospects and outlooks are for the future? Let us base it on those facts today as best we can analyse them, and not dwell on these historics and histrionics that we see from the other side of the House.

Mr. Riis: Mr. Speaker, I do enjoy an opportunity to reply to my hon. friend whom I respect a great deal.

I referred to the history because I am sure that Canadians are attempting to understand what is going on. I do not necessarily mean in the House of Commons, but on the whole matter of the negotiated trade deal with President Reagan. One of the things Canadians find confusing is the fact that the Progressive Conservative Party has changed its whole philosophy on economics in terms of its traditional position. That was the point I was attempting to make.

Perhaps I am wrong, and I would hope that my hon. friends would stand up and explain what John Diefenbaker or Sir John A. Macdonald stood for, and how they would feel today. Perhaps that is another matter for another debate.

I wish to respond to my hon. friend by indicating that the Auto Pact was a deal negotiated between Canada and the United States, a deal that has a whole group of safeguards built into it to ensure that Canada receives a good deal.

First, let us be perfectly clear that that is not a free trade deal. It is a special deal with all types of controls to ensure that Canada receives a reasonable deal. I compared that to what has happened in farm machinery. For many years in farm machinery we have had free trade, contrary to the myths perpetuated by a few people. For years we have had free trade with the United States on tractors and combines. Before we had that, we used to make tractors in Canada. We had manufacturing plants where we made tractors. As a result of free trade, Mr. Speaker, do you know how many tractor-making plants we have today? One, namely, Versatile. Versatile makes tractors because there is a niche in the western market on the flat prairie drylands, and they build a tractor primarily to be used in that environment. I wish to make this point because I think that there is a great mythology.

All the factories have moved to the United States because the economies of scale in the big American markets make it sensible to have those factories in the United States. So we import tractors from the United States that used to be built in Canada. That is what we are concerned about.

Once we get down to free trade in all the other areas, the tendency will be the same. Why have a plant in Canada when, down in Dearborn, Michigan, or Los Angeles or Tacoma, Washington, or Dallas, or wherever, there can be those same plants and the machinery can be delivered up to Canada? Then we will import them. That is why we are concerned about this trade deal.

• (1430)

Mr. Friesen: Mr. Speaker, I rise on a point of order. Could the opposite not be true, that a plant could manufacture here and distribute all over the United States?

Mr. Deputy Speaker: That is not exactly a point of order.

Mr. Riis: No, Mr. Speaker, it is not a point of order, but it is a valuable interjection.

One reason Canada is famous around the world for the number of branch plants it has, by and large branch plants of American corporations, is that we have had tariff walls. Therefore, if Americans wanted to distribute their equipment

in Canada, for example, it was to their advantage to build their plants in Canada and from there distribute throughout the Canadian market. They had branch plants in Japan, Germany, Italy, and Mexico from which to distribute to those markets.

I should like to ask you a question, Mr. Speaker. If you were a major investor and wanted to expand your operations and to conduct a lot of research and development, which is so important to our future, into new product lines or marketing initiatives, would you do it in your little plant in another foreign country or in your parent plant in your home country? Nine times out of ten it is done back in the parent company in the home country. That is not Canada today and that will not be Canada in the future. This is why we are concerned and want to have the Canadian economy built by Canadians for Canadians.

[*Translation*]

Mr. Deputy Speaker: It being 2:32 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--PRIVATE BILLS

[*English*]

YELLOWKNIFE ELECTRIC LTD.

Mr. David Daubney (for Mr. Edwards) moved that Bill S-10, an Act to revive Yellowknife Electric Ltd. and to provide for its continuance under the Canadian Business Corporations Act, as reported (without amendment) from a legislative committee, be concurred in.

Motion agreed to.

Mr. Daubney (for Mr. Edwards) moved that the Bill be read the third time and passed.

He said: Mr. Speaker, I take it that I have unanimous consent to stand in my place instead of the Hon. Member for Edmonton South (Mr. Edwards) who is unable to be present today.

Some Hon. Members: Agreed.

Mr. Daubney: I am happy to be able to speak very briefly on behalf of the Hon. Member on this particular Bill. As he explained to the House at second reading, this is a situation of a corporation which in all innocence ceased to exist under the laws of Canada and now seeks to be revived to wind down its corporate affairs and dispose of corporate assets which are effectively trapped within the corporate veil.

The Bill was sponsored in the other place by Senator Nathan Nurgitz as an Act to revive Yellowknife Electric Ltd. and to provide for its continuance under the Canada Business Corporations Act. The Bill was passed by the Senate on June 16, 1987, by unanimous consent.

Second reading of Bill S-10 was granted on September 18 of this year, and it was referred to a legislative committee. It has returned to the House for third reading without amendment.

Yellowknife Electric Ltd. was incorporated on March 21, 1955 by Letters Patent issued under the Canada Companies Act, Revised Statutes of Canada, 1952. Subsection 125(1) of that Act requires a company to file with the Department of the Secretary of State an annual summary. Yellowknife Electric failed to file the prescribed annual summaries for the years 1964, 1965, and 1966.

The default of Yellowknife Electric Ltd. in filing was published in *The Canada Gazette* on June 11 and June 20, 1966, stating that Yellowknife Electric Ltd. would be dissolved in law, unless within one year of the publication the company filed the summaries for the three years in respect of which it was in default. Those prescribed summaries were not filed and, as a consequence, Yellowknife Electric was dissolved pursuant to Section 125(12) of the Canada Corporations Act.

Upon examination of the facts of this case, it is apparent that the failure of Yellowknife Electric Ltd. to file the prescribed annual summaries was an innocent omission, without intent or malice.

The directors of the company did not see, nor did they have any knowledge of, the default in filing the annual summaries as this is a matter which is left in the normal course to a corporation's solicitor. Apparently the notices to file were sent to the registered office of the company, but the company's solicitor omitted to file the same. The directors of the company also apparently did not see, nor did they have any knowledge of, the notice published in *The Canada Gazette*.

On June 24, 1967, an Order was published in *The Canada Gazette* dissolving the company. Not aware of this dissolution the company continued to carry on business as if it had not been dissolved.

Yellowknife Electric Ltd. cannot carry on business unless it is revived and continued under the Canada Business Corporations Act. At this moment the company is attempting to wind down its affairs in Yellowknife, Northwest Territories, but cannot do so as assets are trapped within the company. These assets cannot be dealt with by the company, as Yellowknife Electric Ltd. is technically not a legal entity.

I am advised that the company has no liabilities. The directors only became aware of the dissolution after signing an interim agreement for sale and purchase of corporate realty.

The Registrar of Land Titles in the Northwest Territories would not accept the transfer documents without a certificate of good standing. The issuance of such a certificate was impossible, as the company had been dissolved and did not exist in law. I believe that it was at this stage that it was discovered that the Bill would be necessary and that it would be necessary for the Parliament of Canada to become active in the case.

To address the question of why the Bill is in the House today, Hon. Members should be aware that the Companies Act as amended, Revised Statutes of Canada, 1952, had no revival provisions for a company dissolved in circumstances such as applied in the case of Yellowknife Electric Ltd. This, with respect, could be described as a legislative oversight. Rare as those may be, this appears to have been one.

However, today's legislation, the Canada Business Corporations Act as amended, Revised Statutes of Canada, 1974-75-76, allows for revival of corporations as a purely administrative matter. One simply files articles of revival with the Director of Corporations, and the director issues a certificate of revival. The same procedure exists for obtaining articles of continuance.

I hope that the facts as I have briefly outlined them will be of some benefit to Hon. Members this afternoon in determining the fate of this company. I hope the House might consider the circumstances and give consideration to the affairs of the company so that it could be restored to personhood, so to speak, and continue the objects of the directors of the corporation.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I will be brief in my remarks as the Hon. Member for Ottawa West (Mr. Daubney) has already outlined the basics of the case concerning Yellowknife Electric Ltd.

When the matter was before the House, before going to committee, we on this side agreed that there did not appear to be anything deliberate or intentional on the part of the company in not filing the required documents. However, it seemed that the matter had to come before the House and that several questions warranted examination by a committee to protect both the petitioner as well as the House from making a hasty decision and later finding out some of the ramifications.

The basic question was that the company did not file the required documents. It had done so for some time. In the 1960s it stopped filing those documents, and the company was duly dissolved and dissolution was published in *The Canada Gazette*. Unaware of that, it would appear, the company continued to function for some 20 years. Anyone would agree that while possibly not an action with that intent, it was not indicative of good management practices. It was for that reason we felt it warranted a second look by a committee just to ensure that these matters could be fully explored and understood as to why the company continued to operate for 20 years.

• (1440)

There were a couple of issues discussed at the committee and the two questions we had were addressed, one, how could it happen that the company was not aware for that length of time about the requirement for filing statements, and how could it continue to operate? Clearly it appears after full discussion at committee that it was simply an oversight. Both the lawyers in charge and members of the company were unaware that the documents were not filed. There was no intent to do something which would be illegal in any way. Two, it was important to ensure that this decision to reinstate the company would not in any way affect the rights of anyone else who might have been in this situation prior to our action. After discussion it was clear that within the Bill there was a section which stated that the company:

> —is liable for all the obligations that it would have had if it had not been dissolved.

This question about possible implications for others was cleared up. Finally, we understood that the company would have to apply for continuance under the Canada Business Corporations Act and, therefore, file summaries in arrears and so on. It is our opinion that this rather unusual practice of remaining in business for 20 years was simply an oversight. This matter was addressed at committee. We understand that the importance for this company is now to dispose of assets which it has, and we have no further questions in this regard, Mr. Speaker.

Motion agreed to and Bill read the third time and passed.

Mr. Deputy Speaker: It being 2.43 p.m., the House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 3(1).

At 2.43 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, November 2, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

DEATH OF FORMER PROVINCIAL PRIME MINISTER

RENÉ LÉVESQUE 1922-1987

Hon. Robert de Cotret (Acting Prime Minister): Mr. Speaker, in the absence of the Prime Minister who has been confined to his bed for the last few days, I would like to say the following, on his behalf.

The death of René Lévesque has affected me more than I can say. To a whole generation of Quebecers, including myself, René Lévesque embodied the pride, the sense of belonging and the passion of Quebecers for their province.

From the dawn of the quiet Revolution to his retirement from political life, and during the May 1980 Referendum, René Lévesque was the man of one dream and one cause: Quebec's full emancipation. During those years he took his province through some of the most difficult and at the same time most exhilarating times in its history.

Like all great politicians, Mr. Lévesque was both a dreamer and a realist. He was able to make passion listen to reason. Whether or not all Canadians agreed with the cause for which he fought to the very end, they owe him this tribute: René Lévesque was a great man and a great democrat.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Quebec has just lost one of its most passionate sons and one of its most articulate spokesmen. Canada has lost a figure who dominated public life in this country and in his own province for nearly twenty years.

René Lévesque embodied some of the characteristics of this country. His impatience, energy and compassion, his brillant discourse, his emotions, all will remain engraved in our memory as striking attributes of this remarkable man and his time.

[*English*]

For English Canadians he was that sometimes incorrigible man who would not let them forget his dream of a more sovereign Quebec.

I knew Réne Lévesque. I had the honour to be the Parliamentary Secretary to the late Arthur Laing when he was Minister of Natural Resources of this country and Mr. Lévesque was the Minister of Natural Resources. From 1963 on I enjoyed his company and the stimulating force of his personality. I did not share his vision of Quebec, nor his vision of Canada. But never once did I doubt his sincerity and his passionate commitment to the people of Quebec. Although he did not succeed in his ultimate quest, he forced Canada to come to terms with Quebec's place in Confederation under a renewed federalism. Réne Lévesque was a man who reflected the spirit of Quebec and, in some ways, perhaps the spirit of Canada.

[*Translation*]

René Lévesque's entire political career was a series of superlatives. He experienced great victories and great defeats. There was nothing ordinary about this man.

We remember the scenes of triumph on November 15, 1976. We remember the emotional atmosphere on both sides on the night of the Referendum in 1980.

Emotional and impatient though he was, René Lévesque always set democracy above all other principles, and he always respected the democratic decisions made by Quebecers.

Mr. Speaker, speaking on behalf of the Liberal Party of Canada, we offer our sincere condolences to René Lévesque's family and to all his friends.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, today I wish to join all Canadians who sensed a profound loss upon the decease of the former Premier of Quebec, René Lévesque.

René Lévesque was for all Quebecers a symbol of their pride in belonging to one of the founding peoples of this country.

All his life he fought for recognition of the language and culture of more than 6 million Canadians, in Quebec and across Canada.

As Premier of Quebec, he acquired the respect and admiration of the entire political community in this country through his integrity, his great sense of justice, and his respect for democracy.

The integrity of the government led by René Lévesque aroused the admiration of the rest of Canada.

René Lévesque was a very likable and a very compassionate man, which makes this an even more tragic loss for all of us.

However, the tremendous work done by René Lévesque will not have been in vain. It has already brought about profound changes in our society, and the process continues.

• (1110)

[*English*]

On behalf of all my colleagues in the House, and I know countless thousands of English and French-speaking Canadians outside the Province of Quebec, I extend the profoundest sympathies to Madam Lévesque and all those who were close in the life of a great Quebecer and, in a very special sense, a great Canadian.

* * *

COMMITTEES OF THE HOUSE

NATIONAL HEALTH AND WELFARE—FIRST REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Mr. Speaker, the Standing Committee on National Health and Welfare has the honour to present its first report. In accordance with its mandate under Standing Order 96(2), the committee agreed to study alcohol and drug abuse in Canada. The committee heard evidence from individuals and representatives of organizations in the field of addiction. It urges the Government to consider the recommendations contained herein.

Drug abuse in Canada is not a new problem. Last December when the Standing Committee on National Health and Welfare began its study of drug abuse, there had been renewed concern by professionals and by ordinary Canadians about the abuse of drugs. A national poll that had recently been conducted indicated that the vast majority of Canadians believed that Canada had a serious problem of illicit drug use.

Following a meeting with the President of the United States, our Prime Minister (Mr. Mulroney) called attention to this problem and began a governmental review process that resulted in $210 million in new federal Government initiatives under the national drug strategy.

The committee believed that it had an important role to play in providing advice to the House and to federal and provincial Governments on how best to address problems of substance abuse. Our work took us across Canada and brought us face to face with health care and social service professionals, government officials, citizen groups, young people, parents, and educators. We soon came to realize that substance abuse problems are not limited to the abuse of street drugs, but that Canada faces problems of the abuse of illicit drugs, legal overuse of prescription drugs and, above all, the abuse of alcohol. Substance abuse problems are not limited to one part of Canada or one age group, but affect Canadians of all ages and walks of life in every province.

It is my pleasure to table in this House the first report of the Standing Committee on National Health and Welfare entitled "Booze, Pills and Dope—Reducing Substance Abuse in Canada".

Our committee is recommending new initiatives with enhanced funding in prevention and treatment programs with a special emphasis on youth and aboriginal peoples. We are proposing steps to reduce the carnage on our highways caused by impaired drivers.

After careful review of the issue of substance abuse in the workplace, our committee is strongly opposed to the random testing of Canadian workers. We prefer to see a more co-operative and therapeutic approach to drug abuse in the workplace. Where drug testing is required because of real demonstrated risk to safety, we have recommended policies to provide safeguards.

Our committee wishes to see the federal Government discourage abusive drinking by maintaining an approach to taxation which recognizes the need to balance public health concerns with the overwhelming acceptance of social drinking by Canadians.

We are concerned that those who profit from the sale of alcoholic beverages shoulder their fair share of the responsibility to prevent alcohol abuse. Toward this end we are recommending that beverage alcohol advertisers be required to provide appropriate public education messages.

While the focus of the committee was on the health aspects of substance abuse, we also considered a number of measures related to the control of the supply of drugs. For example, we are recommending that federal and provincial Governments take steps to close "head shops", those businesses which specialize in the sale of drug paraphernalia. We would like to see law enforcement agencies given better tools to allow them to trace the profits of international drug trafficking.

Our committee has provided recommendations for the education of health care professionals, for program evaluation, and for the creation of a national centre on substance abuse. We realize that no matter what steps are introduced by Governments, there will always be some people who will abuse drugs. But we also believe that those recommendations, if implemented, will have a significant and positive effect on the reduction of substance abuse problems in Canada.

PUBLIC ACCOUNTS—ELEVENTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to present the eleventh report of the Standing Committee on Public Accounts which deals with income tax expenditures.

The report particularly highlights the need for improved information to Parliament about tax expenditures, and the need for the Department of Finance to improve and put in place sound monitoring and evaluation procedures. Improvements are required both in the quality of tax expenditure information, and in the process whereby such information is provided to Parliament.

Income tax expenditures are demand driven, and by their nature may cost more than initially anticipated. Therefore, it is important that Parliament and the public be better informed about them.

The committee has recommended that the Minister of Finance (Mr. Wilson) table annual tax expenditure accounts in Parliament starting in 1987.

Pursuant to Standing Order 99(2) the committee has requested a comprehensive government response to certain recommendations.

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

* * *

[*Translation*]

PETITIONS

REQUEST FOR BROADCASTING OF WINTER OLYMPICS ACROSS CANADA IN THE FRENCH LANGUAGE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is my duty to present a petition which is in accordance with Standing Order 106 and which relates to a sad situation concerning the broadcasting of Calgary's Winter Olympic Games, namely the fact that francophones outside Quebec will not have access to nation-wide French broadcasts. The situation is so serious, Mr. Speaker, that I have a number of petitions to present and I will be doing that this week with the support of my colleagues with a view to urging the Government and Radio-Canada to do something.

Mr. Speaker, close to one million francophones residing outside Quebec will not be able to watch French television broadcasts of the Calgary Olympic Winter Games.

Whereas the CRTC compromise under which French TV signals would be made available to cable companies is unacceptable because not all francophone communities outside Quebec have cable service; and whereas French-speaking Canadians will pay their share of the $200 million earmarked by the Conservative Government for the Calgary Winter Olympics Games organization, your petitioners humbly call upon Parliament to urge the Conservative Government to respect its commitments towards Canada's linguistic minorities by providing all communities from coast to coast with the possibility of watching, in both official languages, broadcasts of this international event, the 1988 Winter Olympics Games.

Petitions

OPPOSITION TO TAX ON FOOD

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to table a petition on behalf of residents of Shediac, St-Charles-de-Kent, Richibucto, Bass River, Rexton, Cap-Pelé and Saint-André. Your petitioners deplore the fact that as part of its proposed tax reform, the Government is considering the possibility of putting a tax on food.

Wherefore, Mr. Speaker, your petitioners humbly pray Parliament to reject any measure that would have the effect of imposing a sales tax on food products.

• (1120)

[*English*]

OPPOSITION TO PROPOSED TAX REFORMS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is my duty to present a petition on behalf of constituents from the City of Thunder Bay and the Town of Red Rock who protest the changes made to the taxation system of Canada.

They protest that the tax reform proposals do not change an already unfair tax structure for average Canadian families, while wealthy Canadians earning over $100,000 per year do not pay their fair share and even receive a tax cut under the proposals.

They also protest the fact that 60,000 profitable corporations will be allowed to pay no income tax at all under the reform, and that the reform proposals include the possibility of a tax levy on food and other essential items.

They press for the restoration of full indexation in the personal tax system and urge the House of Commons to change these proposals of the Government.

[*Translation*]

REQUEST FOR MANDATORY USE OF AIRBAGS AND THREE-POINT SEAT BELTS IN FRONT AND REAR SEATS RESPECTIVELY OF AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour of tabling petitions signed by residents of Lac-à-la-Croix, Quebec City, Saint-Augustin, Nepean, Ontario, Sault Ste Marie and Thunder Bay. These 105 signatures are in addition to the 30,463 I tabled previously. Your petitioners are aware of the fact that since 1974, federal automobile vehicle safety regulations allow the use of airbags on the driver's side in private cars. They are also aware that during the public debate on highway safety last April, it was acknowledged that an airbag on the driver's side would further reduce the number of deaths and serious injuries.

Wherefore your petitioners humbly pray Parliament to make the following mandatory: 1. The use of three-point seatbelts for passengers in rear seats; 2. The use of airbags in front seats.

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, question No. 189 will be answered today.

[*Text*]

CSIS—SECURITY FILES ON MEMBERS OF PARLIAMENT

Question No. 189—**Mr. Riis:**

1. Does the Canadian Security Intelligence Service maintain security files on any Member of Parliament and, if so, on whom?

2. Has CSIS conducted an investigation or made any reports on the activities of any Member and, if so, on whom?

Hon. James Kelleher (Solicitor General of Canada): 1. For security and privacy reasons, CSIS does not divulge publicly the names of any individual on whom it gathers personal information. Furthermore, as a matter of national security policy, CSIS does not confirm or deny specific targets of investigation.

2. The Service only investigates matters that fall within its mandate as defined by the CSIS Act. Specifically, the Service investigates any person who is involved in activities that constitute a threat to the security of Canada as defined in Section 2 of the CSIS Act. For the reasons already stated, the information requested cannot be provided.

[*Translation*]

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

The Acting Speaker (Mr. Paproski): The question enumerated by the Minister has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

The Acting Speaker (Mr. Paproski): I wish to inform the House that as a result of the ministerial statement Government Orders will be extended by seven minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Friday, October 30, consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

The Acting Speaker (Mr. Paproski): The Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen) on debate.

Mr. Friesen: Mr. Speaker, at the close of the day on Friday I think there was a few minutes left—

The Acting Speaker (Mr. Paproski): The Hon. Member is rising on a question or comment, but I recognized him on debate. Since the Hon. Member who had a few minutes remaining for questions and comments is not in the House, I cannot recognize the Hon. Parliamentary Secretary.

On debate, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp).

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in second reading debate of Bill C-87 dealing with harmonized—

Mr. Lewis: Mr. Speaker, I rise on a point of order. For the edification of the House, it seems to me that when an individual has time left on questions and comments one should not be able to avoid comments on one's speech by simply vacating the Chamber.

My colleague, the Hon. Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Friesen), had a comment which he wished to make on the speech made by the Hon. Member, and I see no reason why he should not be able to make it. There is nothing in the rules, as I read them, which says that the Hon. Member has to be here to participate. Obviously he has to be here for questions, but if one wishes to make comments on the speech of the Hon. Member one should be able to.

The Acting Speaker (Mr. Paproski): It is a little difficult for the Chair to know whether the Hon. Member will ask a question or make a comment. Therefore I do not feel, as an occupant of the chair, that I should allow any further comments or questions on that particular Hon. Member's speech, and I recognize the Hon. Member for Thunder Bay—Nipigon.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, as I said a moment ago, I appreciate the opportunity to join in second reading debate on Bill C-87 which is designed to establish in Canada a harmonized tariff system. It is simply known as a system under which the movement of goods into and out of the country will be governed by a different classification system than the one that has prevailed for many years heretofore.

It is important that there be careful consideration of these matters. When we debate a Bill of this sort of course we are only dealing with the authorization. There are thousands of pages implementing a Bill of this sort—not that this one is

slight by itself—which can have far-reaching consequences on the industry. Therefore, I am pleased to take some time to debate it in order to raise appropriate questions about the implementation of the Bill, about its principles, perhaps even more so about the consequences of the Bill, and about questions of timing as to the carrying into effect of this change in classification.

I want to say at the outset that this is not a theoretical question at all. Questions have been raised and concern has been expressed by the Automotive Industries Association of Canada, which is a national trade organization of some 1,200 suppliers, distributors, and wholesalers of automotive parts, accessories, tools, and equipment. This industry employs over 70,000 people in Canada. It has a volume of sales which, at the wholesale level, exceed $7 billion. Members of the association are involved in extensive trade between Canada and the United States.

When an association of this sort raises questions about the timing of the proposal and expresses concern about the way the harmonized tariff system can impact on its operations, of which it is uncertain now, it seems to me it is important that Members of the House of Commons pay careful attention to it and to ensuring that this Chamber live up to its constitutional position as a deliberative chamber considering what may be the impact of the actions by the Canadian Government.

The proposal itself can have a good deal of practical value. We have all been aware in past months that the Canadian and American Governments have been working to ensure that their statistics on exports and imports are accurate. The figures released by the Americans on exports from Canada to the United States have sometimes been far larger than the Canadian figures and, if inaccurate, have served to feed the sense in the United States of being deluged by products from other countries. That could be very useful to arrive at a standard system of classification under which there can be no disagreement about the nature of the good and about the classification in the tariff system which should apply to it.

• (1130)

We have had a system of some 3,600 classifications. We now move from this end-use classification to another one in which the nature of the product itself will be the basis for classifying it. As the Automotive Industries Association has pointed out, where a rear view mirror for a motor vehicle was previously considered an automotive part, it will now simply be considered mirror glass. That sort of change, through one page after another of our tariff system, can have very important consequences for industries as it changes a particular tariff level that applies to a product.

The Government has been working on this change for seven years but the industry has only in the last months learned what the detailed nature of this system will be for each of the products produced it exports and it imports. To expect this system to be in effect as of January 1, 1988 rather than even a few months later is rushing things. It begs the question whether the U.S. will have adopted the system by then or whether it will adopt it all. It imposes on the industry a discovery in practice of what the consequences will be as industry converts on the run rather than having a good deal of lead time to consider the application and conceivably to reconsider purchase and sales practices. That seems to me to be a very important point to keep in mind.

I shall come back to it because this matter of how rapidly things are rushed through is something which concerns not only the Canadian tariff system and trade arrangements, but also the trade deal that is still being worked out with the United States. We were told it had been consummated a month ago, but we do not yet have the final details and we may well not have them much before the end of November. A committee will be voting on that end result early in December in order to allow a deadline in January. That sort of rushing of items is not carrying out the business of the country in a proper way.

There are some other concerns about the nature of the change which I want to put before the House this morning. The Automotive Industries Association has pointed out that to change from the previous end-use to a nature of item classification is not just a matter of doing things more accurately for classification purposes, it is not just a matter of arriving at a classification of our entire trade which will be in line with what is being done in the United States and other countries as well, it is not just a matter of ensuring that statistics are accurate, but it is a matter of far reaching consequences in the nature of the Auto Pact which governs trade between the two countries in automotive products.

Here we have a nice example of how pressing ahead on something which makes technical sense could have far reaching consequences. We have had understandings on where products should be made and how they should flow. We have had levels of Canadian content particularly established to protect industry in Canada. How will all of this impact on the new arrangements or, better put, what will the harmonized tariff system do to those arrangements?

I have been commenting on the speed with which all of this is being carried through. The proposal came to the industry very recently and there has been no opportunity to determine what its impact will be. The Versatile implements factory in Winnipeg had financial difficulties because of industry problems and because of problems experienced by its parent company in Vancouver, but this company was expecting to improve its productive facilities by bringing in welding equipment. This would have been possible under previous arrangements, but with the new changes in which it is classification by the nature of the product it will be impossible for Versatile to do so. This is a specific instance of a factory which should be improving its efficiency and productive potential being affected quite harmfully by this legislation.

The kinds of uncertainties I was feeling a few moments ago about information is, of course, integral to what we face with the trade deal supposedly concluded in early October. We were all given to understand that the agreement had been arrived at by Saturday night as the letter went over to the Capital buildings to assure members of Congress that a deal was in the bag. We have learned since then that negotiations went on through Sundary, that hard decisions still needed to be made and that those discussions were part of the difficulties in the different summaries that came out on the Sunday.

The U.S. summary clearly included items that were still on the American wish list. The Canadian summary was held back as Canadian negotiators fought for items which they wanted in the agreement and found difficulty in achieving. We had this picture late on a Sunday of the negotiators gathering before one of the Canadian representatives who had his documents in a briefcase on his lap. These were the documents that were to have been concluded the previous day. It presented a curious spectacle about which I am surprised American Congressmen have not made more. American Senators are still biding their time while lawyers for the Canadian and American Governments fight over the details to clarify the various arrangements of which we have only summaries now.

The pressure being placed on us here raises the possibility of far greater injury for the industries of Canada, for the regions of Canada and for the people of Canada than the Automotive Industries Association can raise in its own particular case. We will not have any real opportunity to debate the particulars when they finally appear. The committee will hardly have time to go into the details because we are bound to get an enormous document. I make no claim myself, much less than the industry does, to have looked at those 3,000 pages of the detailed changes which are being made.

This deal affects the whole trade of the country. Large industries which have previously not been affected by trade very much now find themselves having to worry about the consequences. To expect in a few days that we shall be able to come to grips and understand it is to expect a superhuman ability in this House of Commons which I have not seen. There is the possibility that a committee dominated by members of the Government will insist on ramming things through in just a few days at that point, as they were inclined to do when the committee began its hearings last week. It is certain that the people of Canada will not really have begun to understand fully the consequences of the deal by the time the committee has to vote on it.

• (1140)

Then there will be just days left for consideration of the deal in the House of Commons, at the same time as large items of other business including the various changes in taxation that were proposed last spring will have to be dealt with. This is not the way the business of Government should be done.

In recognizing the shortcomings of the Government's timetabling of these matters, one must also recognize that the fast-track proposal of the United States is one that has been imposed on us. Yet its consequences now are that the work continues when it was supposed to have been concluded. We expected surely that we would have three months to digest the deal. What we have instead is ongoing consideration of details.

We are told, in fact, not that this is all being resolved day by day as the discussions take place, but that disputes which will have to be resolved far above the level of lawyers for the two countries are being laid aside time after time. One can well imagine, on the precedent of the negotiations of that week or more at the end of September and the beginning of October through to a weekend—negotiations that turned out to take twice as long as we had initially thought they would—that this process will take time.

The worst of it is, as time becomes more and more difficult to find for all these deliberations, the Government sees only one hope for saving itself politically, and that is the possibility that enough Canadians may find this deal attractive at the end so they will vote for it and in the process vote for the Government. Here is a Government that knows it is finished in any other context, but this is its one hope. Is such a Government capable of the kinds of negotiations that are still clearly required?

It is not that matters were concluded at the beginning of October by any means. There are still all sorts of difficulties being raised. We know how good American lawyers and officials are at defending their own interests. Two sketches of the deal came out at the beginning of October and we have learned certain things about various areas from the summary. Its effect on the energy industries of the west is a lovely example of what caused the controversy that took place in the House last week.

We know, of course, that westerners want to export oil and gas and have often in the past experienced some difficulty entering the American market, but to get what they hope will be secure access, that magic phrase the Government holds out before us, what is the Government prepared to do but to yield its directing role in the industry. If the Canadian Government thought, in the case of another price inflation in energy, that it would be wise to try to hold back on the deal, there is no way that decision could be used by the Canadian Government to the advantage of Canadians. Surely the Americans would immediately demand that they have the same kind of access and that will surely make any kind of distinctive Canadian role in the energy industry at a time of great price increases very difficult.

What if petroleum feed stocks should be made available at a lower price than that which prevails in the market to a petrochemical company in Alberta in order to give it some advantage? Surely that will be protested immediately as an unfair subsidy. Any possibility that our resources might be used in a distinctive way to promote development in Canada,

even in cases where we do not think that we are providing any sort of unfair subsidy to industry, will be impossible.

Softwood lumber, of course, is a perfect example of that. Here is a Government that negotiates politically and loses the battle. For government Members to protest that they are the ones defending western Canadian interests while we supposedly are not is to try to make the same kind of argument they would want to make against the automotive industries which is that they have safeguarded the interests of the industry. However, the industry says that they have not, that more time is needed for careful consideration of the harmonized tariff system. The industry needs to be sure of what its consequences are and I call on the Government to ensure that it has enough time to do that.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, debate.

Mr. Derek Blackburn (Brant): Mr. Speaker, I welcome the opportunity to speak on Bill C-87. I do not intend to take my full 20 minutes because there are only a few points that I want to make.

Bill C-87, as has already been explained by the previous speaker, is largely a technical Bill. It provides for a new customs classification system which is due to take effect on January 1, 1988. I would like to speak at the outset about the process because I think the process at this point in time is just as important as the Bill itself.

I refer to the process because there has been voiced already by a major component of the Canadian industrial sector an opposition, not so much to the substance or total content of the Bill but to the fact that this Bill has come on rather quickly and is being, not rammed through Parliament but debated in rather short order, even though seven years of investigation and research has gone into it. Certain components of the industrial sector seem to feel that they have not had sufficient time to study all the details of this very technical Bill.

I refer specifically, of course, to the auto parts industry which has already made representation to the Minister of State for Finance (Mr. Hockin). It would like the effective date of the legislation date put back from January 1 to April 1, 1988, to give it greater time to study the full impact of this Bill, the major purpose of which is to harmonize the tariff system as it presently exists between the United States and Canada.

The reason I am concerned about process here is because, as other speakers have alluded to and very appropriately, this kind of process with inadequate consultation or lead time for thorough discussion and understanding of the item being debated is very directly related to the totally unacceptable process of the debate on free trade. I suggest that that is related to Bill C-87, and certainly for purposes of debate in this Chamber.

I think it is absolutely unacceptable that a standing committee should be charged with the awesome responsibility of thoroughly investigating the advantages and disadvantages or content of a memorandum of agreement without actually having the opportunity to spend several weeks, indeed even several months, digesting, discussing, debating and trying to understand the content of the actual finished agreement. This is the responsibility we have placed on the shoulders of the House Standing Committee on External Affairs and International Trade.

I suggest that the basic reason why last week there was so much heated debate, name-calling and personalization of a legislative process, why individual Ministers were criticized and condemned, why Members of Parliament were hurling unacceptable language back and forth at each other, both in the House and in committee, is because we did not have a finished document to debate. Consequently, and I am speaking now from an Opposition point of view, they had to direct their attack not against a Bill, resolution, or some kind of finished document, but against the process.

• (1150)

Your Honour, you sat on this side of the House for many years, as have many of your colleagues in the Government. You and they know that when you do not have the finished product to debate you end up directing your fire, your wrath, your criticism at the process. That is what is happening today on this issue of free trade.

For the life of me, I cannot imagine a U.S. Senate committee debating a proposed treaty between the U.S. and a foreign country without having a copy of that treaty in their hands. It would be anathema to the American congressional system.

This is one of the fundamental weaknesses of this Chamber. I am not pointing a finger at any one Minister or any one Government. We are all to some extent to blame. This is a legislature. It is also part of the executive branch. We have to clearly define and delineate the responsibilities of the legislative branch and the executive branch. If the Government expects us on this side of the House to intelligently and knowledgeably debate such an important matter as the free trade agreement, then we must demand a finished copy of the agreement with all the i's dotted and all the t's crossed. Unfortunately, we do not have that document.

We are being asked to debate and pass on a resolution, as it were, concerning trade with the U.S.—

Mr. Charest: Point of order, Mr. Speaker. I understand the Hon. Member has an interest in the issue he is presently discussing and I do not argue with that at all. On the contrary, his interest is sincere. My point is that I fail to see how what he is saying now relates specifically to the Bill we are discussing.

The Acting Speaker (Mr. Paproski): There is such a thing as relevancy in this House. The Hon. Member knows that and I am sure he is going to get back to the Bill.

Mr. Blackburn (Brant): Mr. Speaker, I thought I was speaking to this Bill. I said I was talking about the process by which this Bill has come about. There is opposition to it from the auto parts industry because they have not had enough time to look at it, digest it, and understand it. I am drawing a parallel between their dilemma and the dilemma of this House as a legislative body in dealing with the entire free trade package because we do not have a copy of the finished agreement. Yet we are being asked to accept it in a matter of a few weeks. That, I suggest, is relevant.

I have a letter addressed to the honourable Minister of State for Finance from Dean H. Wilson, president of the AIA. It says:

> I am writing on behalf of the Automotive Industries Association of Canada, the national trade association that represents more than 1,200 suppliers, distributors and wholesalers of automotive parts, accessories, tools and equipment. Our industry employs over 70,000 people and volume of sales annually at the wholesale level exceeds $7 billion. Our members also supply products for related industries, such as agriculture, forestry and industrial machinery and equipment.

I could read the whole letter but the substance is simply that they want more time to understand the technical aspects of this very technical and complicated Bill.

I am saying that with respect to the whole trade picture, not just the automotive industry but everything else we trade back and forth with the U.S., we in this Chamber should have a much longer period of time to discuss all aspects of the agreement we are supposed to pass on in a few weeks' time. It is December 4 or December 5, I think, that the committee has to report by. If they are lucky they will have the full text of that agreement for only a few days prior to that date. We are being asked to accept that agreement, and today we are being asked to vote on a very technical Bill which even the industry concerned wants more time to understand and digest.

Specifically dealing with this Bill, it will assign specific numeric codes to specific product categories. This is apparently upsetting the auto industry as well. It will help standardize import and export statistics and the identification of goods for customs duties purposes. The codes are designed to help end the discrepancy between what the U.S. says it exports to Canada and what Canada reports as imports from the U.S.

Canada's present system of coding imports and exports for tariff purposes contains only 3,600 classifications. A completely different system is used to compile trade statistics. The new system demands substantial adjustments by all companies which ship, receive and handle cross border traffic. Customs classifications for some goods will not change dramatically, such as chemicals, foods and plastics, for example. However, a rear-view mirror, which was mentioned in a speech earlier this morning, for a motor vehicle will in future be considered mirror glass rather than an automotive part. The basic principle is that goods will be classified for what they are rather than what they are used for. This may or may not be a good thing. At this point the automotive parts industry wants a longer period of time to fully digest the impact of these changes on the industry.

As I said a few moments ago, I say to the Minister who interrupted me that we on this side of the House want a longer period of time to fully understand and digest the impact of the free trade agreement on the whole automotive industry.

Mr. Charest: Twenty years? Forty years?

Mr. Blackburn (Brant): I remind the Hon. Minister that according to this Memorandum of Agreement on free trade the Auto Pact is gutted, it is gone, the tariffs are removed and there is no leverage. Instead of insisting on 60 per cent Canadian content in automobiles we are going to have to accept 50 per cent North American content. That will be devastating to a constituency like mine and many others in southwestern Ontario that rely so heavily on the auto parts industry. The Japanese auto parts companies will not be coming into Canada, they will be going into the U.S.

I see my time is up. I thank you very kindly.

The Acting Speaker (Mr. Paproski): Questions or comments?

Mr. Winegard: Mr. Speaker, the information of the Hon. Member with respect to the Auto Pact is quite wrong. The 60 per cent Canadian value remains for all companies now covered by the Auto Pact. We heard a similar kind of comment in this House about three weeks ago and I thought we had straightened it out. What the 50 per cent refers to is direct manufacturing costs for those companies not now in the Auto Pact. That will translate into something like 60 per cent or 65 per cent North American value added. I find it interesting that the American manufacturers are concerned that that is all going to happen in Canada. Today we hear that some Canadians at least believe it is going to happen in the U.S. If we are going to talk about the Auto Pact in this debate, I think we better understand what the arrangement really is.

• (1200)

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Brant (Mr. Blackburn) have a rebuttal?

Mr. Blackburn (Brant): I do not know whether I would call it a rebuttal, Mr. Speaker. I simply want to make one statement. The experts in the automotive industry to whom I have spoken have said that there is no longer an incentive for the Japanese, for example, to set up new auto parts industries in a satellite environment around the established assembly plants in Canada. Consequently, they will go closer to the big market which is in the United States.

That is what I have been told by experts in the field. If I am wrong, I apologize, but I do not think I am wrong. I think that

is what will happen. There will not be the expansion of the auto parts industry which we desperately need.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, my friend, the Member for Brant (Mr. Blackburn), and my colleague, the Chairman of the Committee on External Affairs and International Trade, have reminded me of where my memory lapsed before. This may help me explain some of the difficulties with the issue.

This debate nicely illustrates the difficulty of knowing when the actual language is not yet established and we only have summaries. It is clear that people in the American industry are suspicious that we will get the advantage in Canada. It is quite obvious that people in Canada are anxious that the gain will be in the United States, that the plants will be established there. We still have the 60 per cent Canadian rule and we now have a 50 per cent North American rule. Members of the Government devoutly hope that this will increase the percentage. We are just as justified in being afraid that it will reduce it.

That is a nice example of the difficulty of dealing properly with these matters when the final language is not established and when both sides can be rightly suspicious. That was the point I wanted to make earlier.

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member for Guelph (Mr. Winegard) to ask a question if he is going to ask it of the Hon. Member for Brant (Mr. Blackburn).

Mr. Winegard: Mr. Speaker, my question for the Hon. Member for Brant (Mr. Blackburn) is very direct and simple. In my opinion the language of the agreement is clear. Does he believe that that agreement reduces the Canadian value added for current members of the auto pact from 60 per cent to 50 per cent?

Mr. Blackburn (Brant): Mr. Speaker, when I said that a few moments ago in the House I was simply echoing what many experts have told me, my caucus, and our research people. They have said that in the long term that is exactly what will happen, we will lose. People who wanted to expand presently existing auto parts industries in Canada and those who had planned to come to Canada in five years time will now set up operations closer to the big market. The big market is in the United States, not in Canada, as the Hon. Member for Guelph (Mr. Winegard) knows.

• (1210)

[*Translation*]

The Acting Speaker (M. Paproski): The time for questions and comments has expired. Debate. The Hon. Member for Chambly (Mr. Grisé).

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Treasury Board): Mr. Speaker, we too can afford to comment on Bill C-87 and shed some light for the Canadian population because, after listening to my NDP colleagues, I have the impression their Party wants to drag us back to the Dark Ages. They suffer from tunnel vision, they would rather ignore market opportunities, they want to eliminate all trade expansion chances and, of course, they are against free trade, that is obvious, because it would enable Canadian labour to progress and Canadian firms specializing in research and technology to join their efforts and a break through in certain markets to which they did not have access until the deal was signed.

The Minister of State (Finance) gave Hon. Members background information on Bill C-87 which will replace the existing customs tariff and incorporate the provisions of the Duties Relief Act. I want to take this opportunity to highlight the benefits which the new legislation will give Canadian businesses, particularly importers and exporters from coast to coast. Mr. Speaker, we all know how important Canada's exports are to the economy of this country and the impact they have on job creation.

Our country is one of the great trading nations of the world. From the outset, our economy has been based on international trade, and today, exports are one of the main motors of Canada's economic growth. Imports also play an essential role in our economy by providing the machines and equipment needed in many industries to expand the range of products offered by Canadian suppliers. In the circumstances, it is obvious that Canada needs up-to-date customs legislation. Although it may not be clear at first glance, the orderly flow of international trade depends largely on the rules set by legislation such as the Customs Tariff and the Duties Relief Act.

Of course, Canadian producers who import and export daily know perfectly well that their ability to produce and to compete on both domestic and international markets depends on the effective functioning of laws and regulations implemented by the federal Government to regulate trade. The Minister of State (Finance) (Mr. Hockin) said that our customs legislation was very much in need of updating. It has worked very well since it was introduced several years ago, but today, we have different needs and different resources.

Mr. Speaker, the same principle applies to all industries and all sectors. The Customs Tariff and the Duties Relief Act are several years old. Are other industries still in the wireless telegraphy age? Do all aircraft still have propellers? And why does industry now use computer processing, robotics and automated office machines? The Customs Tariff? It can wait. It is not terribly important. We are going to stick with black and white TV. We don't need colour for Customs. Mr. Speaker, as the Minister of State pointed out, we must expedite the passage of this Bill.

What our companies need is a system for classifying import and export commodities that is simple and easy to understand, so that customs duty and other tariff aspects that concern commodity trade can be easily determined and accurately

implemented. Any uncertainty can mean delayed decisions, lost markets or unforeseen expenditures.

We also need a system that can be computerized to provide for electronic recording and transmission of import and export transactions. Both business and government are depending more and more on machines to process their work. Our present system for processing imports is far from adequate in this respect.

Mr. Speaker, as I mentioned earlier, when every other sector operates with super-sophisticated equipment, how can we expect our importers and exporters to take paper and pencil and check piles of catalogues to find out what products are subject to duty?

As we use two different systems for commodities classification, importers must be familiar with both. Because of that, our trade data are not sufficiently accurate. Moreover, as the tariff system is different in other countries, we cannot directly compare our tariffs and our trade statistics with those of other nations.

This bill should allow us to correct those deficiencies and meet our new requirements. This is a new approach to commodities classification for the purpose of our customs system. The Harmonized System on which the legislation is based is the new standardized international mechanism used for commodities classification. The adoption, by Canada, of a customs tariff based on the Harmonized System coïncides with similar measures taken by all our major trade partners.

So, as you can see, Mr. Speaker, we are not the only ones to adopt this system. We are not going alone. It is obvious that, in this era of instant transactions and electronic communications, our businesses cannot adequately function without a system directly linked to other systems on international markets.

So, this international tariff standardization initiative will help Canadian producers by simplifying the determination of duties on imported and exported products. This improved capacity to foresee the classification of commodities in Canada as well as in other countries which have adopted the Harmonized System will benefit Canadian businesses. For instance, a Canadian skate manufacturer will, for the first time, when he knows the classification for skates in the Canadian tariff, also know where to look in the United States tariffs and those of all European and Northern hemisphere countries. This could make it much easier for Canadian businesses to perform well on international markets.

Another purpose of the logical approach of the Harmonized System is to facilitate the computerized processing of import and export transactions. Canadian businesses have been getting ready to adapt their reporting for import and export operations on the basis of the new tariff system. One of the main incentives to adopt the new system will be its increased efficiency and the potential savings for the private sector. Once the system is running smoothly, it is expected that importers will save millions of dollars each year.

Revenue Canada is now implementing its new trade customs system, and from January 1, it will be established on the Harmonized System, which means that, after that date, importers and customs brokers will be able to send the data on their statements directly to Revenue Canada from their own offices and will receive an immediate acknowledgment. This represents a major step toward a red tape-free environment.

The new tariff will also facilitate trade negotiations. For instance, the negotiations between Canada and the United States were carried out on the basis of the Harmonized System. In fact, it was the first time that international free trade negotiations were carried out with the new tariff structure.

If I may, Mr. Speaker, I would also like to speak for a few moments about the historic agreement signed between our Prime Minister (Mr. Mulroney) and the American Government to provide for free trade between our two countries, which agreement, I must say, has the appproval of the Canadian population as a whole, the majority of Quebecers, and even more so, of the Chambly riding, which includes many importers and exporters. Mr. Speaker, the population of Chambly is made up of economically dynamic people who are willing to take up challenges, who are not afraid of competition and who are ready to increase their markets.

I think that the constituents of Chambly are not the only ones who display such qualities. Unlike the Liberals and the NDP, Mr. Speaker, these women and these businessmen who want a better country and who want to guarantee a better future for their children are already looking forward to the turn of the century. These people tell their MP: Yes, continue to support your Government, keep up the good work. The free trade agreement has to be implemented as soon as possible because the sooner the agreement becomes reality, the sooner our firms will find new markets.

About ten days ago, Mr. Speaker, I was the guest speaker in Los Angeles before 300 road transport brokers, most of them Americans. Mr. Speaker, we discussed various issues during three hours and these people take a very positive approach to the Canada-U.S. agreement because they know full well it will open up new markets for them, not to mention the fact that they may also gain access to Canadian technology. When it comes to transportation, they are very much aware that Canadian road transport technology is one of our leading sectors, that right now they are not in a position to offer their clients the kind of quality services available here because our product is definitely much better than theirs.

Of course, Mr. Speaker, Canadian brokers attended the conference and they too see the free trade agreement as a boon. They are open-minded about it because it will lead to market breakthroughs unparalleled in the rest of the world. I think we must—our Prime Minister made it quite clear when he said the agreement would guarantee Canadian sovereignty, and the people of Quebec will not be short-changed under the free trade agreement. We are not going to sell our birthright for a mess of pottage, Mr. Speaker. What we have with the

United States is a trade deal, a business deal, and our sectors of culture and communications will not be affected, our agricultural sector will be very well protected under the free trade agreement. We will continue to fight for this, and at the same time we will make it possible for the people of Canada and the peple of Quebec to open up new markets and create jobs for younger Canadians.

A moment ago I was listening to the remarks of the Minister of State (Youth) (Mr. Charest). Incidentally, Mr. Speaker, the Minister of State (Youth) is doing a tremendous job for young Canadians. We need this kind of approach, we need this agreement to make it possible for Canadians, particularly younger Canadians, to begin the XXIst century facing wide open new markets and opportunities to innovate in their respective sectors.

Mr. Speaker, after listening to what my NDP colleagues had to say, I simply could not refrain from taking such a challenging opportunity as Bill C-87 to digress a little and set the record straight. Of course, Mr. Speaker, before you call me to order I intend to conclude by referring specifically to Bill C-87.

The new tariff system will enable Canada to compare its trade figures with those of other countries. Hon. Members would know that the United States trade deficit has become an urgent issue which is of grave concern to the American administration. Every year Statistics Canada officials and their American counterparts compare the trade figures of our two countries. In the past the United States came up with figures indicating that their trade deficit with Canada is much more significant than we had been thinking all along. A detailed analysis of such talks is necessary to reconcile these differences. Although many people are inclined to think it is just a technical exercise, there is more to it than that. A trade deficit or surplus between two countries may have many and varied consequences, such as fluctuations in the exchange rate and lobbying for protectionist measures. Accurate trade statistics are also useful to the business world. That is why it is important for us to have access to better ways and better tools in order to compare our statistics with those of other countries.

Mr. Speaker, I am about to conclude. I emphasized the benefits of the new Customs Tariff because some Hon. Members may think this is a technical Bill, of little interest to their constituents. Granted, the Bill does seem technical, but I maintain it deserves some careful attention and will certainly be of interest to businesses in their ridings, as it is to my own riding, Mr. Speaker, which is about sixty kilometres from the American border. There is a constant exchange of goods between our two countries, and this particular information is very relevant, Mr. Speaker, for the businesses I have the honour to represent in this House and for many other businesses across Canada. We cannot deny that this country is constantly engaged in international trade. And I say, Mr. Speaker, that we should do everything we can to increase that trade in the years to come! To do so, however, we must give our industries, our business people and our brokers the tools and mechanisms they need to compete on international markets, on the same basis as other countries and other businesses outside this country are able to do.

In concluding, Mr. Speaker, I strongly recommend that Hon. Members, after examining this Bill, expedite its passage as soon as possible, because it is a formidable tool for our Canadian industries.

The Acting Speaker (Mr. Paproski): Questions and comments. Resuming debate. The Hon. Member for Broadview—Greewood (Ms. McDonald).

• (1220)

[*English*]

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Bill that we are looking at today, Bill C-87, has been called a technical Bill. I want to argue that it is more than a technical Bill. There are technical aspects in it to provide for a new customs classification system which is due to take effect on January 1, 1988.

This Bill is to bring in what is called a harmonized system. The new customs classification will allow for the quicker release of goods crossing the border into Canada. It is a system that will particularly facilitate trade within multinational corporations. It is no coincidence that the Government would want to bring in such a system.

Harmonized classification assigns specific numeric codes to specific product categories. They will help standardize import and export statistics and the identification of goods for customs duties purposes. The codes are designed to help end the discrepancy between what the United States says it exports to Canada and what Canada reports as imports from the United States. Certainly, clarification is highly desirable. I think there are some objectionable features to this Bill, and I will certainly raise some questions about the process, but clarity is very badly needed.

We are a trading nation. Trade makes up 30 per cent of our GNP, which means that 70 per cent is not from international trade but from domestic purchases and sales. Nevertheless, it is very important to our economy. It is very important to understand what is happening in trade. Having this kind of clarification will aid in understanding our economic situation better.

Canada's present system of coding exports and imports for tariff purposes contain 3,600 classifications. But a completely different system is used to compile trade statistics. The new system demands substantial adjustment by all companies which ship, receive and handle cross-border traffic.

Some of these companies are now telling us that they need more time in order to deal with this issue. This is a subject that has been studied for some seven years. But it has been only a relatively short period of time that companies which need the information as to what is in the Bill have actually had the

great thick texts to go over. Some of these corporations are telling us that they do not have enough time. January 1 is too soon, and they are asking for a delay. I expect that there will be a delay in the United States, so why should these corporations not have the benefit of a delay also in order to be able to adjust to the new system?

Some goods will not change dramatically, but for others there are very substantial changes. As a result, tariff and duty rates for some products will change, which means that some importers will have lower tariffs to pay, but there will be higher, and in some cases substantially higher, tariffs depending upon the changes in codes.

So it is not just a technical matter here. There will be real economic impacts. That is something I will want to go into in a bit more detail later. Some industries such as those which belong to the Automotive Industries Association have complained most strenuously that there has not been a thorough enough examination of what are the implications. They are of course prominent in asking for a delay. To set it back at least three months is their proposal.

They point out that there is still doubt as to whether the Americans will adopt the system at the beginning of the new year. The association points out, "The Government has been labouring over this conversion for over seven years, yet only recently have Canadian companies had some hint of the final draft. The errors or omissions we have noted lead us to believe that companies in industry will be adversely affected by the tariff changes".

Reasonably enough, industries that will be adversely affected need time to protest and to adjust, if necessary, if their protests are not successful. Unfortunately, however, we have a Government which wants to push this measure through. There has been a lengthy internal examination process but it has not been adequate for the people who will be affected. We are very aware of this pushing through of legislation. In the case of free trade there was not even a seven-year period of study before.

The proposed changes in bilateral free trade with the United States—the Mulroney-Reagan deal—are much more complex and the Government wants to push it through even faster than that. Thus we have the spectacle of a committee that will be asked to deal in a matter of days, after it has the final text, with this matter and come up with its report. Canadians will have to react to this deal, to appear before committee, to put forward their concerns, all without even seeing the final text. The committee will already have heard them. They will have had to make their presentations on this extremely important matter on the basis of synopses, newspaper reports and, in some cases, conflicting reports from what the Americans say is in the deal deal and what the Canadians say is in the deal. Many of the provisions will not even be available in November or December since they will be negotiated over the long term. That is an even more flagrant example than the one we have before us in Bill C-87 of the Government trying to push through measures without adequate concern being given to them.

I want to make a more specific comparison between what we have here in this Bill and what the proposed bilateral free trade deal is with the United States. The proposal we have before us now is not just with the United States. This is a proposal to harmonize in a more general fashion. It is one which would facilitate multilateral trade. It is an approach in general that we very much favour. The New Democratic Party would like to see Canada improve its trade with many countries of the world. The United States is already our major trading partner. It will probably continue indefinitely to be our major trading partner, probably by far. But we would like to see our trade expand with other countries. We favour measures that would make that possible.

We are very concerned with the impact of increasing bilateral trade. We wonder what that increase will be, in what direction it will go, as well as what the impacts will be. So we have two possibilities. We could be going in a multilateral way or a bilateral way. In order to make the decision between these different approaches we have to look at what the impact will be on ordinary Canadians.

I want to cite one particular area that I think has been inadequately considered in making these comparisons. It is with respect to the impact on women's jobs. With bilateral free trade there will be very serious losses in the jobs of women. Women will be the worst hit. I want to make it very clear that this will happen both in the area of manufacturing and in the area of services. Manufacturing, an area in which women are concentrated, is a losing industry. The Macdonald Commission conducted studies in this area. It did not even look at services where there are even more women than in manufacturing. But even the Macdonald Commission discovered that the losing industries were ones that happen to be those in which women are prominent. For example, in textiles, clothing, agriculture, food processing, footwear, and electrical goods very large numbers of women are employed in Ontario and Quebec, and in the case of food processing, all across the country we will see a loss of jobs in those areas.

• (1230)

In the case of textiles and clothing, factories will close down in Canada and be relocated in the United States. Yet with the free trade deal a company will be able to import those products made in the South with low wage rates, without unions, and with minimum working conditions. Under those types of conditions, they will be able to compete very well with our industries. There will be pressure on the companies that keep plants in Canada to reduce their wages and benefits, and worsen working conditions in order to meet the competition.

People in favour of free trade have been quite frank in stating that there will have to be harmonization. What is "harmonization" when the competition is with a low-cost country like Brazil or Korea in the case of textiles and

clothing, and in the case of the United States, in those states that do not have protection for their workers, do not have unions, have so-called right-to-work legislation, and have been successfully engaging in union-bashing so that people are unprotected? That is the type of competition that will mean wage rates will go down.

Even more jobs will be lost in the service sector. In this area, I do not think that the Government has been entirely frank. This is where the United States sees that it can make an impact.

The Conservative Member who spoke before talked about looking to the next century and an expansion of jobs for young people in the future. He also talked about confidence. I, too, look to the next century, and I, too, wish to see an expansion of jobs. I, too, have a great deal of confidence in Canadians, in fact more than that Member. I believe that we can create jobs here in Canada. What type of confidence is there when one takes this blind approach that there will be jobs. The Member was not specific about where those jobs would be. Of course, he did not admit that there would be job losses.

In the case of the service sector, this is an area in which we have already lost jobs. In data processing we have lost more than 150,000 jobs, which were largely women's jobs. In this area the United States is a major service sector export-importer for commodities. Canada has been doing well, and we have a surplus for our commodity trade. But we have a substantial and growing deficit for services. Here we will open our doors for more competition in an area in which we are not doing well.

Where is the intelligence in that? We want to open the doors where there is an increase and new advantages for the industries in which we are already strong and exporting? It does not make sense for us to welcome competition in an area where we have already lost jobs, and where we have weakened our position. That is foolishness. That is not looking to the future; it is looking to a very bleak future. We will not have the economies of scale, and we have the disadvantage of being branch plants.

Much of this transferring of jobs, and especially the loss of women's jobs, has been from the branch plant, thanks to telecommunications, to the head office. That will continue. If other corporations are given those advantages, for example, banks, insurance companies, and so forth, they too will close down their data processing, financial services, and various management functions within Canada and move them off to the United States. There will be a serious net loss of jobs for us.

In looking at manufacturing and services, we must anticipate that it will be very difficult with this bilateral trade deal which we do not favour, and which we are strenuously speaking against. I represent a riding in Toronto, Broadview—Greenwood, an area where manufacturing is important. Under the bilateral trade deal, with the gutting of the Auto Pact, there will be job loss in that area. It will affect the whole region of southern Ontario, not only my riding, which will be indirectly impacted. In my riding there is small manufacturing. There are some people who think that there will be advantages and they will be able to export more to the United States. We are not sure that, even where they may be able to export more, they might not be vulnerable to countervail because of our social programs. Even where we think there might be an advantage, there is a possibility that the Americans will clamp down, use their countervail procedures because of our so-called unfair social programs that give an unfair advantage to the Canadian corporation. Even where we think we may have a chance, it is not entirely clear because so many of the details—not details in terms of the lives of people, they are very important, but details in terms of the free trade agreement—have not yet been established.

Ontario will be very much affected; women's jobs in Ontario will be very much affected. In Quebec—

[*Translation*]

—the industries that are losing are those where the majority of the jobs are held by women. Those industries will be affected by a free trade agreement. The women of Quebec will be the losers if there is an agreement on free trade. Textiles, clothing and food processing—those are the industries that employ large numbers of women and those are the industries where the job loss will be highest.

[*English*]

Those of us who are concerned with jobs in Ontario and Quebec see that very clearly in manufacturing. There will be an impact in other parts of the country with agriculture and food processing. Our food processing is in many small centres scattered across the country which means jobs in many small towns. With a free trade agreement there will be a concentration and jobs will be lost across the country in small towns where there is a food processing plant, a cannery, or poultry processing. There will be many losers across the country. There will be a smaller number of very large plants in the United States, and with a very small increase in their production they will be able to supply the Canadian market. Presently those factories are working under production, so they will not need any extra investment. They will have to hire a few more workers, add an extra shift or two, increase their production with the current capital investment that they have, and they will be able to take over our markets.

Canadians cannot compete on that basis. We do not have those economies of scale. If we wish to move into the American market, it will require an enormous addition of capital. Our construction costs are greater. Our growing season is shorter. It is not that Canadians are not productive, lazy, or fearful. We live in a different country with a different climate. It is unfair to ask a Canadian farmer in a Canadian climate with Canadian construction costs to compete with a Californian farmer in a different climate with a subsidized irrigation system.

The Government talks rather foolishly about confidence, and I suggest it is a misplaced confidence which is not based on reason. To expect the farmer in Ontario, Nova Scotia, or British Columbia to compete on this basis is simply unfair.

We know that small towns across the country will be very badly hit. They will lose the base, the agriculture, and many of those food processing jobs at the same time.

Trade is important for Canada. It is 30 per cent of our Gross National Product. That means that 70 per cent is not in trade. We must look at what the impact will be on the whole economy. If we lose jobs in the areas where we can expect to lose them, in food processing, agriculture, electrical equipment, footwear, textiles, clothing manufacturing, and services, what will that do to purchasing power? What will that do for Canadians who lose their jobs and collect unemployment for a while? Some of them will be on welfare, and some of them will drop out of the labour market completely. How will they participate in the economy and create jobs for other people in the services?

• (1240)

We must look at how the whole economy will be affected, and the Government has been very remiss in doing that. It has talked very glibly about the winners, but it has not identified the losers. The Macdonald Commission did not even look at the service sector. Some 70 per cent of women's employment is in the service sector, yet the Macdonald Commission did not even bother to look at it.

The Government has not been frank in looking at the impact of a free trade agreement in the service sector and the impact on women's jobs. Therefore I think it is very important that we spend some time looking at the multilateral approach and at how we can improve our trade with many countries. It is also important to look at the losses in the case of the free trade approach, in concentrating so much on trade with the United States.

We must also look at the times in which we are right now. I see that my time is almost up, but I would like to say that it does not bode well when we see tough economic times in the United States right now. It has a massive deficit and there are uncertainties. There is a confidence crisis in the United States from years of mismanagement of the American economy. Is this a time when we would want to be more fully integrated with them rather than seeking better, newer, and brighter trading opportunities?

I say that Canadians are capable and confident. We believe that we can create jobs in Canada and that we should be exploring other trading relationships to provide jobs for Canadians in Canada. We also believe that we should be proceeding with a multilateral approach, a much more imaginative one, not concentrating heavily on the United States, particularly in areas where we know there will be serious losers.

The Conservatives are simply banking too much on loose rhetoric and nice sounding words, but so far they have not been able to deliver the goods.

Mr. Charest: Mr. Speaker, I find it particularly appropriate that the Hon. Member for Broadview—Greenwood (Ms. McDonald) would finish her speech by referring to rhetoric and not to the facts.

One of the questions I have for her concerns the textile industry. As you know very well, Mr. Speaker, I am a Member of Parliament from the riding of Sherbrooke, Quebec, which is one of Canada's greatest textile centres. Following the conclusion of the trade agreement signed with the Americans, *le Comité de survie du textile* representing textile workers in my riding publicly stated that it is in favour of the trade agreement signed by Canada and the United States.

Actually it has said that this is a good deal, and I am referring to the most important group of textile workers in the Province of Quebec, if not in Canada.

Perhaps the Hon. Member for Broadview—Greenwood could explain how she has come to her conclusion when the workers favour the agreement. I am not referring to the industry, which by the way is also favourable to the trade agreement, but to the workers who are members of that union in the province of Quebec. They have publicly stated that, knowing full well what are the implications.

I want to be even more precise by saying that I am referring to two people who have actually met with the NDP caucus. They also met with the Hon. Member for Ottawa Centre (Mr. Cassidy). As well, the two people who lead the union have already met with the Leader of the Hon. Member's Party. They are exactly the same people who say they are in favour of the agreement.

How did the Hon. Member reach the conclusion that the agreement would hurt the textile workers who clearly contradict her?

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member for Broadview—Greenwood (Ms. McDonald) to answer the question, but I think we are getting a little off the Bill.

I hope that we can get back to the Bill, but I will allow the Hon. Member to answer the question.

Ms. McDonald: Mr. Speaker, this is an important question, and the debate is not over. If some representatives of some workers at this point in time think it is good for them, that is certainly their affair, but the debate is far from over. The examination is not over. We do not yet know what textile companies are going to close down in Canada. We do know that there will be closures and we do know that there will be removal to the United States.

Mr. Charest: How do you know?

Ms. McDonald: The Hon. Member has referred to *la survie*. Survival in the textile industry is indeed at issue. Textiles are in trouble in Canada. There has already been job loss in textiles in Canada, so we are not talking about an industry that is in great health and has no worries for the future.

I remind the Hon. Member as well that the textile industry in Canada depends on purchases from the clothing industry in Canada—

Mr. Charest: No, it is the other way around.

Ms. McDonald: Clothing people have to buy the textiles.

Mr. Charest: Right. Now you have it.

Ms. McDonald: I mean, the clothing is not taken apart in threads and remade into textiles. Textiles have to be bought by the clothing industry. The clothing industry itself is going to be affected.

If there is a loss in clothing plants—and we know that imports in textiles are increasing, that the domestic clothing industry is increasingly importing, not buying from Canadian sources—as we lose the domestic clothing industry that means even fewer purchases of textiles. When textiles lose, those jobs are going to go.

In the case of textiles, labour costs are similar in Canada and the United States but construction costs are very high. In the case of clothing, textiles cost more in Canada than they do to import, so there is going to be an ongoing effect that way.

We cannot look at just one industry without the other. They are both in trouble. They have both lost business. They have both lost jobs in his province and in mine. I am worried, and I just do not share the glib approach that all will be well.

The Acting Speaker (Mr. Paproski): I will allow a very short supplementary question and then recognize the Hon. Member for York East (Mr. Redway).

However, I should like to remind the Minister that the Bill at hand is Bill C-87. I hope the Minister will take that into consideration. I will allow the Hon. Minister a supplementary question.

Mr. Charest: Mr. Speaker, as you know from habit and from previous experience I always take very seriously anything you say to me and with the utmost respect.

That having been said, I would like to make a very short comment. It is not a question. I would like to bring to the attention of the Hon. Member for Broadview—Greenwood the fact that she has just offered a performance which is very much symbolic and typical of what those who are against the free trade agreement are saying now.

Tomorrow, first thing in the morning, she should wake up and read in *Hansard* the answer she just gave me. I presume that she will probably feel very bad about it because it demonstrates the level of total, absolute ignorance of the Hon. Member in dealing with this issue.

Ms. McDonald: Mr. Speaker, that was not a question or a comment but an insult.

Mr. Charest: It was a comment.

Ms. Copps: It was an ignorant remark.

Mrs. Killens: I have no respect for him.

Mr. Charest: I am sorry I woke you up.

Ms. McDonald: Mr. Speaker—

The Acting Speaker (Mr. Paproski): This is what happens when we get off the Bill. I would hope that the Hon. Member for Broadview—Greenwood would have a chance at rebuttal.

• (1250)

Ms. McDonald: Mr. Speaker, lately I have been reading a book by Margorie Griffin Cohen on free trade and women's employment. I suggest the Hon. Minister should have a look at it. It deals in detail with projections, particularly textiles in which he is interested, and all of these other manufacturing and service sector jobs. It gives a very painful analysis of what the impact would be. Perhaps the Hon. Minister would not be so glib in his approach if he had a little bit of information which could be very well provided by looking at Cohen's book.

The Acting Speaker (Mr. Paproski): The Hon. Member for York East (Mr. Redway) and then I will recognize the Hon. Member for Brant (Mr. Blackburn).

Mr. Redway: Mr. Speaker, I want to make it quite clear at the outset that my comments and questions will be related strictly to the remarks made by the Hon. Member for Broadview—Greenwood (Ms. McDonald).

First, I would like to refer to her comments with respect to the question of pursuing other trading agreements and arrangements rather than pursuing the Canada—U.S. trade agreement. The Member indicated that she and her Party believe that what Canada should be doing is pursuing other trading arrangements in order to increase our trade. The Hon. Member is aware that Canada is doing just that. It is not relying strictly on negotiations with the United States but is pursuing through the GATT a multilateral trading arrangement to help reduce tariffs generally and improve our trading arrangements, *vis-à-vis* the world. The last GATT negotiations which concluded in 1979 took about seven years to negotiate and another eight years to implement. Is it her Party's and her position that we should do nothing but rely on these GATT negotiations as far as our trade is concerned and wait for 15 years perhaps before we conclude any improved trading arrangements over and above what we have now?

My second question relates to her comments with respect to the great tragedy and disaster that she forecasts concerning

the job situation as a result of the trading arrangement with the United States. The Hon. Member will recall that when the present Minister of Finance (Mr. Wilson) brought down his economic statement in 1984 and a subsequent budget in 1985 she and her Party forecast enormous decreases in employment nationally, in her own riding and in ridings across the country, as a result of those measures. I must say as well, I believe the Hon. Member and her Party forecast great decreases in employment for women as a result of those measures. Instead of that, almost one million new jobs have been created and unemployment has fallen by about 3 per cent. In her own riding as in my mine, which is adjacent to it, the unemployment figures at the moment are somewhere in the neighborhood of 4 per cent, which is traditionally full employment. How can Canadians have confidence in what she and her Party are forecasting about what will happen with this trading arrangement with the U.S. in light of New Democratic forecasts in the past?.

Ms. McDonald: Mr. Speaker, I note that the Hon. Member brags about an unemployment rate of 4 per cent in his riding and my riding. It is true that unemployment in our ridings is much lower than the national average and we are very fortunate. I do not think though that we should be complacent about the high national levels of unemployment, close to 10 per cent and in some parts of the country it is much higher still. In Cape Breton, Newfoundland, and single industry towns unemployment is still very high. What does 4 per cent mean? In Sweden with decades of a Social Democratic Government—

Mr. Stewart: And 75 per cent income tax.

Ms. McDonald: —when unemployment rose to 4 per cent it was considered scandalous. Sweden has kept unemployment in the 1 and 2 per cent range. Four per cent unemployment is considered high in Sweden. We have positive models. Unemployment has gone down in Manitoba and in the Yukon under New Democratic Party Governments.

As to whether GATT should be the only measure we should pursue regarding trade, I think we should be looking at other trade irritants. For example, there are things we could be doing on a bilateral basis with the United States. We could be pursuing another form of Auto Pact in the case of Korean and Japanese producers who sell massively in Canada. With the so-called free trade agreement with the United States, instead of being able to pursue something like the Auto Pact with these other producers we will be kept out and the Americans will be able to import American produced cars and parts into Canada. We should have been negotiating a separate distinctive deal that would be to our mutual advantage—between them and us. We are not doing that. The so-called free trade deal will prevent us from doing something that could be very beneficial for Canada. The Auto Pact has been beneficial, and we need more examples of a sector by sector, industry by industry basis where we look at what is in our interests, what would improve jobs for Canada. We should be making those decisions ourselves and not depending solely on the blind forces of the market.

The Acting Speaker (Mr. Paproski): The Hon. Member for Brant (Mr. Blackburn) on one short question and then we will resume debate.

Mr. Blackburn (Brant): Mr. Speaker, I just want to make a brief statement. I am a bit confused here this morning. The Minister who represents the riding of Sherbrooke which has a large textile industry said that the free trade agreement will be good and that the workers agree that the free trade agreement will be good for their industry. I suppose what I have is a rhetorical question. Why or how will the free trade agreement be so good for the textile workers in Sherbrooke when in the United States the textile industry is looking to this free trade agreement as a saviour for its rapidly declining industry? They cannot both be winners in this new arrangement being proposed. Obviously there has to be a winner and loser here. Effectively we are shutting out—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member knows that he should not comment on the Minister's statement. That is not part of the debate. The question or comment should go to the speech which the Hon. Member for Broadview—Greenwood (Ms. McDonald) made. I do not think I should entertain any more questions and comments. That period has now terminated.

Mr. Charest: Mr. Speaker, I have a point of order.

Mr. Blackburn (Brant): It won't be a point of order.

Some Hon. Members: Oh, oh!

Mr. Charest: In referring to what the previous speaker said—

Ms. Copps: That is not a point of order. He is clearly out of order. Sit down.

The Acting Speaker (Mr. Paproski): I really do not know what the point of order is until I hear it.

Ms. Copps: He is commenting on the previous speaker's comment.

The Acting Speaker (Mr. Paproski): The Hon. Minister has the floor for a very short point of order.

Mr. Charest: Thank you, Mr. Speaker, for extending the courtesy of listening to what I have to say before coming to a determination, contrary to what other people in the House do, who consistently do not listen to people before saying something and reacting. I guess they are being consistent with themselves when they do that.

The Member from Brant said that somebody has to win or lose each time there is a deal. I have to ask whether or not every businessman is a juvenile delinquent who thinks that way each time he concludes a transaction.

• (1300)

The Acting Speaker (Mr. Paproski): That is debate, that is not a point of order. I recognize the Hon. Member for Hamilton East (Ms. Copps) on debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am very pleased to participate in this debate on harmonization. I think many Canadians do not even know what harmonization means, including many Members of the House. That has been clear from the quality of the debate we just heard from the Minister. Obviously he is not interested in dealing with this issue.

The Bill itself seeks to bring about an international standard which would expedite trading among GATT nations. That is laudable and something we support. We in the Liberal Party believe strongly in liberalized trade, in reaching out to all parts of the world. However, I have some concerns, and I think they have been articulated by some of the other Hon. Members who have spoken.

Let us look at what will happen with harmonization between Canada and the United States under the free trade deal. I come from the Niagara region of the country, the Golden Horseshoe as it is known, the area which, along with British Columbia, produces fruits and grapes. As a result of the free trade deal, our grape industry will be wiped out as of next year. Ontario wine companies have already told the grape producers that they will not buy their 1988 crop because they will bring grapes in from the United States more cheaply, specifically grapes to be used for the production of table wine.

However, Canadians also eat table grapes. I just became aware, by examining some of the issues surrounding free trade, that in the United States they spray table grapes with sulphur so that they will last longer. As well, sulphur kills the cocoon eggs of fruit flies. Because the Americans want to sell grapes to Canada and other places they are concerned about fruit flies and so spray them with sulphur, but such spraying is not legal in Canada. We do not permit farmers to spray their grapes with sulphur because it could present a potential health hazard.

The reason I am raising this is that if we harmonize with the United States in entering into free trade, will we harmonize to the high Canadian standard which does not permit the spraying of sulphur on table grapes, or will we harmonize to the lowest common denominator, the American standard, which allows the spraying of grapes with sulphur?

Just a few days ago I was speaking with the Minister of the Environment for the Province of Ontario about some issues with which many Canadians are only just now beginning to come to grips. This is one of the reasons why we should have a full and open debate on all of the elements of free trade.

The Ontario Minister expressed a fear over what will happen under free trade because Canada and, particularly, certain provinces have higher standards with respect to environmental pollution. I represent the steel companies in my riding, including Dofasco. As we know, coal-fired generating stations create tremendous amounts of sulphur dioxide, causing acid rain which is now killing the trees which produce maple syrup. We know the problems of acid rain, but the Ontario Minister of the Environment fears that as a result of this free trade agreement Canadian Governments will no longer be able to require companies to install pollution devices that are up to Canadian standards.

Through this so-called harmonization process, which will affect not only agriculture but also industries across the board, the Americans will be able to argue against these fancy pollution devices because they do not believe there is a problem with acid rain. In fact, the American President has already said that. The Canadian companies will want to know why they should install expensive million-dollar scrubbers and devices when the American competition is not required to do so.

Mr. Brisco: Surely you are not serious.

Ms. Copps: Obviously the Hon. Member has not studied all the implications of free trade. I am repeating a conversation I had with the Minister of the Environment for the Province of Ontario who happens to have a very good reputation—

Mr. Brisco: Obviously uninformed.

Ms. Copps: I realize the Hon. Member is far more informed than the Minister of the Environment of Ontario. However, my point is that, when dealing with harmonization between Canada and the United States, we will be moving toward the lowest common denominator which means accepting acid rain and table grapes that are sprayed with sulphur, thus preventing the quality of life we have had in this country. That is why we need a full debate on this bad deal.

Mr. Charest: That is sour grapes.

Ms. Copps: The truth hurts. Study the deal, then let's have the deal go to a full committee.

The Acting Speaker (Mr. Paproski): It being 1.07 p.m., I do now leave the chair until 2 p.m. this day.

At 1.07 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

GOVERNMENT APPOINTMENTS

COMPOSITION OF FEDNOR ADVISORY BOARD

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, a curious and interesting event occurred last week in northern Ontario. The Minister of Regional Industrial Expansion (Mr. de Cotret) paid a visit to the beautiful city of Sault Ste. Marie, a city which has in recent years been beset by exceedingly high rates of unemployment. The Minister was there to open the office of FEDNOR, an agency of the Government of Canada set up to administer the Northern Ontario Initiatives Program, a $100 million program to encourage northern Ontario entrepreneurs. It is a program we welcome and badly need.

The Minister was asked why the FEDNOR Advisory Board had only Tory appointees. He replied that the appointments were made without regard to political affiliation. If one can accept that, Sir, such a person would be eligible for honorary membership in the Flat Earth Society. Pressed further by a young reporter, the Minister demanded to know who had made the outrageous charge that only Tories sat on the advisory board. The Hon. Member for Cochrane—Superior (Mr. Penner) was named. Said the Minister: "Let him say that outside the House and put his seat on the line." I have repeated the statement outside this House.

I conclude what must be a first for Canada, at least since the time of the railway scandals in the days of Sir John A. Macdonald—to be called a Conservative today is apparently equated somehow with personal defamation of character.

* * *

[*Translation*]

DEATH OF FORMER PREMIER

RENÉ LÉVESQUE (1922-1987)

Mr. Guy St. Julien (Abitibi): Mr. Speaker, Quebec mourns the loss of René Lévesque who died suddenly yesterday.

René Lévesque was considered the father of modern Quebec. He was able to convince the provincial government to put an end to the power companies monopoly and to establish Hydro-Québec as a powerful economic lever in our province.

This morning, Premier Robert Bourassa had this to say: All of Mr. Lévesque's career had but one goal, just and dynamic progress and growth for Quebec.

He was an extremely engaging and exceptionally talented man. History will remember him as one of our most determined and generous patriots.

The Prime Minister of Canada (Mr. Mulroney) conveyed his admiration, stressing René Lévesque's sincerity. In the Prime Minister's words, he was, in his own way, a champion, a great democrat and a great Quebecer.

Mr. Speaker, the people of Quebec will remember René Lévesque. He made an exceptional contribution to Quebec society for he consistantly strove to improve the living conditions of the ordinary citizen to whom he always remained very close.

Thank You René.

* * *

[*English*]

POLITICAL PARTIES

REFORM PARTY OF CANADA MEMBERSHIP

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this past weekend in Winnipeg, Preston Manning was confirmed as the new Leader of the western-based Reform Party. Mr. Manning and his Party announced that they will field candidates in all western ridings in the next federal election. My NDP colleagues and I welcome the challenge, but I want to point out how ironic it is that 99 per cent of the members of this new Party are disenchanted and disillusioned Conservatives.

How is it that with a Conservative federal Government that purports to speak for western Canada and purports to care about the concerns of western Canadians, the Conservatives in western Canada decide to form another Party? The answer is simple. Conservatives in western Canada are fed up with a scandal-plagued, patronage-ridden, secretive Government. Even with a majority of the seats in western Canada, they cannot get it right.

What have they done on Senate reform? Absolutely nothing. What have they done about federal government purchasing? The situation is actually worse in western Canada than it was during the Trudeau era. What about regional development? They gave $5 million to build Fantasyland, a project which was going to be built anyway, while hundreds of small business people had their requests for similar funding turned down.

It is not surprising that in the next federal election there will be two Conservative Parties on the ballot in western Canada, the Progressive Conservative Party and the Reform Party.

* * *

NATIONAL CRIME PREVENTION WEEK

CITIZENS' PARTICIPATION IN ACTIVITIES TO PREVENT CRIME

Mr. Alan Redway (York East): Mr. Speaker, yesterday, Sunday, November 1, marked the beginning of the fifth National Crime Prevention Week, a special time for co-

operation between police, neighbours, educators and businesses. Events have been organized across Canada to call attention to the contribution that everyone can make to better and safer communities.

One of the highlights of the week will be the presentation of National Crime Prevention Awards to deserving individuals and organizations across Canada. The Solicitor General of Canada (Mr. Kelleher) will be travelling across Canada to honour these Canadians who have helped make their communities safer.

Awareness has grown over the past few years as a majority of Canadians are now engaged in at least one crime prevention activity.

We must continue to work together to involve even more Canadians in initiatives organized to promote crime prevention year round.

* * *

[*Translation*]

DEATH OF FORMER PREMIER

RENÉ LÉVESQUE (1922-1987)

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the untimely death of Mr. René Lévesque has been a shock and has filled with consternation Quebecers and Canadians throughout Canada as well as members in the "Francophonie" governments.

I did not share Mr. Lévesque's political option but I always had great respect for his fervor and sincerity in fighting for this ideas. He has been prominent in the political life of Quebec for nearly 10 years as Premier of that province. His political action forced Quebecers to rethink their Canadian option. Mr. Lévesque also made the rest of Canada consider constitutional amendments to make Quebec more at home in Confederation.

In that sense, the political action of Mr. René Lévesque may have helped bring about the Meech Lake Accord. M. Lévesque will be remembered for the forcefulness and tenacity with which he upheld his convictions. In his own important way, he contributed to the progress of Canada and Quebec.

On behalf of my colleagues, the Liberal members from Quebec, I extend my heartfelt sympathies to his family and friends.

S. O. 21

DEATH OF FORMER PREMIER

RENÉ LÉVESQUE (1922-1987)

Mr. André Plourde (Kamouraska—Rivière-du-Loup): Mr. Speaker, to all my fellow-citizens of the riding of Kamouraska—Rivière-du-Loup riding, and to the entire population of Quebec, René Lévesque's passing away means the loss of a man who, through his faith and honesty, crystallized for us all the pride of being Quebecers.

Personally, I will remember René Lévesque because of his message of love for Quebec and his deep convinction that Quebec had all the qualities required to assert itself economically, socially and culturally. He was undoubtedly one of the greatest political figures in Canada, and as a member of a rare breed of politicians, always managed to set aside partisan considerations when he fought his great battles for Quebec. Having had the privilege to meet Mr. Lévesque on a few occasions, Mr. Speaker, I had come to realize to what extent he was concerned with the future of Quebec and all its regions. He was a man fully dedicated to service, with a total disregard for himself. His loss, whatever our own persuasion may be, will deprive us of a major contributor in our continuing reflection on Quebec.

Mr. Speaker, it is with a profound emotion and sadness that on behalf of the whole population of the constituency of Kamouraska—Rivière-du-Loup, I offer my deepest sympathy to Mrs. Lévesque and her family.

* * *

• (1405)

[*English*]

THE PRIME MINISTER

Mr. John R. Rodriguez (Nickel Belt):

T'was All Hallows' Eve and all thru the riding

7,000 souls were asking, "Where's our MP hiding?"

They stormed the streets, from the smallest child to the mayor

They had voted for hope, all they got was despair.

Jobs, jobs, jobs, whispered a ghost from history,

Three years later, most of Sept-Isle is still on UIC.

"We wanted jobs", the people shouted, "An MP who would listen"

But all they were tossed was a Port Cartier prison.

Meanwhile, back in the gloomy depths of the PMO

Cringed our noble PM, the boy from Baie Comeau,

"I've been run out of Central Nova, now Manicouagan.

Maybe next time, I should run in the Okanagan".

But, alas, his minions said "T'was not all in vain"

For once, they need not answer "So what are the boys saying?"

* * *

[*Translation*]

MINORITIES

IMPORTANCE OF LINGUISTIC RIGHTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, according to a recent Gallup poll, more than 13 million Canadian men and women, or over 50 per cent of the population, feel that services to the public should be provided in both official languages.

In Ontario, the province with the largest population where the French-speaking minority accounts for 4 per cent of the total population, 49 per cent of respondents favoured services in both official languages.

In Quebec, where the English-speaking minority accounts for 8 per cent of the population, 73 per cent favoured that. It is encouraging to note that a majority of Canadians understand and respect minority language rights.

The goodwill shown by the Ontario Liberal Government in its policy on services provided to the public appears to be snowballing, because last week, Prince Edward Island also promised to follow suit. If this favourable wind reaches out to other provinces, if as promised Quebec does solve its bilingual sign problem, and if this Conservative Government finds the political will needed to put on the agenda its new Official Languages Bill, tremendous progress will have been accomplished in Canada in the area of language minority rights, thanks to the goodwill of Canadians.

* * *

[*English*]

HISTORIC EVENTS

SEVENTIETH ANNIVERSARY OF RUSSIAN REVOLUTION—HUMAN RIGHTS RECORD

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the seventieth anniversary of the Russian revolution is a cause for celebration in the Kremlin, but it marks 70 years of oppression for ethnic and religious minorities in the Soviet Union as well as for political dissidents and freedom fighters. It marks almost half a century of occupation of Latvia, Estonia, and Lithuanuia. It means over four decades of the Red Army imposing governments on the countries of eastern Europe. It means the invasion of Afghanistan. It means becoming the world's leading exporter of arms.

According to the World Human Rights Guide, the Soviet Union scores a mark of only 20 per cent in spite of having signed the Helsinki Human Rights Accord.

• (1410)

Under Chairman Gorbachev there have been highly publicized releases of political prisoners, high on publicity but low on numbers.

The free world may still ask if the professed restructuring of Soviet society is any more than a facade to cover the old structure in which the Soviet people are still confined.

* * *

LABOUR CONDITIONS

CAPE BRETON CONSTRUCTION INDUSTRY UNEMPLOYMENT—CALL FOR OLDER WORKER ADJUSTMENT PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, unemployment in the construction industry on Cape Breton Island is unacceptably high. The Cape Breton Building and Construction Trades Council has concluded that a government program designed to provide a program for older worker adjustment would be most appropriate for the workers represented by the Council.

Since the relative boom years of the late 1960s and early 1970s, when union membership was 25 per cent higher than the present levels, employment prospects for workers in the construction industry in Cape Breton have been bleak.

Many of the 4,500 workers represented by the 14 unions affiliated with the Cape Breton Building and Construction Trades Council have been forced by economic conditions to lead a "merry-go-round" existence which sees them repeating a cycle of short term employment, unemployment insurance, welfare, short term employment, and so on.

At the present time 25 per cent of union members are employed, leaving 3,375 unemployed.

The inevitable consequences of these unstable and marginal employment prospects include stress, ill-health and family breakdown.

I call on the Government of Canada to implement the program it announced several years ago with regard to older workers' adjustment. Stop negotiating with the provinces and start providing some action for older workers.

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC PARTY ON NATO AND FREE TRADE

Mr. John Oostrom (Willowdale): Mr. Speaker, the Members of the "New Socialist Party" of Canada are acting like lemmings, blindly following ideology and policies which are archaic and myopic regarding the future of Canada.

The New Democrats should take time to examine the record of other socialist Governments. Take NATO and free trade. The NATO Alliance was created by a group of nations, many of which were socialist. When the EEC was created, almost half the countries had socialist Governments. It is very evident that these socialist countries placed the well-being of their people in the forefront.

The point is very simple. NATO is there to ensure that our democratic system of government continues to survive. The European Community realized very early that trade barriers would inhibit their nations' economic growth and hurt their people. They found that when they lowered the trade barriers the distinct European societies, both large and small, were not threatened. Cultural identities, monetary policies, armed forces, and government, all continue to function as before. The only thing that changed was how their people benefited from the improved economic climate.

The NDP should look at the EEC's economic success instead of listening to the Bob Whites of the world whose interests are very narrow. Free trade will give Canada a very healthy future.

* * *

TRADE

CANOLA PRODUCTS—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, canola producers in Canada have lost ground in the Canada-U.S. trade agreement.

The loss of the Western Grain Transportation Program for the transport of canola products to the United States via Vancouver increases the export cost and therefore decreases the value at crushing plants by amounts that range from $25 a tonne in Alberta to between $35 and $38 a tonne for Saskatchewan and Manitoba processors, effective January 1, 1989. Some in the industry also feel that canola oil, only recently accepted for human use in the United States, will be similarly affected.

Canada will be taking a massive cut in its ability to ship canola products. However, it will take 10 years for the U.S. tariff on Canadian shipments of canola oil to be phased out.

In agreeing to this type of non-reciprocal elimination of trading advantages, the Government has once again failed to act in the best interest of Canada's agricultural producers.

* * *

POLITICAL PARTIES

POSITION OF NEW DEMOCRATIC AND LIBERAL PARTIES ON CANADA-UNITED STATES TRADE AGREEMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Canadians are used to mindless opposition, solely for the sake of opposition, from the NDP. This is only to be expected from a party of misfits and losers.

What surprises them is that the Liberals have thrown in their lot with the NDP and adopted the same tactics with respect to the free trade agreement.

"The first thing we will do is to rip up the pact", declares the Liberal Leader (Mr. Turner), in the unlikely event that they ever form the Government. The only thing that this statement indicates to Canadians is that the left-wing rat pack has taken control of the Liberal Party.

Thoughtful analysis has been cast aside, constructive criticism has been abandoned, and the interests of Canadians have been trampled underfoot by an Official Opposition bent only on becoming more obstructionist and reactionary than the NDP, and consequently on its own destruction.

* * *

• (1415)

PUBLIC SERVICE

REINSTATEMENT OF TORONTO IMMIGRATION OFFICER

Mr. Sergio Marchi (York West): Mr. Speaker, last week's decision by the Public Service board which ordered the Government to reinstate Toronto immigration officer, John Quigley, provides a happy ending to what was a very ugly episode. Mr. Quigley was fired back in January for having brought to my attention, after his superiors failed to act, that the Government was inviting people with criminal records to apply for refugee status.

The Government stopped the practice only after the affair was made public, but it nevertheless felt obligated to dismiss Mr. Quigley in order to ease its embarrassment and to intimidate any other officers. The ruling confirms that the politically motivated firing was wrong and unjustified.

I also wish to say to the board's vice-chairman who made the ruling, and who regrettably questioned my judgment and the role of MPs in such issues, that I make no apologies whatsoever for my actions. Given the same circumstances, the

same stubborn Government, unwilling to admit and to correct a serious error, I would do it all over again without changing a single beat. After all, the ultimate statement on my actions is by the same Government which put a halt to the questionable practice. It therefore rendered itself guilty all on its own a long time ago.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON PLAIN PEOPLE

Mr. Gordon Taylor (Bow River): Mr. Speaker, Abraham Lincoln once said: "God must have loved the plain people: He made so many of them". The plain people mentioned by Lincoln are the rank and file, the ordinary people, the workers.

Today I want to talk about the plain people. I believe I can speak for them because I am one of them. Common people have a tough time making both ends meet. They are not flush with this world's goods and many live from hand to mouth. Any reduction in the things they have to buy is a godsend. That is why free trade is attractive to the rank and file. Most, if not all, of the things they buy will be cheaper under free trade.

It will be a bonanza for the young couple planning marriage, as washing machines, dishwashers, bed sheets, furniture, et cetera will save them a lot of dollars. There will be jobs, and opportunities to advance as Canadians as we will lose no sovereignty.

Free trade will open the doors to a whole new world for Canada and Canadians. That is why the PC Party is fighting the Liberals, the New Democrats and the leaders of the trade unions. We want the workers to have a future, a great future. Free trade can give it to them.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*Translation*]

TRADE

TEXT OF CANADA-UNITED STATES AGREEMENT—REQUEST FOR FINAL VERSION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, first we were told that the final text of the Canada—United States trade agreement would be available in October. Then, we were told that it might not be ready before the end of November. Now, it was reported last weekend that we might not receive the final, legal text before the Parliamentary Committee has completed its public hearings.

According to the Minister of International Trade, everything we need to know about this agreement is contained in the document entitled *Elements of Agreement*. On page 17 of this document, we find that Canada and the United States "have agreed on a text which would enhance our mutual rights and obligations under the GATT and Standards Code".

I the two countries have indeed agreed on a text, where is it?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, as I told the committee last week, we expect to have the agreement between Canada and the U.S. filed some time between the beginning and the end of November. I do not know if that is what the hon. gentleman's question addresses or not, but that is how I understood it.

SERVICE INDUSTRIES—NEED FOR FINAL TEXT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister still thinks that the people who will be appearing before the committee do not need a more precise text in order to analyse the affect of the agreement on their own particular businesses and professions. We take the position that the country and the elements of the country need a final text in order to appear intelligently before the committee.

• (1420)

I wish to refer to page 19 of the same document where it states that Canada and the United States "have agreed to complete a final text", and it lays out a set of disciplines covering a large number of service sectors.

Since the service industries—transportation, insurance, banks, and the computer industry are the fastest growing areas of our economy—do not have a final text, and since the people in these industries need to know what the effect of the agreement is in precise terms upon their industries and companies before they appear before the public committee, then I say to the Minister, if the two parties have agreed to a final text, where is the final text? Where is the document upon which people can make intelligent appraisals and decisions in detail affecting their industries, before this committee?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think we should point out to the House that the Right Hon. Leader of the Opposition did not need a text before he decided to walk away from the deal, then to tear up the deal, and now this weekend to renegotiate the deal. He managed to take three completely different positions on the free trade agreement without ever actually seeing the text at all.

In regard to the service industries, I could point out to the Right Hon. Member some of the comments that have been made by members of the service industries. Chris Greene, the President of the Canadian Association of Management Consultants, stated, "I am very, very excited with our world-

class expertise and our Canadian structures. I think it will have a block-buster effect on our clients and our professionals".

William Shields, the Executive Director of the Royal Architectural Institute, stated, "We are delighted, because otherwise we would have to go to every state and province and lobby for these changes".

People in these industries are on record as supporting the agreement that we made in services, and they are looking forward to being able to operate in the future under the terms of the free trade agreement.

DISPUTE SETTLEMENT MECHANISM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, people who need absolute detail, before deciding on the basis of advice that they receive from their lawyers, accountants, and bankers to appear before this committee, need a final text.

On the current timetable of the Minister, and particularly reinforced by stories this weekend, the text will not be available before the committee hearings conclude.

Let us look at another page of this document as it relates to the so-called dispute settlement mechanism. With respect to this mechanism, the documents upon which a final decision has to be made, say "The provisions of this part shall apply . . . except as provided in the Annex". That is to say, the dispute mechanism shall apply to a list of things, "except as provided in the annex".

I turn to the annex and all it has is "AD/CVD/Financial Services". There is no complete annex. There is no annex at all. There is no way that any industry or company in this country looking at this document can ascertain whether the dispute mechanism would apply to its their particular situation.

Once again, how are people going to be able to comment on the purview and content of this agreement without a final text that spells it out a little further than this blank annex in this current agreement?

Some Hon. Members: Hear, hear!

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I do not have the elements of the agreement with me here in the House, but I can answer to the dispute settlement mechanism.

As outlined in the "Elements of the Agreement" which we have tabled in the House, it covers three particular circumstances. First, it covers disputes arising out of the agreement itself, and it shows how those disputes would be dealt with. Second, it deals with the disputes that arise specifically out of trade remedies such as countervail and anti-dumping. Third, it deals with disputes in the area of financial services.

I hope that that information is useful to the Right Hon. Member.

EFFECT OF AGREEMENT ON TRUCKING INDUSTRY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is also directed to the Minister for International Trade.

A few days ago the Chairman of the Manitoba Motor Transport Board stated that the free trade agreement proposal will lead to the "complete domination of our highway transport industry by Americans".

The President of the Ontario Trucking Association stated that it has "the potential to devastate the Ontario trucking industry and the Canadian trucking industry". Tens of thousands of jobs are at stake.

• (1425)

Why is it that the Government in its agreement initialled with the United States did not take into account the provisions of the new transportation legislation, which the House passed just three months ago, that provided for a complete review of all takeovers and acquisitions in the trucking industry at a threshold of $10 million, in order to provide protection for truckers against total takeovers?

Why did Ministers not take that into account in the agreement which they initialled? Why did they wipe it out? Why are they wiping out the jobs of all those truckers?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I reject entirely the claim that is being made by the Hon. Member in this regard. Therefore, there is nothing that I can comment on at this time.

Mr. Axworthy: The Minister's rejection is just a clear admission of error, of fault, and of grievous injustice which will be done to the trucking industry.

EXEMPTIONS FOR UNITED STATES MARITIME INDUSTRY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, why was it in negotiating this agreement that the Americans were able to gain exemptions for their maritime industry, which were entrenched and grandfathered in the agreement, but we were not able to get similar protection or exemption provisions for our trucking industry?

Could the Minister explain that major discrepancy and advantage which the Americans got over the Canadians in the very crucial transportation area?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member may not be aware of the fact that since this Government took power we have been deregulating in the area of transportation. I would refer him to the measures we have taken in this regard.

In terms of the Jones Act, the Americans ring-fenced that provision as something they are not able to deal with at this time, in the same manner that we ring-fenced those interests that are important to us, such as retaining Canadian ownership of energy, for instance, a point which the Hon. Member often overlooks.

TWO-PRICE WHEAT SYSTEM

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I should like to raise some questions with the Minister for International Trade with regard to a whole set of ambiguities and uncertainties which exist with the text of the agreement in front of us but with no actual detailed outline of what has been negotiated.

I should like to start, if I may, by asking the Minister to try to clear up an ambiguity in respect of our two-price wheat system. Before the committee on Thursday Mr. Reisman said that two-price wheat was not something we had to worry about and that it would continue. Yet, on Friday, the Minister responsible for grains indicated quite clearly to the House that there was a clear possibility of the two-price system disappearing quite quickly. Mr. Devine, the Premier of Saskatchewan, has indicated the same. What is the situation here?

I ask the Minister to clear up this ambiguity and to tell Canadians and farmers across the country what they face in the future.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, there is no ambiguity at all. I refer the Hon. Member to the statement made in the House in Question Period last week by the Minister responsible for the Wheat Board in which he said that it was too soon to tell what will happen to the two-price system under the proposed free trade deal. He pointed out and made very clear that if it comes under pressure as the tariffs go down, grain farmers would be compensated for any benefits they might lose under any trade deal. He made that point very clearly and repeatedly in reply to the questions he was asked.

Mr. Langdon: Perhaps I should send a dictionary across to the Minister to indicate what uncertainty or ambiguity actually means, because her answer has just described it perfectly.

TRANSPORTATION ANNEX TO AGREEMENT—REPORTED PUBLICATION IN UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a second question for this Minister. There has been leaked in the United States a transportation annex to the agreement. It has been published with a fair amount of detail in business publications in the United States, yet transportation groups within this country are not able to respond to the details of that transportation annex. It is not something which has been put to the public.

• (1430)

Will she see to it that that transportation annex is published in its present form so that transport groups and companies can react, speak out, and give their sense of what this agreement is all about?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I am unaware of the transportation annex about which the Hon. Member speaks. It is not clear from his question whether it is an American transportation annex or a Canadian transportation annex. I will have to ask him to be a little more explicit about the nature of the annex since I am not aware of it.

QUERY CONCERNING TERMINATION CLAUSE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact, the ambassador and the deputy ambassador speaking to the committee on Thursday spoke of the transportation annex being negotiated. The fact that the Minister does not know about it frankly is scandalous.

Mr. Clark (Yellowhead): That is not what she said.

Mr. Langdon: I ask the Minister a third question with respect to the details of this agreement.

[*Translation*]

Will the Minister now tell us when this agreement will be completed? Will it be in one, two, four or five years? What is the answer?

Mr. Nystrom: Soon.

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, may I point out that the Hon. Member has attributed to me something that I did not say. I said very clearly that his question did not indicate whether he was talking about an American annex or a Canadian annex and I asked him to clarify that. I think it is scandalous from that position he would impute that I was unaware of the evidence of our ambassadors to the trade committee. May I point out that any annex, including a transportation annex will, of course, be published when the full agreement is published.

In terms of his question about the termination clause, I have said several times in this House that that will be negotiated in the final agreement. I have pointed out several times in the House that the U.S. trade law restricts that kind of clause to six months. There are discussions taking place about how a longer termination clause can be provided for in this agreement. That is one of the things being undertaken in these discussions which will take the "Elements of the Agreement" and present in a final text which will be presented to Parliament.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

SEPT-ÎLES CITIZENS' FILE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I understand that even though he did not walk with us in Sept-Îles on Saturday, the Prime Minister still got cold feet, and in his absence, I shall address my question to the Minister of Regional Industrial Expansion. For some days now, the Minister has assured us that he would have an answer for us and that he would examine the problems of the people of Sept-Îles. I had informed him that there would be a major demonstration and that the people of Sept-Îles would have a clear and specific message for the Government. After the demonstration on Saturday, and I imagine that the Prime Minister must have panicked, I would like to ask the Minister if he can give us any news today.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I told my hon. colleague, on October 22, I met with the economic participants in the Sept-Îles region who told me about their concerns for economic development. At the time, I very clearly indicated that I had asked for an economic development plan not only for Sept-Iles, but for the whole North Shore. This economic development plan is progressing well. I expect to receive it this week and to have it approved by Cabinet within a few weeks. Indeed, I have promised the people of Sept-Iles this plan for December and there is now no reason to believe that they will have to wait any longer than that.

Mr. Lapierre: Mr. Speaker, after that answer, it is not surprising if the galleries are getting empty.

INVESTMENT TAX CREDIT—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. The people in Sept-Îles who met with your predecessor, the Minister of Finance and yourself did not ask for a sophisticated plan that could only be delivered by Santa Claus but for something as simple as an investment tax credit. Did you discuss it with your desk mate, the Minister of Finance? Are you going to deliver it, yes or no?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, obviously we are going to deliver an economic and development plan which will boost the whole economy of the area. I shall quote the last paragraph of a letter from the Port-Cartier Chamber of Commerce to my hon. colleague, in which he was told: "We remind you that concrete and sustained action is required to win people's confidence and that it is improper to take them hostage for political purposes." I wish that my hon. colleague would remember that. This letter tells it all and I hope you will keep it.

INVESTMENT TAX CREDIT—CITIZENS OF SEPT-ÎLES—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, last Saturday, 7,000 people in Sept-Îles put a very clear and precise question to the Government. Does the Government intend to give them the instrument required for the economic renewal of the area, that is the investment tax credit which is available to other areas with a similar unemployment rate?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, when you talk about economic development, more than one single instrument is involved. Recently, we acted with the Western Diversification Office and the Atlantic Development Agency. We already have a plan for Eastern of the Quebec. I recently announced the official opening of a new agency for Northern Ontario. As I indicated to my colleague of the Official Opposition a few minutes ago, we are putting the finishing touch to the measures and details of a development plan for the whole north shore region. It is a disadvantaged region which deserves our attention, but which deserves more than simply an economic expansion tool, which deserves a series of economic expansion mechanisms designed to create jobs and attract the kind of investments it needs to achieve its full potential.

SEPT-ÎLES REGION'S NEEDS—REQUEST THAT GOVERNMENT RESPOND IN BETTER MANNER

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, other regions benefit from investment tax credits, so why not the Sept-Îles region? Why only vague promises instead of a response to clear, specific and fair claims? Why not respond to the needs of that region?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Precisely, Mr. Speaker, what we are trying to do is respond to the needs of the region. The needs of the region are enormous, and we intend to implement a series of programs and policies to enable the people of the region to fulfill the kind of potential they are entitled to achieve in the very near future.

* * *

[*English*]

ENERGY

COME-BY-CHANCE OIL REFINERY—ACCESS TO CANADIAN MARKET

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister. The Government of Canada has heralded the continental energy policy as an important plank in the free trade agreement. This

continental policy means a free flow of energy goods between Canada and the United States.

How is it that the Government of Canada is prepared to allow American refineries wide open access to the Canadian market and at the same time, through Petro-Canada, is denying the Come-by-Chance oil refinery in Newfoundland access to the Canadian market for the next 25 years?

Is the Deputy Prime Minister prepared to admit today that under the Petro-Canada contract and following the imposition of a free trade agreement the Come-by-Chance oil refinery in Newfoundland, in the country's poorest province, will be the only refinery in the nation, in fact the only refinery in North America, that will not be allowed access to the Canadian market? What kind of discrimination is that, insane discrimination, against Canada's poorest province?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think that question was asked last week and answered by the Minister of Transport. I think he dealt with it very fully.

• (1440)

RESTRICTION ON SALE OF PRODUCT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Government preaches a policy of regional development and practises a policy of regional disparity and discrimination. Given that Air Canada, a Crown corporation; Marine Atlantic, a Crown corporation; Quebec Hydro, New Brunswick Hydro, P.E.I. Hydro and a host of others have all tried to buy product from the Come-by-Chance oil refinery in Newfoundland but have been refused because of the restrictive clauses enforced by Petro-Canada at the request of the Minister of Energy, when will the Government wake up, remove these discriminatory clauses and allow Newfoundland, Canada's poorest province, to realize its full potential in the refining industry? Why carry on with this policy of discriminating against Canada's poorest citizens?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, some time ago the Hon. Member was criticizing the Government—

Mr. Tobin: This is not Fantasyland, it's Newfoundland. Wake up.

Mr. Speaker: I am sure the Hon. Member would want to extend to the Minister the same courtesy that was extended to the Hon. Member.

Mr. Mazankowski: Mr. Speaker, there have been criticisms coming from the other side about the Government not doing anything to facilitate the opening of the Come-by-Chance refinery and this Government took an initiative to see that that occurred. In so far as his comments about this Government's failure to respond to regional disparities are concerned, I think the record clearly shows that a number of initiatives—

Mr. Tobin: Why the restrictions?

Mr. Mazankowski: Why the restrictions? The Minister of Transport answered that question very fully. I regret that the Hon. Member does not accept that answer. He can certainly take issue with it, but that is the fact—

Mr. Tobin: You can remove them and your problem is solved.

Mr. Speaker: The Hon. Deputy Prime Minister has the floor.

Mr. Mazankowski: With respect to the Hon. Member's criticism of this Government's regional economic expansion initiatives, I think the record clearly speaks for itself. It has been elaborated on by the Minister of Industry, Science and Technology. The Atlantic Opportunities Agency is operating, the Western Diversification Program is operating, the Northern Ontario Economic Development Program is in operation, and IRDAs have been negotiated with all 10 provinces. We are attempting to do more in terms of procurement. The list goes on and on.

The Hon. Member knows that unemployment in his province has dropped by probably four to five percentage points since this Government assumed office.

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FINANCE

REGULATION OF INVESTMENT INDUSTRY—GOVERNMENT POLICY

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister of State for Finance. Last week, in spite of the world staring into the ugly face of potential recession, only one question of the 54 the Opposition asked dealt with this possible economic crisis. I now ask the Minister, in view of authorities such as Henry Kaufman claiming that the investment industry may need re-regulating to take into account the unprecedented globalization of that industry, what initiatives is the Government, along with the provinces, now considering to stabilize the investment market and possibly to forestall any future investment earthquakes?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I would like to thank the Hon. Member for his interest in this important matter. I would say that two-thirds of the Government's task at the federal level has been accomplished already with Bill C-42 and Bill C-56 whereby we put in place a stronger supervisory system for financial institutions. We also improved the prudent portfolio regime for financial institutions, plus, of course, measures for controlling conflict of interest and self-dealing, and we put in place new investment

rules. All of this has been accomplished by those two Bills and a third Bill which we will introduce in the next month.

I have also been in touch with my provincial counterparts to ascertain what we can do with the provinces because, of course, they regulate the securities exchanges. I have talked to most of them and a number of fruitful ideas will be pursued at our next meeting.

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SUPPLY AND SERVICES

WESTERN CANADA'S SHARE OF PROCUREMENT CONTRACTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Deputy Prime Minister. It also deals with regional fairness and equal treatment.

Today figures were released showing that western Canada's share of supply and service contracts has gone down from 14.2 per cent to 11.8 per cent in the past two years, meaning that it is even worse than it was during the Liberals' years under Mr. Trudeau. Since we in western Canada represent nearly 30 per cent of the population of this country, why are we receiving only 11.8 per cent of national contracts from the Department? Why does the Government not treat Manitoba, British Columbia, Saskatchewan, Alberta and the Territories more fairly?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I appreciate the Hon. Member's question and fully acknowledge that there is an imbalance in terms of procurement. Steps are being taken to correct this. For example, in 1986-87 western firms received about $1 billion worth of contracts and this represented an increase of about 25 per cent over the previous year. I am also happy to report that the number of active suppliers in western Canada has increased by some 50 per cent.

I should say at the outset that one of the things that we as a Government attempted to do was to address the very fundamental problems affecting western Canada in the agriculture sector, the energy sector, and the investment sector. By dismantling FIRA we have now been able to attract a lot of foreign investment dollars into that part of the country and that is creating jobs and economic activity. We have redressed the transportation policies and of course have brought forth a proposal to enhance trade with the United States and with other countries.

I think those are very fundamental steps that are welcomed in western Canada and indeed endorsed by western Canada. The fact is that we do have a slight imbalance in terms of procurement and I acknowledge that. I can also assure the Hon. Member that steps are being taken to redress that.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I remind the Deputy Prime Minister that nearly 30 per cent of the population is in western Canada. I want to know why we got only 11.8 per cent of the share. Why is western Canada's share declining? Specifically, what will the Government do to make sure that we in the West get our fair share? It is even worse now than it was two years ago.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I thought I outlined some specific steps that were being taken, and I can also include the western diversification initiative which is encouraging and motivating many high technology companies and companies that had not heretofore done business with the federal Government to become involved in bidding on government contracts. The western diversification initiative, besides being a program for further economic development, is also used as a pathfinder in terms of utilization of existing programs and procurement policies, and the results are starting to show.

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AUDITOR GENERAL'S REPORT

SALE OF BANK OF BRITISH COLUMBIA—TAX-FREE PAYMENT TO HONGKONG BANK

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance and it concerns the deal that allowed the Hongkong Bank of Canada to exclude $200 million from income for tax purposes. In the proceedings of this House and the Senate last year, there is no hint that the $200 million was to be given tax-free, yet we now know that is how the deal was cut. Will the Minister tell the House why he withheld this information from Parliament?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that I did not withhold any information of that sort from Parliament. In fact this particular question was pursued and discussed in Committee of the Whole and also in the Senate. The Hon. Member knows that what we bought in this particular instance for $200 million was a guarantee from the Hongkong and Shanghai Bank, one of the largest banks in the world. The money goes to its address, and if it isoffshore it is removed taxed offshore. The Hon. Member knows that. There is no mystery to that.

• (1450)

Miss Nicholson (Trinity): Mr. Speaker, I have been through *Hansard* and the Senate records very carefully and never was there a hint that this money was being paid to anyone but the Hongkong Bank of Canada. The parent company was mentioned in terms of the security, but we were told this money was being paid to the Hongkong Bank of Canada and we were not told it would be tax-free. As for the

quality of the deal, that is not at issue. It may have been a wise decision, but what is at issue is the method.

FAIRNESS OF TAX SYSTEM—GOVERNMENT RESPONSIBILITY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary is directed to the Minister of Finance. He has said Governments have a particular responsibility to ensure the tax system is perceived by all taxpayers to be fair. Does the Minister think that taxpayers will perceive as fair a secret deal with a foreign bank which allows it to receive $200 million tax-free from a Crown corporation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think my colleague and I have made it very clear that our motivation was to save a bank. The Hongkong and Shanghai banking corporation was the only entity in the Hongkong family of companies that could give the necessary guarantees. As I said on Friday, we have made clear the elements of the deal and I do not think the way it was done should undermine the tax system in any way.

MINISTER'S KNOWLEDGE

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is also directed to the Minister of State for Finance on the same issue. On October 27 the Minister told this House that the deal was so complicated that:

> —no one, if they had asked, would have been able to figure out the tax implications . . . Those questions were not asked and not considered because the problem was quite different.

Yet on Friday the Minister of Finance admitted to the country that the Department of Finance knew all along that the deal was structured in such a way as to enable the Hongkong Bank of Canada to avoid paying $100 million in taxes.

Did the Minister know that the deal was structured to save that bank $100 million when he stated in the House that he was not aware of the tax implications?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the arrangement was not structured to avoid taxes. Let me explain the contradiction that he thinks is there.

First, with respect to the payment going to an address offshore, that means the offshore bank would be paying taxes offshore. The comment I was making was that the structure of the Hongkong Bank of Canada, put together with the Bank of British Columbia, was such that it was very difficult to tell how much capital it had, what its provisioning would be, what its taxable position would be. Therefore my comment was about the Canadian subsidiary, and that of the Minister of Finance was about the parent.

REVENUE CANADA RULING

Mr. Simon de Jong (Regina East): Mr. Speaker, it is really a question of integrity. Can this Government not do something that is straight, honest and above-board, and not attempt to shift the burden from CDIC to the backs of taxpayers, which you have done in structuring this deal in the way you have structured it? The question also is—

Mr. Speaker: Order, please. The Hon. Member will put his question and put it properly and not slip into using the personal pronoun.

Mr. de Jong: Mr. Speaker, was the Minister aware that several days before the deal was signed, and several days before he stood up in the House and said there were no tax implications to this deal, the Department of National Revenue, in a letter to the Hongkong Bank's Canadian subsidiary, had already ruled that the $200 million payment to the Hongkong Bank to aid in the takeover would not be taxable?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, again there is a need for clarification because there is great confusion implicit in that question.

The comment I was replying to was to the effect that if the CDIC makes a payment, that somehow affects taxpayers. The CDIC is funded by member institutions. Therefore it is their funds, not taxpayer funds, that are used. That was the clarification I was making.

Finally, we went to all the major Canadian financial institutions, Schedule A banks included, to try to find a buyer for this bank. We could not find one here. We finally found one offshore. As a result, we saved the bank, saved the jobs of 1,500 employees, and saved a regional financial institution.

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TRADE

UNITED STATES EXPORT ENHANCEMENT PROGRAM—REPORTED SALE OF WHEAT TO ALGERIA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In the Canada-U.S. free trade agreement the U.S. undertakes to take Canada's interest into account when it uses its export subsidy programs. Yet today we learned that the U.S. has funded the sale of some 525,000 tonnes of wheat under its Export Enhancement Program in two sales to Algeria. Why does the U.S. continue to break the agreement, and what is the Government doing to ensure that it lives up to the terms of the agreement in using its export subsidy program, which is not only stealing away Canadian markets but is driving down the price Canadian farmers receive for their grain?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Export Enhancement Program is a matter of concern to us all. I raised it in a vigorous discussion with Mr. Shultz a little over a week ago when I was in Brussels. I have heard reports with respect to a sale to Algeria. There was an intervening report that they had backed away from that, but I would have to check to see if they have attempted to use the Export Enhancement Program in this

way. In any event, as we have discussed before, that is not a new program.

POSITION OF UNITED STATES ADMINISTRATION

Mr. Maurice Foster (Algoma): Mr. Speaker, everyone knows it is not a new program. Obviously the Government did not get a firm commitment that the U.S. would not use it. However, I wonder what kind of commitment the Minister got from Mr. Shultz. The U.S. Secretary of Agriculture, at about the same time the Minister was meeting with Mr. Shultz, said the U.S. was going to continue to use this program and gain more markets. There was no indication it was going to take Canada's interests into account at all. This is in direct defiance of the agreement.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in so far as the agreement is concerned, we have been through this before and there is a difference of interpretation which has to do precisely with the question of whether this is a new program.

Regarding the application of the Export Enhancement Program, we do not like that practice. We will continue to make our case and we hope to be able to win that case. So far we have not. As the Hon. Member knows, the fact that the U.S. has been using this program against traditional Canadian markets and others has not stopped Canada from being very aggressive and very successful in international grain sales.

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RAILWAYS

DELAY IN GRAIN DELIVERIES TO THUNDER BAY—NEED FOR MORE HOPPER CARS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, in the absence of the Minister of Transport my question is directed to the Deputy Prime Minister. He is undoubtedly aware that for more than a month the railways have failed to deliver enough grain to the Port of Thunder Bay to meet commitments there. Ships have been lying idle in the harbour and workers on lay-off when they would like to be at work moving grain into the ships. Last Thursday the Dominion Marine Association called for a public inquiry into the grain transportation agency.

When does the Government intend to recognize the need for more hopper cars on the Prairies in order to move grain? In particular, when does it plan to ensure that the CNR is up to the challenge it faces in keeping our grain moving?

[*Translation*]

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, according to my information, four ships are now being loaded, while eight are idle. We are indeed very concerned about the situation the Hon. Member just mentioned.

[*English*]

DOMINION MARINE ASSOCIATION'S REQUEST FOR ACTION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Government should be aware of the situation and should not have to take this as notice. The Dominion Marine Association is calling for action and my colleagues have been pressing the Government to take action on behalf of western Canada.

When does the Deputy Prime Minister plan to take action in order to ensure that our grain handling system is up to the task it faces so we can avoid the discrimination between Canadian ports which Thunder Bay is suffering from at the moment?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, my understanding is that grain shipments have been at an all-time record high. That applies to the movement of grain out of both our major Ports of Vancouver and Thunder Bay. As a matter of fact, my understanding is that movements are up, in the order of 35 to 40 per cent. I think that is a pretty good record.

• (1500)

In any event I will certainly look into the matter and get back to the Member, I hope later this week.

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GENERAL AGREEMENT ON TARIFFS AND TRADE

ALLEGED NON-PAYMENT OF DUES BY UNITED STATES AND ITALY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister for International Trade. Is it true that the GATT might soon become inoperative because member states such as the United States and Italy have not paid their dues? Does this concern the Government of Canada? Before we cast the first stone, are we current with our subscription?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can assure the Hon. Member that we are in a position to cast stones, if necessary, on this issue because we certainly have paid our GATT assessment. We were one of the first countries to pay the 1987 GATT assessment. We are looking to pay the 1988 GATT assessment as soon as possible because of the problems which the GATT has experienced due to the failure of certain countries to pay their membership dues.

This illustrates the fact that we place a lot of importance on the GATT as our multilateral trade institution. We were a founding member of it and are one of the leading proponents of reform of the GATT. That has been acknowledged by the GATT in assigning Canada a very high profile role in the fortieth anniversary of the GATT which is coming up soon.

Mr. Speaker: I want to advise the House that there will be a question from the Hon. Member for Ottawa—Vanier followed by a question from the Hon. Member for Don Valley East, and that will close off Question Period.

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[*Translation*]

WINTER OLYMPIC GAMES

TELEVISING IN ENGLISH AND FRENCH OF WINTER OLYMPIC FROM CALGARY—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the Calgary Winter Games that will be held from February 13 to 28, 1988, less than three months from now.

Mr. Speaker, as you know, the CBC's English network has an agreement for television broadcasting of the games in English, one hour a day for sixteen days, across Canada. There has been no agremeent with the French network for a similar service.

I would like to ask the Minister whether he agrees with the letter the Minister of State (Fitness and Amateur Sport) (Mr. Jelinek) circulated, and I will quote the letter verbatim:

"As you know, the Government of Canada has a one-third interest in the Fifteenth Olympic Winter Games. It has contributed about $200 million in non-tax revenue, in addition to central services".

Doesn't the Government consider television broadcasting in English and French an essential service for this country, when an event as important as the Olympic Games is concerned?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government considers it very important that coverage of the Winter Olympics in Calgary be in both official languages. It is important to advise the House that the problems which developed with the agreement were as a result of broadcasting rights which were awarded by the former Government.

I understand that a solution was proposed to the joint committee last week and that an agreement arrived at among CANCOM, the CRTC, and the cable companies will provide comparable Olympic coverage to Francophones and Anglophones throughout Canada.

REQUEST FOR COVERAGE IN BOTH OFFICIAL LANGUAGES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, first, the Olympic committee gave the rights, not the Government. Second, not all francophone communities in Canada have access to French language cable. There is no access to French language cable in Newfoundland, B.C., Manitoba, New Brunswick, and parts of Ontario—my own province. It is unsatisfactory to say that they will receive coverage through cable. It is a cop-out.

Will the Minister and his Government make it possible for the Olympic Games, which received $200 million, to make an agreement with CBC and Radio Canada, to which 99 per cent of all Canadians have access whether they speak French or English, so that Canadians have access to the games in their own language?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the question addresses the point which I made at the beginning of my answer. The Government believes that Canadians of both official language groups have the right to full Olympic coverage. I gave the Hon. Member the information on the work that was being done. Personnel from the Department of Communications are working with the CBC in an effort to resolve the problem and ensure that the coverage is as requested by the Hon. Member.

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BANKS AND BANKING

CHARTERED BANKS—INCREASED SERVICE CHARGES

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Chairman of the Standing Committee on Finance and Economic Affairs and is with regard to the inordinate increases in bank service charges. I refer to such things as rental of safety deposit boxes. A $2 increase may not sound like much, but when added to an original charge of $2.50 it is an 80 per cent increase.

Has the Chairman heard similar complaints, especially from lower-income people or senior citizens? Would he consider putting this issue on the agenda of the Standing Committee on Finance and Economic Affairs for analysis and possible investigation?

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the committee is nearly finished its work on tax reform and will be studying other matters, in particular this issue which has been brought to the attention of myself and other committee members and is causing the committee members some concern. It seems that charges are unreasonable and that something ought to be done about that. Perhaps they ought to be investigated.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of

duties and customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Friesen: Mr. Speaker, I rise on a point of order. I wonder if I could have an elaboration of the ruling made this morning. I wanted to stand and make comments on the speech made by the Hon. Member for Kamloops—Shuswap (Mr. Riis) last Friday. It had been my intention to do so last Friday afternoon, but the time ran out. I, therefore, wanted to do it this morning. It was not my intention to ask any questions, only to make some comments.

The Standing Orders are silent on this matter. Would the Chair elaborate on its ruling in order that we could prepare ourselves?

The Acting Speaker (Mr. Paproski): The Chair has made a ruling and as soon as I receive the precedents I will pass them along to the Hon. Member.

When the House rose at 1.07 p.m. the Hon. Member for Hamilton East (Ms. Copps) had the floor on debate. Since she is not in the House, I will recognize the Hon. Member for Cochrane—Superior (Mr. Penner).

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am pleased to participate in debate on Bill C-87 which is a Bill respecting the imposition of customs and other charges. The Bill has to do with providing relief against the imposition of certain duties. By this Act we are revising our present and very complex system of describing and coding commodities that go into international trade. It has been well documented for a long while that goods often fall into more than one of these categories. That, of course, causes confusion and does not help in attaining what we all want, that is, fair and easier multinational trade.

It should be noted that Bill C-87 is part of a multilateral agreement that was worked out among the EEC countries, the United States of America, Japan, and Canada. Work on the revision of this complicated code began in Canada in 1981. The actual international negotiations began in October of 1986, and the changes that we have in Bill C-87 were negotiated with Canada's trading partners which belong to the General Agreement on Trade and Tariffs.

What will Bill C-87 do for the country? What will it do for our exporters and our importers? It will make it easier for them to classify goods. It will reduce the number of classification appeals which are always expensive and time consuming. Of course, no one in the world of business is particularly keen on a great deal of government red tape. Therefore, the passage of this Bill should make it easier to do business and trade with the European Economic Community, Japan and our largest and most important of all trading partners, that is, the United States of America.

• (1510)

It is almost unnecessary for anyone to say that Canada is a trading nation, but recognizing that fact is absolutely essential in understanding our national economy. Our prosperity depends essentially on how much of our goods and services we can sell throughout the world, whether it is in Europe, Asia—including the market in China which is opening up—Latin America or the United States.

Interestingly enough, our exporters do not have to work quite as hard at finding a market in the United States as they do in some parts of the world.

It has become very easy for us to do business with the Americans. While I could be challenged on this observation, I believe that sometimes it has led to a certain laziness or lack of ambition of some exporters to try to find those more difficult markets abroad.

You will recall, Mr. Speaker, that wonderful occasion when I was under your leadership on a very important visit to the People's Republic of China. You may recall that questions were raised with the delegation about why our business people in Canada were not more energetic. We were asked why they do not try harder when there are business opportunities for them in China.

We were told that the Chinese like Canada because of what it did a long while ago in leading the western world in the recognition of the legitimacy of the Chinese Government. We were asked why Canadian businessmen did not take advantage of that fact.

That is a good question and one that I cannot answer. Perhaps a clue lies in the fact that we have had it so easy both in the past and in the present in doing business with the United States that we do not try harder in some other parts of the world.

This afternoon we are debating the principle of Bill C-87. It seems to me that the principle is basically sound. First, it is that multilateral trade is essential because we in Canada, as trading nation, would never want to put ourselves in a position of being locked into doing business with a single customer.

I suggest that anyone in business would be just a little worried if their goods were sold to one buyer. If that customer decided to operate differently, what would become of the supplier?

It is always healthier to diversify, and the approach Canada must take is to trade as widely as possible throughout the world and leave no potential market unexploited. We have good products to sell and there are good business people in this country. We do not want to miss any area of the world where a Canadian product could be provided.

The easier and freer the trade in most cases, the better it is for Canada. I recognize, however, that there are certain circumstances where certain regions of the country with a certain product at a certain time may require a degree of protection. However, it should always be emphasized to those people that the protection must be temporary in nature as a means to become established. It should not be regarded as a permanent government protection.

We are beginning a national debate on a new trade deal between Canada and the United States. A number of questions can be asked about this agreement which I believe relate directly to the principle of the Bill before us. There are questions that I want to pose: Does the new trade agreement that has been negotiated with the United States really provide freer and easier access to the U.S. market? Does it really save us from the threat of U.S. protectionism which is growing and causing a good deal of concern in our country? Does it really give us any greater and wider access to the U.S. market than we have now? Does it mean that our tremendous trade surplus with the United States will become still greater?

As I listen to the Prime Minister (Mr. Mulroney) promote the deal that he and his officials negotiated, I get the idea that our multi-billion dollar trade surplus—which I believe to be in the neighbourhood of $20 billion—will perhaps double. While I have not heard that exact prediction, it is the impression I get from listening to what has been promised. There will be an increase in the trade surplus and there will be more direct jobs as a result.

I want to make some preliminary comments on the initial transcript of the elements of a Canada-U.S. agreement. That is all we can do since we do not yet have the details. I suggest that everything to be said about this agreement must be preliminary in nature.

First, the debate that is beginning to take shape will feature a number of leading characters in this country, including economists, academics, politicians, trade unionists, people from the business sector, agriculture and so on. It should be very clear that what we are debating in Canada is not free trade versus protectionism. If the debate is nothing else than that, I suggest that it will be a futile effort, largely a waste of time. While such a debate will stir the emotions on each side of the question, I do not think much will be accomplished.

It is generally agreed that freer and easier trade is better than locking ourselves into an isolationist cell. That would be absurd and could hardly be the subject of any kind of debate. Therefore, the debate in Canada should not be the highly academic one of free trade versus protectionism. That should be left for an assignment we might very well give to a first-year class in economics. But that is not the issue in this debate.

The real debate is the Canada-U.S. trade agreement that has been negotiated, what exists now, and what we could have if a better agreement had been negotiated. The questions we must ask are: For whom is this trade agreement good, for whom is it not so good, and for whom is it downright dangerous and even damaging?

It is extremely difficult to speak definitively on this issue because we do not have all the details of the agreement. It seems to me rather premature for a Commons committee to begin an intensive study and analysis since we need the details in order to do that. We want to debate the question in terms of what is known. We do not want the debate to be hysterical in nature, we want it to be informed and balanced.

I suggest that once we have the full agreement, it is then vital and quite necessary that all the time necessary be set aside to see whether or not we have a good agreement. In other words, a timetable, a time restriction of a few weeks or a few months cannot be put on it. Let us have enough time. If we are doing something as important for the future of our nation as this trade agreement may be, we need time to consider for whom it will be detrimental and in what ways. Whose well-being will it contribute to in the economic terms of our nation? What threats are there, if any, to our sovereignty, to our political independence?

● (1520)

As we are drawn deeper and deeper into the U.S. economy acted out on the stage of a North American continentalism, what will be the benefits for Canada? What will be the gains and the losses? Surely, to raise those questions is in no way to be unfair to the Government. To raise those questions, it seems to me, is the responsibility of every citizen. It certainly is the responsibility of those who are elected to represent our citizens in the House of Commons. So each sector and each Canadian interest must carefully examine for itself or have done for it how the U.S.-Canada trade agreement will impact upon it.

The grape growers, for example, are concerned. Are their concerns legitimate? Are they well based in reality and in fact? The automobile workers are worried about the effects on the Auto Pact which has benefited them with secure jobs, in most cases, and reasonable benefits for the work they do. Canadians wonder whether our financial institutions will face the possibility of U.S. takeovers. If they are taken over by U.S. interests, what will this do to our banking system? Will it improve it or will it be detrimental to the banking system? Will we lose control if we no longer have the financial institutions under our jurisdiction fully and totally? Will somehow our economic control be diminished at the same time?

The agricultural critics on this side of the House have raised many important questions and concerns. They need to be answered. The Premier of Ontario and his Government are apprehensive, to put it mildly, about the possible effects of this Canada-U.S. trade agreement on a very healthy Ontario economy.

The list is a long one. But coming as I do from northern Ontario, which is a resource region of this country, I have some questions that my constituents are putting to me,

questions that need answers. Let me say at the beginning that I do not in any way fear a policy which gives the Americans the first option on the buying of Canadian resources. If they buy those resources which, first of all, we have all determined are excess to our domestic needs, and we have set them aside for export purposes to be purchased at fair market value by the Americans, our good friends, our friends with whom we are aligned internationally and in terms of defence arrangements, then to give them first option is not repugnant to me at all. It makes perfectly good sense. But when we do that, can we be assured by the Government in this debate that there will be no resource grabs?

What do I mean by that? Can we have the assurance that, if there is unrestricted investment from the United States in the development of our resources, we will still be able to control our own resource policy? Will we still be able to make those decisions that this amount of our resources is surplus, eligible for export, can be sold at a fair price, and the Americans can have first option? Can we have that assurance?

We in northern Ontario in recent years have been the beneficiaries of free trade. We have, for example, had free trade in pulp, paper, lumber and minerals. It was only in the 1980s that we were suddenly shocked, as if a pail of cold water had been thrown on our heads, by the U.S. countervail action on our softwood lumber. We fought and we won that action in the United States once before, before the International Trade Commission. It was expensive. It was time consuming. The Liberal Government of the day stood behind the industry and we were victorious. We thought that that was the end of it. But during this administration, countervail action, again from the U.S. coalition of lumber producers, has come forward, and this time for reasons that are still inexplicable to me. There was no fight in us. We could not stand up to the United States of America. We buckled under, and instead of going ahead with the countervail action and seeing if we could win it—and the chances were good that we would win—we gave in. We imposed upon ourselves, something very curious for a trading nation, a 15 per cent export tax on softwood lumber.

The Secretary of State for External Affairs (Mr. Clark), under questioning in this House, justified it by saying, "Well, at least we are keeping the money in the country". That is true enough. But that export tax has forced marginal operations to close. Four sawmills in my constituency were forced to close directly because of the 15 per cent. It is true that they were not big profit earners, but they were making their own way. They were providing jobs, and four of them closed. Another one that was scheduled to open never did. Therefore, the total is five.

With respect to the trade deal, the first question that I ask and the first telephone calls that I got from northern Ontario were to this effect. What does the new Canada-U.S. trade deal do for the 15 per cent export tax on softwood lumber? Here is the answer. The answer is that that arrangement is now locked into the agreement forever and a day. The parties have agreed that the free trade agreement does not impair or prejudice the exercise of any rights or enforcement measures arising out of the 1986 softwood lumber memorandum of understanding. So an agreement that we thought was going to give us free trade in northern Ontario, that was going to give us relief from a 15 per cent export tax, we realize now is with us for all time to come.

Some very good analysis has been done on the free trade agreement. The Minister for International Trade (Miss Carney) said to me in answer to questions, "If we had had this new arrangement, if we had had this new binational panel in effect, then the problems that you had in northern Ontario, in B.C., the Maritime provinces and Atlantic Canada with the softwood lumber you would not have". A very reputable firm by the name of Osler, Hoskin & Harcourt has come to this conclusion with regard to the new trade arrangement:

> If these rules had been in effect at the time of last year's U.S. subsidy case against exports of Canadian softwood lumber, the mechanism proposed under the agreement would not have led to any different result for Canadian exporters than that which occurred.

So the question that my constituents are asking is this. What have we gained for softwood lumber under this agreement? I have to tell them that we have not gained anything. All we have done now is to have carved it in stone. It is there as part of an international agreement for all time to come.

You are indicating, Mr. Speaker, that I have very little time left. I just want to raise one other question. It has to do with where decisions will be made in the future. In British Columbia, the Government has tried to replace the 15 per cent tax with a higher stumpage fee. What they have ended up with is paying the higher stumpage fee plus the 15 per cent.

Mr. Greenaway: Temporarily!

Mr. Penner: That is right. Instead of paying $5 a thousand board feet to produce it, they are temporarily paying between $80 and $90. My hon. friend opposite was quite right to interject with "temporarily". Why is it temporary? Why cannot the Minister for International Trade go to the United States and say, "You have raised your stumpage fees in British Columbia therefore you have a clean bill of health with respect to the 15 per cent export tax"? What she said to the industry was this. "First, I must clear it with Washington". The Minister of State for Forestry (Mr. Merrithew) said the same thing in another respect. The Council of Forest Ministers in Canada has agreed that there can be a system of provincial levies to replace the 15 per cent export tax. They have gone to the Minister and said, "Here is our proposal". The Minister said, "On paper it looks good. But first of all I have to see if Washington and the U.S. lumber industry will say that it is adequate and it fulfils what they see as being necessary".

• (1530)

I wish to say to you, Mr. Speaker, and to the House that there is a warning here for all of us. It looks to me as if the Canada-U.S. trade agreement will mean that more and more decisions that affect various commodities and various aspects of our economy will first have to be cleared by Washington.

That worries me. It seems to me that that is a definition of having our sovereignty threatened. It does seem to me that we are losing our political independence. This is only a small signal. Perhaps it is only a little storm on the horizon. I wish to know, is that small storm going to be a full-blown tempest? If it is, Sir, on every side of the House and from every region of this country we all ought to be seriously concerned. We need to know the answers before we say yes to the Americans on this U.S.-Canada trade agreement that has been negotiated.

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, Bill C-87 before us today could be described as customs harmonization legislation. I imagine that, from the government side, it is a very routine and technical matter as it has been put forward. In reality, it is a matter of serious concern to Canadians.

It is interesting, when we go back in history, that the Customs Tariff has been an extremely important instrument of national and industrial policy in Canada. If my memory serves me correctly, the Customs Tariff, much the same as we see it in the format today, was inaugurated during the time of Sir John A. Macdonald under the national policy.

In those days the Conservatives had a national view of Canada. Indeed, Confederation was an attempt to unite the provinces of British North America against absorption by the United States. In those days the Conservatives had a vision of Canada. The Customs Tariff when it was developed in the national policy was part of this vision.

In order to prevent Canada from simply being a hewer of wood and carrier of water, the Conservative Government of the day imposed a Customs Tariff which forced American producers not only to export to Canada and totally overwhelm Canadian industry, but to develop industry in Canada in order to manufacture here, create employment, add value to the resources of this country, enrich people, and strengthen Canada.

That is a thumb-nail sketch of what the Conservative Party was formerly. It was nationalist, it developed Confederation, it developed a national industrial policy, and the Customs Tariff formed an integral part of that. It was absolutely opposed to free trade with the United States. It had a sense of long vision, and it knew what would be the end result of free trade with the Americans, with unimpeded access to the full Canadian market. It knew that we would be destroyed economically and industrially, and Canadian sovereignty would be gone.

It is interesting to see the complete reversal of roles as the modern-day Conservative Government for short-term alleged benefit would see Canada overwhelmed by the United States. The elephant and the mouse image is very clear that Canada will be overwhelmed by the United States. Today the Conservative Government does not have a national vision of Canada. It sees an integrated market, almost a great big North American cash register. It does not see the preservation of Canada as a major priority from an economic viewpoint, and as that economic absorption occurs, certainly Canadian sovereignty will be lost. What we are looking at is far more that the economic amalgamation in Europe in the European Economic Community where in many cases partners are reasonably balanced and protective mechanisms are in place. With the over-hasty agreement, the enormous concessions, and the failure to develop the concept of what trade improvements with the United States should be, this Government has sold Canada down the river economically, and Canadian sovereignty will be gone if this deal moves forward.

My colleagues to the right in the Liberal Party, the old Grits of Canadian history, were free traders. It is interesting to see them wrap themselves in sheep's clothing today and stand up as opponents and spokespersons for Canadian nationalism and Canadian ownership and direction when, in fact, the Liberal Party of old was a Party of free traders. The present Leader of this Party, the Right Hon. Member who represents the riding of Vancouver Quadra from Toronto, wrote in a book not too many years ago that Canada should be seeking wide open free trade with the United States. In that same book, he indicated that the manner to entice Americans into such a free trade agreement was a give away of resources. He specifically mentioned a give away of water in the literature.

One must be very cautious. As ordinary Canadians watching the unfolding of the political drama over free trade in Ottawa, on the one hand we see that Conservatives, who used to be nationalists with a vision of Canada and a sense of responsibility to protect the Canadian economy, develop it, watch it flourish, and protect Canadian sovereignty, have now switched to being Liberals, free traders. On the other hand, the Liberals, who used to be free traders, are now telling us that they are Conservatives and that they have a vision of Canada. All this stems from the Customs Tariff, the proper development of it and using it to shape the operation of the Canadian economy.

During the period when the Liberals were in power, they recognized the complete sell-out of Canada in the sense that under their administration eventually they watched Americans come and obtain almost unrestricted acquisition of Canadian industry and the Canadian economy.

I recall reading at one time that Alastair Gillespie, when he was Minister of Energy, was asked in the House if there was any protection, any monitoring of American acquisition of Canadian industries. He stated, "Well, no, there is no formal one. My secretary, if she happens to see a clipping in a newspaper or magazine that is interesting, will clip it out and call it to my attention, but that is all the monitoring that goes on".

The end result of that type of attention from our free trading friends in the Liberal Party was that Canada lost a great deal of its sovereignty. We watched Americans come into this country, pick off a Canadian company that was competing in this market with them, and buy it, then they would shut it down. The operation would be served from the United States.

The Americans would come in to a Canadian company that was exporting overseas, doing the type of research, marketing, and innovative business activities that were required to make Canada a great nation to expand our export capabilities, and state that that company was competing with them. There was no restriction. They would buy the company and shut it down, or else they would insist that it serve only the Canadian market while the American parent company served the international exports. This is all part of the record. It is part of the history of the Liberal Party, and indeed also part of the Conservative history in Canada. It is well documented and absolutely true.

By unlimited investment in Canada, the Americans were able to shut down vigorous Canadian companies and provide the product from the United States. They were able to shut down vigorous Canadian companies that exported abroad, take those exports and insist that they be done from the United States and that the Canadian company, using U.S. parts, assemble a product in Canada and serve the Canadian market with it.

• (1540)

We do not have any serious misunderstanding about the intention of the Conservatives in this regard. Under the free trade agreement they have completely opened up foreign investment in Canada. The end result will be just as I have said—the Americans will come in now that customs tariffs will be removed, will buy Canadian companies, and will shut them down. That employment will go to the United States. American companies will shut down vigorous Canadian companies which are exporting products overseas. They will limit their activities to the Canadian market, force them into assembly operations rather than development, and indeed put an end to vigorous Canadian competition overseas.

It is a matter of size. Canadian banks have played an enormous role in this regard. It is well documented. Canadian banks would rather lend money to large U.S. multinational firms than they would to Canadian entrepreneurs, basically because of the large sack of cash on which American companies are sitting. American companies would not have to put up any cash to buy out Canadian companies. In fact, Canadian banks would be quite prepared to lend them the money to take over Canadian companies and to sell the soul of Canada for a small cut of interest from a secure borrower in the United States. The banks of Canada assisted the undoing of the nation in terms of foreign investment.

It goes even further. What about when the United States was plagued with balance of payments problems? We should be looking at the kinds of services allowed into the country. During the periods of Nixon and Johnson, they both encouraged American multinational companies to come to Canada and remove profits rather than invest them here. They were told to remove the profits and to sell services to their wholly owned subsidiaries. They were to sell legal services from American law firms, not from Canadian ones. It involved the whole range of services used by industry—engineering, research, and advertising. It was almost an American policy to redress its balance of payments during the Vietnam War. It forced branch plants in Canada to acquire all their services to whatever degree they could in the United States in order to ensure that the money flowed out of Canada and did not wind up in the pockets of Canadian service organizations, consultants, engineers, researchers, lawyers, or accountants. Those professional groups watched as the money flowed across the border and into the United States.

What we have before us today is a Conservative Government advocating not only that that happen but that the whole process be accelerated. It is absolutely dishonest.

I imagine that the Government will roam the country telling Canadians that the free trade agreement is a good operation in its present form. More and more Canadians are coming to understand that the unbridled ability of American companies to come into Canada, to purchase Canadian firms, and to do what they will with them, will mean that in the end Canada will not be a sovereign nation. We will not be able to control our economy. Under the Liberal regime we came very close to losing the ability to direct it. With the free trade agreement before us there is no doubt that we will see the loss of the ability of the Canadian Government and of the Canadian people to direct our economy.

It is astounding that we sit here juggling customs duties today without any intention to develop a national policy behind them but simply to accommodate Americans. I challenge Conservative Members to rise in the House and tell us in what way this will assist the Canadian economy to grow. In what way will Canadian business and industry grow from this particular manoeuvre? The honest answer is that they will not. It will simply facilitate the process of the Americanization of Canada.

It is interesting that no one can deny the kinds of things which brought into place the Foreign Investment Review Act, as weak an instrument as it was. It was almost an invitation to American firms to invest in Canada. The Liberals refused to put real teeth in it. They always did things half measure. They never really knew whether they were Liberals or Conservatives when it came to confronting issues. As a result, there was never direction in the country. There was always lip service paid to serious problems. Indeed the Foreign Investment Review Act was merely lip service. It should have been much tighter.

They also constantly refused to develop a national industrial policy. In the absence of a national industrial policy, the Foreign Investment Review Act was out in limbo trying to manage investment without any idea or any picture of what they wanted the economy to be or to do. Unfortunately that was the supreme failure of the previous Government. It had no idea. It had no sense of Canada. It had no view of Canada as a nation. That could have come from a national industrial strategy. However, the major flaw today is that the Conservative Government, in much the same way as did the Liberals, is

approaching free trade in a manner which will leave Canadians severely handicapped. It has no picture of what the Canadian economy should look like. There is no industrial strategy in Canada to help Canadian industrialists and entrepreneurs to strengthen themselves and be able to compete effectively in the United States market. Only the losers have been highlighted. Some 300,000 to 500,000 people could lose their jobs. There could be massive dislocation.

On the other side of the coin there is the hope that some businesses will be able to export across the line. Such businesses will find severe competition from much larger corporations with much more money to come into Canada. They will not only be denied access into the United States, but they will be put out of business in the Canadian market.

Let us look at the American view of this particular treaty, the one which they will use as argument in the United States to sell the agreement. Anyone in the United States who sits down and reads the agreement will be absolutely thrilled. There will be a rush to support it because it is such a massive giveaway of this country.

To some degree the softwood lumber problem is a red herring. I think that the Conservative Government, in conjunction with the provinces, has already worked out a solution. Of course it is the right of the Canadian Government to remove the export tax. I suspect that that would come very close to the time of the agreement. When many people in Canada are hollering that it is flawed only because of the softwood lumber agreement, the Government will simply whip it away and say that it has solved all their problems. In fact that is likely to happen on that particular issue.

However, a really tragic aspect of the particular agreement is the ability of the United States to buy out Canada, to come in and purchase competitive firms, to limit their capacity if not close them, and to apply without any sanction whatsoever the old bogyman of the extraterritorial application of the U.S. law in Canada. An absolutely wide open opportunity has been given to exercise that in Canada, far worse than ever before.

It is astounding to know what are the benefits of the agreement. It certainly seems that the primary concerns are loss of Canadian sovereignty, the deindustrialization of Canada, and the ownership of the major percentage of what industry exists being in the hands of the United States.

• (1550)

Mr. Manly: Mr. Speaker, the Hon. Member for Comox—Powell River (Mr. Skelly) was talking about deindustrialization of Canada. My concern is about the need for developing industrialization in the part of Canada from which he and I come. The whole Province of British Columbia and, indeed, western Canada, is based on resources. The classic idea is that through exporting resources there would be an accumulation of capital, which would then be used to develop secondary industry. That is the justification for developing and exploiting resources at a very rapid rate. That has not happened in British Columbia or in other parts of western Canada largely because the head offices of the companies exploiting the resources are not situated in the West. They are in eastern Canada or are multinationals located in Chicago, New York or wherever.

Given the free trade agreement, given the difficulty that we have already in trying to develop secondary industry,what will happen to the possibility of developing secondary industry in the communities which the Member represents on Vancouver Island, and what about the mainland?

Mr. Skelly: Mr. Speaker, to answer the very perceptive question from the Hon. Member for Cowichan, Malahat and The Islands (Mr. Manly) let me quote some of the most distinguished Members of the House of Commons today. I am quoting directly from *Maclean's* magazine for June 13, 1983. The now Secretary of State (Mr. Clark) said:

> Unrestrained free trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear. Before we jump on the bandwagon of continentalism, we should strengthen our industrial structure so that we are more competitive.

That is what I tried to put forward to the House today. The now Secretary of State (Mr. Crombie), at that time a leadership candidate, said:

> It's silly. Canada must improve relations and trade with the United States, of course. But our natural destiny is to become a global leader, not America's weak sister.

That is absolutely what I said a few minutes ago.

John Gamble, a notable Canadian who found succour in the arms of the Conservative Party, said:

> We would be eaten alive. If we opened our market to the United States, we won't be able to sustain our manufacturing.

That is one of the very few times in my life that I have agreed with John Gamble.

Then the now Prime Minister (Mr. Mulroney) said about free trade:

> Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of the total world trade, which has dropped by 33 per cent in the past two decades.

What can I say? What happened to him today?

Peter Pocklington, another one who has found warmth and comfort in the bosom of the Conservative Party, said:

> I believe in free trade between Canada and the United States, but we must ensure that Canadian industry gets the same access as we give the Americans.

He is one of the true. I think a Liberal moved over there. Then we have the now Minister of Finance (Mr. Wilson) who said:

> Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally.

With such noted Canadians standing up and appealing for support within their own Party and to the nation as a whole for their view of what a stupid idea free trade is, what can I say?

Mr. Greenaway: Mr. Speaker, anyone can change his or her mind. That is a privilege we all have. I know the Hon. Member at one time in his life was espousing the advantages of Canada belonging to NATO. Now, like the rest of the New Democrats, he wants to pull out of NATO. We all change our minds, and the Hon. Member knows that.

The Member makes a great issue of stating that Canada will be overrun by the Americans if we enter this agreement. Has he noted what has happened in the European Economic Community? That is a common market and I do not see any of the countries losing their individual sovereignty or individualism. Perhaps the Hon. Member for Comox—Powell River (Mr. Skelly) could comment on that.

Mr. Skelly: Mr. Speaker, I do respect many of the ideas of the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) and respect the distinguished service he has given in the House, but on free trade I think he has been misled.

If you look at the European Economic Community, many partners are of similar size with balanced economies. If we were 250 million people strong we would be looking at a more open trade arrangement with the United States. The dilemma is that we are 25 million people as opposed to 250 million and we will be overwhelmed, just as the candidates for the leadership and his own Prime Minister (Mr. Mulroney) said in the past.

Second, the free trade agreement before us today is a rush job. There is no protection in the agreement. If you read the briefing notes put forward by the United States administration to convince the Senate and the Congress to support this, the Americans believe that Canadians have sold themselves out, that it is a deal too good to pass up. In the minds of many Canadians the Conservative Government has made this its sole reason for existence, and it is the entire issue before this Parliament. In order to get the agreement through in a timely manner, the Government had to rush it to the point where the Canadian Government was not able to build things that strengthen Canada allowing us to compete effectively, namely, a gradual opening up of certain trade sectors, such as the automobile sector.

The Government opposite has spoken about the Auto Pact as an example of free trade. But we had sector trade liberalization which enabled us to develop a small section of the economy in a more effective way. However, it took a considerable period of time to do it, and has been under way for a period of time with plenty of safeguards for Canada. That does not exist in the free trade agreement. It throws off all control by Canada and the ability to direct the economy. It gives an invitation to the United States to come here and take the country over.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I found the comments by my friend, the Hon. Member for Comox—Powell River (Mr. Skelly) very interesting. I taught Canadian history at the university before I was elected to Parliament in 1984. I find the shifts in attitudes and the change of position of the Conservative Party and this Government of ours truly astonishing. The Member sketched quite well the attitude that used to exist and the position which the present Government is taking. The Member spot-lighted that change in attitude by giving us the excerpts which *Maclean's* magazine published in 1983 during the leadership race of the Conservative Party and the position the various candidates took. The only one who came close to supporting the stand of the present Government was Mr. Pocklington from Edmonton. Yet, this is a Government in which various of these candidates are front-bench Members, one of whom, having won the leadership and having taken a very critical stance, has suddenly become the wildest partisan of this continental trade arrangement with the United States, the continental union of 100 years ago which was rejected by Conservatives at that time. The Liberals realized the political foolishness of it fairly quickly. They came up with a different refinement.

What explanation does my friend have for this? I realize that this tests all of our comprehensions when we see this kind of watershed change in attitude. What was it that led the Prime Minister and his colleagues to take such a stand and get into this continental deal with the United States over the last two years or so?

Mr. Skelly: Mr. Speaker, it is interesting to cast our minds backwards for some of the answers in the historical fabric of Canada. I would bow to the expertise of the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) into whose field I am treading. I would not mind if I could reverse the question and have him talk to us a little bit about the annexation manifesto which generated from a large number of Conservatives and downtown Montreal businessmen. At that particular time in 1849, they were quite prepared to sign the whole country over and get themselves annexed to the United States. I am afraid today that this particular agreement is the same kind of an expression, an annexation manifesto that will tie us to the United States. In that tying, the United States, with a much larger population, 10 times that of Canada, will overwhelm this country.

• (1600)

I think the critical point is that leaping into an agreement with the Americans in an unprepared manner, in a manner which puts at stake the Government's entire credibility, will do an enormous disservice to Canada. Indeed, this is not a free trade agreement, it is another annexation manifesto.

Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Scarborough West (Mr. Stackhouse)—Human rights—Ethiopia—Political prisoners; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Pharmaceutical industry—Bill C-22—Senate committee's report—Minister's position; the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie)—Auditor General's report—Minister's position on funding of Fantasyland project—Reason for funding project.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I am pleased to be able to make a few comments on Bill C-87, a Bill that is largely a technical one aimed at harmonizing the customs classification system which is due to take effect on January 1 of next year. While this is largely a technical Bill, we want to use this opportunity to speak about the agreement that was reached by the Prime Minister (Mr. Mulroney) and the Government with the Reagan administration. We believe that this agreement will have wide-spread adverse consequences for the people of Canada and the future of Canada as a nation.

I have just been looking at the classic work of George Grant, *Lament for a Nation*, which looks at the fall of the Diefenbaker Government in 1963. While Grant has some sympathy with Diefenbaker and sees him as a person who had a vision of Canada, he felt that Diefenbaker was incapable of really carrying that vision out, that he was incapable of governing in any way that was commensurate with his vision of Canada as an independent country, a country that could be in control of its own destiny. He felt that in many ways, the country had already been sold down the river by the continentalist approach of C. D. Howe. Of course, today, the natural inheritors of C. D. Howe's vision are sitting once again on the government benches. The Conservative Party has taken over the function of moving Canada into a continentalist economy.

The agreement that was reached in the early days of this past month can be criticized on two grounds. First, its process can be criticized. The process the Government used to reach this agreement was flawed and dishonest from the beginning. We have already quoted extensively from the comments that were made by several of the candidates for the leadership of the Conservative Party in 1983, but I think it is important to drive this message home to the Canadian people, to remind them that when these people were running for the leadership of the Conservative Party and campaigning during the 1984 election campaign, they did not say they were looking to negotiate a free trade deal with the United States. In fact the present Secretary of State for External Affairs (Mr. Clark)—

The Acting Speaker (Mr. Paproski): Order, please. We are debating Bill C-87. I think it is starting to turn into some sort of a free trade package here, but I would like the Hon. Member to get back to the Bill if at all possible.

Mr. Manly: Mr. Speaker, certainly I can appreciate that admonition. The Bill which provides for what is known as the harmonized system, the new customs classifications, will allow for the quicker release of goods crossing the border into Canada, and that is a part of what we are talking about.

Even without entering into an agreement, we already have, to a very large extent, free trade with the United States. This Bill will allow for common coding of tariffs and it will encourage freer trade throughout the world. We are talking about the fact that this Government is not content simply to lower tariffs, it is not content simply to liberalize trade, but rather it is basically selling out the future of Canada. This is what I was trying to establish when I was referring to this article from *Maclean's* of June 15, 1983, in which the present Secretary of State for External Affairs said:

> Unrestrained free trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear. Before we jump on the bandwagon of continentalism, we should strengthen our industrial structure so that we are more competitive.

We have not seen that strengthening of the industrial structure. Instead, we have seen the Government dismantling the programs that could have led to a strengthening of that structure.

The Secretary of State, then a candidate for the leadership of the Conservative Party, talked about thousands of jobs which might be lost. The Hon. Minister of Employment and Immigration (Mr. Bouchard), when he was asked about this a few days ago in the House, said that perhaps 500,000 jobs could be lost, perhaps more, perhaps less. What the Secretary of State said four years ago is still true, yet we are moving toward this free trade agreement with the United States.

The Secretary of State himself said:

> It's silly. Canada must improve relations and trade with the United States, of course. But our natural destiny is to become a global leader, not America's weak sister.

The Minister of Finance (Mr. Wilson) said:

> Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally.

We can only agree with him. The present Prime Minister, then seeking the leadership of the Conservative Party, said in 1983:

> Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of total world trade, which has dropped by 33 per cent in the past two decades.

If Canada would reject that kind of agreement in 1983, as the Prime Minister said it would, I believe Canada would also reject it in 1987 or 1988 if Canadians get an opportunity to go to the polls on this particular issue.

The point I want to make is that when members of the present Government were running for the leadership of the Conservative Party in 1983, they were very explicit. With the exception of the present Minister of Transport (Mr. Crosbie), they did not see free trade as a desirable option for Canada to pursue.

When they were engaged in the 1984 election campaign and had a platform to lay before the people of Canada, the vision that they had of Canada, the candidates did not mention free trade as being part of that vision. They did not mention that they would have an agreement with the United States that would give the United States equal access to our energy, an agreement that would gut the possibility of Canada taking action that would allow us to protect our own culture. They did not mention this to the Canadian people so they do not have any real mandate for it.

As soon as the Government was elected in 1984, we began to hear the Prime Minister talking about how the United States is our best friend, and we have to stand up for our best friend, and when our best friend wants something, we should do what we can to accommodate our best friend. Certainly we have been accommodating to our best friends in the United States for the last three years. We have seen one example after another of how this Government has backed down on every demand the United States has made.

• (1610)

The Government backed down and eliminated the National Energy Program. It gutted FIRA. It allowed American takeovers of our book publishing industry after saying it would not. It did not stand up to maintain Canadian ownership of Dome Petroleum. The very week that the free trade negotiations began, the Americans imposed a 35 per cent duty on our shakes and shingles. We saw a 15 per cent tariff applied to our softwood lumber exports. That was later changed because of our weak approach. We said, "Do not apply the tariff, we will apply a tax ourselves", and we added a 15 per cent tax on softwood. The Americans applied an 85 per cent countervailing duty on our potash. The Government took a completely weak-kneed approach to opposing the Americans in all these cases.

When the Government talked about entering into a free trade agreement with the U.S., members of the Opposition continually tried to get information as to what exactly was on the table. We were assured that the Auto Pact was not on the table. We were assured that culture was not on the table. We were assured that—

Mr. Greenaway: On a point of order, Mr. Speaker. We are back on the free trade debate again.

The Acting Speaker (Mr. Paproski): I have looked at the Bill and I know there are many different things in it, and eventually the Hon. Member will get back to the Bill.

Mr. Greenaway: Don't count on it.

The Acting Speaker (Mr. Paproski): It is just a matter of a few minutes. The Hon. Member is trying to demonstrate that this Bill is related to free trade. I believe that is what the Hon. Member was trying to say.

Mr. Manly: Mr. Speaker, I would just remind the Hon. Member once again that this Bill will provide for common coding of tariffs. That will probably result in easier trade. What I am saying is that while we can be in favour of freer trade and allowing easier access for Canadian goods in the markets of other countries, as well as the goods of other countries in Canadian markets, the main thrust of the Government in its deal with the U.S. goes far beyond what the Canadian people really want. While they favour freer trade and increased trade, they do not favour the process the Government followed when it entered into an agreement with the U.S. I was just trying to detail the way in which that agreement took place.

Mr. Greenaway: I know, but get back to the Bill.

Mr. Manly: When the Minister for International Trade (Miss Carney) spoke in the debate a few months ago, she listed the things on the table, but she did not say energy was included or that there would be a sweeping provision to give the Americans total access to our energy. That kind of giveaway of Canadian resources is quite different from freer trade and freer access to markets, and that is what I am trying to emphasize. It is completely opposed to the basic concerns of the Canadian people.

Mr. Greenaway: It is not.

Mr. Manly: The whole process of the talks was characterized by the last-minute aspect when, just before the final deadline, the Minister sat down over some fried chicken and managed to get a deal. What way is that to reach an agreement that is going to affect the future of Canada for the foreseeable future? We are talking about the future of our

children and grandchildren, and the Government has sold out that future in a process which ignores the real wishes of the Canadian people.

In addition to the process by which the initial agreement was reached and signed, we see the process the Government put in place for dealing with that agreement in the House of Commons. Instead of having all the documents available for the committee to study, allowing adequate time for that study and to hear from those who are most affected, so that the committee can reach a reasoned conclusion about whether or not the agreement is good or bad for the Canadian people, it was given a deadline. It has to report to Parliament by December 4, yet it will not have the final text of the agreement until the end of this month. We expect that committee to reach some kind of reasoned, logical conclusion about this agreement, but it will only have the text for a few days. That is a complete betrayal of any concept of parliamentary democracy, and on an issue as important as this. I simply want to emphasize that a bad process cannot lead to a good deal.

The Americans are going to get equal access to our energy resources. We say the agreement gives Canadian culture some protection, but it also says that no Canadian action can infringe on American economic interests in that area. The agreement gives American multinational corporations the power to come in and take over any Canadian company with an asset value of up to $150 million. The threshold used to be $5 million. Only some 500 Canadian companies will have any protection at all if this agreement is ratified.

In conclusion, while this particular Bill might have some value, the free trade agreement goes far beyond what this Bill talks about. We feel that the Canadian people should have a chance to speak on that free trade agreement, and that is why we have been urging the Government to be honest with the Canadian people, tell them they are going to have that chance, and that there will be an election on this issue in the very near future.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Stackhouse: Mr. Speaker, I want to respond to the words offered by the Hon. Member in connection with free trade, although not necessarily with the Bill being debated. He asserted that the Government has no mandate to have negotiated the free trade agreement and to have signed it in principle. He asserted that this Parliament has no mandate to deal with the issue, and that raises certain questions which I will put this way.

We did not, in the 1984 election campaign, talk about the specifics of the Meech Lake Accord. We had no way of doing that. What we did was to pledge ourselves to reconciling the nation. The Meech Lake Accord is a way of doing that. That was supported by the NDP without any election campaign commitment or approval. Because Members on both sides, given the experience we have had and the contents of the agreement, believed that it was good for Canada and it was a valid way of fulfilling that commitment to reconciliation, it was passed in principle just one week ago.

In the 1984 election the Progressive Conservative Party committed itself to renewing the economic strength of the nation. The free trade agreement is one way of doing it. It is a way that has credibility, because through the economic policies of the Government well over 900,000 new jobs have been generated. No one is quarreling with that result.

• (1620)

I suggest that if we quarrel with the free trade agreement it should not be because it was not specifically suggested in the 1984 election campaign but because of particulars which members of the Opposition challenge. I recognize the validity of that. However, if it is not valid for the Government and this Parliament to endorse or defeat that free trade agreement, then I suggest that we had no right to endorse the Meech Lake Accord because it was not specifically in the 1984 campaign either.

Mr. Manly: Mr. Speaker, I think the Hon. Member raises a very interesting point. I would like to consider it briefly. First, I think it is important for the Hon. Member to remember what I said at the beginning of my speech, that being that several members of the present Government, including the Minister of Finance, the Secretary of State for External Affairs, the Secretary of State (Mr. Crombie), and the Prime Minister, when campaigning to be the Leader of the Progressive Conservative Party in 1983 were very explicit in rejecting the concept of a comprehensive free trade agreement with the United States. The present Minister of Transport said that such an agreement was desirable and advocated it. The others, in a public debate, indicated their opposition. They were very clear and forthright about it.

The Canadian people had a pretty clear idea where the Government should have stood on that issue. There was absolutely no indication during the 1984 campaign that the Prime Minister had decided to change his mind on that issue. He changes his mind on a lot of issues, but he did not signal his intention to change his mind on that one.

With regard to the Meech Lake agreement, I think the fact that the ten provinces and the three political Parties which are represented in this House are all basically in agreement with the principle of Meech Lake indicates that there is a drastically different situation in that. In conclusion, while Meech Lake is not going to destroy Canada as a nation, there is as very strong feeling among a lot of people across Canada, and certainly within this Party, that the free trade agreement which the Prime Minister has reached with the United States will destroy Canada and that the vision of Canada which we have had for over 120 years is going down the tube because of this agreement.

Due to that, I think it is very important for the Hon. Member to think back to the commitment which he made to

his constituents in 1984 and to ask himself whether the agreement which is being negotiated right now with the United States, which gives equal access to our energy to the United States, under which we do not have the capacity to protect our culture, under which American companies can come across the border and take over any company worth up to $150 million, and under which we can impose no content or performance requirements for those takeovers, is in keeping with the commitment he made to his constituents in 1984 and whether he wants to fight an election on that issue. If he does not want to fight an election on that issue, why not?

Mr. Stackhouse: Mr. Speaker, subsequent to the 1984 election the Government initiated the appointment of a joint committee of the House and the Senate to study Canada's international relations, its initial responsibility being, among other things, the study of a free trade proposal. The Government did not enter into free trade negotiations on the basis of a whim or change of mind within the Cabinet. It did so after the special joint committee, representing both Chambers of Parliament, went from one coast to the other and heard substantial testimony from all manner of citizens and was persuaded to recommend to the Government that it enter into negotiations for a free trade agreement.

The same recommendation was made by the Macdonald Royal Commission on Canada's economic future. Both the parliamentary committee and the royal commission reached the conclusion that such a free trade agreement offered the greatest promise for Canada's economic future.

I made a commitment to the people of Scarborough West in 1984, that we would renew the economy, that through the stimulation of the private sector we would produce jobs, jobs, jobs. Since 1984 that is precisely what the Government has done, that is precisely what the country has enjoyed. No election commitment has been more honorably and fully met in the history of the country.

Mr. Manly: Mr. Speaker, when the joint committee travelled across Canada it heard substantial testimony from organizations representing hundreds of thousands of Canadians who opposed the concept of a free trade agreement with the United States. Our Party certainly did not agree with the final report which spoke of a free trade agreement with the United States. There was no consensus arrived at by that special joint committee.

With regard to jobs, in my riding the rate of unemployment is still unacceptably high. If the Hon. Member wants to have an election on the issue of jobs after looking at the rates of unemployment in British Columbia, New Brunswick and Newfoundland, let the Government call an election, then we can find out whether the people are satisfied with the record of the Government on that issue. I say that in my area they are not.

Mr. Skelly: Mr. Speaker, the temptation to leap into the fray is strong. I would like my colleague to comment on the relevance of the debate today. Customs tariffs, which we are debating today, are an absolutely critical part of an industrial strategy. Trade agreements are absolutely critical to such a strategy, and trade strategy is shaped through customs tariffs.

Although this Bill is passed off by the Government as a very small, technical piece of legislation, I believe that customs tariffs have far-reaching effects on trade agreements and industrial strategies in the country. I know that you recognize that, Mr. Speaker, and that is why we have been allowed to speak on a more wide-ranging subject. Some of the more narrow-minded Conservatives in this place may fail to see the relevance of that. Perhaps my colleague could comment on that.

Mr. Manly: Mr. Speaker, perhaps the best example of the relevance of the Customs Tariff is the fact that the free trade agreement which the Government just finished negotiating removes the tariff on the Auto Pact which has not been used for a number of years. That was the one club which the Canadian industry had to ensure that the Americans honoured the details of the Auto Pact. By removing the tariff we have given away the farm with regard to the Auto Pact. We no longer have any effective enforcement mechanism to back up the Auto Pact. The issue of tariffs with which we are dealing in Bill C-87 is very important to the question of an industrial strategy.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance and Economic Affairs.

* * *

• (1630)

ROYAL CANADIAN MINT ACT AND CURRENCY ACT

MEASURE TO AMEND

The House resumed from Wednesday, October 28, consideration of the motion of Mr. Côté (Langelier) that Bill C-46, an Act to amend the Royal Canadian Mint Act and the Currency Act, be read the third time and passed.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

* * *

EMERGENCY PREPAREDNESS ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (for the Minister of National Defence) moved that Bill C-76, an Act to provide for emergency preparedness and to make a related amendment to the National Defence Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*Translation*]

EMERGENCIES ACT

MEASURE TO ENACT

Hon. Benoît Bouchard (for the Minister of National Defence) moved that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I do not intend to speak at length on this Bill, but I wonder if the Government might give us a few notes or a few explanations on the scope of this very important legislation which is being amended by Bill C-77 so that we may have a democratic debate on this whole question, namely that the Bill is "to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof". I would have thought that the Minister of National Defence (Mr. Beatty) would be here, or that a Minister might explain the principle of the Bill so that we could have an intelligent debate here in the House.

As I just said, Mr. Speaker, I do not have any notes on this question, but I vividly remember the October crisis and the severe criticisms which were made at the time about some of the provisions. I should think that this parliamentary initiative, this Bill C-77, is aimed at making some amendments to the legislation and making it more acceptable to Canadians. Therefore, I would have thought the Government would have provided explanations, without going too far, without encouraging them too much, to the Hon. Member for Saint-Jacques (Mr. Guilbault), the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens), the Hon. Member for Westmorland—Kent (Mr. Robichaud), the Hon. Member for Algoma (Mr. Foster) who are here, as well as to the Hon. Member for Saint-Denis (Mr. Prud'homme), from Montreal, whom I see here—and would have told them what was proposed in the Bill. But, for lack of explanations, we will let the Bill through second reading and will take the opportunity of discussions in committee to obtain explanations, unless Hon. Members want to rise now.

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, first you will excuse me for rising after the Hon. Member for Ottawa—Vanier (Mr. Gauthier). I was indeed going to rise to give a few words of explanation on Bill C-77 introduced today. Besides, those explanations are contained in a press release issued on June 26, 1987, that was made available to all Members of the House, including the Hon. Member for Ottawa—Vanier, who, I assume, is capable of reading the explanations and comments provided by the Minister of National Defence (Mr. Beatty) something like four months ago already, and those explanations were clear enough for spokespersons from the Official Opposition to be in a position to state their intent to let the Bill pass even before they had a chance to hear me. But to make a long story short, what is involved actually is the replacing of the War Measures Act which, as mentioned by the Hon. Member for Ottawa—Vanier, had to be used in 1971, a sad period in our history—

An Hon. Member: In 1970.

Mr. Charest: I cannot refer to 1970, excuse me, I was still quite young at the time—but to explain our intentions, Mr. Speaker, in making those amendments, whom better to quote than the Hon. Jean Chrétien, former Member for Saint-Maurice who, in his book *La cage aux lions*, mentioned the legislation at the time ensured that they needed very specific measures. I think he compared the legislation to a huge van in which a bicycle was to be placed because there was no other means of transportation nor more reasonable ways of doing the job at hand. That is his explanation, in his own way, his well-known style, of the reason why the legislation had to be changed. This is what the Minister of National Defence did. He explained it in his press release that already dates back to June 26, 1987, which we would be happy to make available once more, provided however the Hon. Member for Ottawa—Vanier does not already have a copy in his office.

[*English*]

Mr. Blackburn (Brant): Mr. Speaker, are we debating Bill C-77 at this point?

Mr. Gauthier: Questions and comments after the Minister's speech.

The Acting Speaker (Mr. Paproski): There are no questions or comments. The Hon. Member for Brant (Mr. Blackburn) has the floor on debate.

Mr. Derek Blackburn (Brant): Mr. Speaker, I had no idea that we would get to Bill C-77 so quickly today. It was my understanding that it would be called tomorrow or later in the week, and that we would be discussing Bill C-76. I understand it has passed second reading stage.

I sincerely hope that Bill C-76 will go to committee because it requires very serious scrutiny.

Mr. Prud'homme: Bill C-76 has been sent to a legislative committee.

Mr. Blackburn (Brant): Mr. Speaker, I have much to say about Bill C-77. As my Party's defence spokesperson, I want to put on the record the very serious misgivings we have with respect to this new legislation that will replace the War Measures Act.

Therefore, I welcome the opportunity to lead this debate on behalf of the New Democratic Party. Let me say at the outset that New Democrats are determined that the War Measures Act should never be used again. That is why we are happy that the Minister has brought forward a proposal to replace the War Measures Act. It has been a long time in coming and I congratulate him for finally bringing this debate to the floor of the House of Commons.

His Bill is a good first try, in my judgment, although it is not perfect by any means.

I will use this opportunity to explain in detail my very deep concerns relating to Bill C-77.

• (1640)

First, I want to say that I hope the parliamentary process, particularly in committee, will be allowed to work. We have heard many nice words from the Government about the spirit of parliamentary reform. In truth, we have made some progress thanks to the work of the committee led by the former Member for St. John's East and now the Lieutenant Governor of Newfoundland.

Now it is time for the parliamentary process to shine. We will need many hearings and a great deal of testimony from both expert witnesses and ordinary Canadians. This is an issue which touches the very lives and liberties of every Canadian. It involves an issue that cuts to the very heart of the Canadian consciousness. Is there anyone in this House who was not in some way touched by the events of October, 1970? Who could not be affected by the profoundly un-Canadian sight of Canadian troops in battle dress in the streets to suppress the domestic troubles of their fellow citizens?

I do not want to reopen old wounds. Instead, I hope that this Bill as amended will complete the healing process. Together with the evolution of our Canadian Constitution I hope that the replacement of the War Measures Act will close one chapter in our history and usher in a new era in which the rights and freedoms of all Canadians will be honoured and respected at all times and in all circumstances.

The roots of the War Measures Act are deep. They go back much further than 1970. The original Act was born in August of 1914 when the First World War broke out. The Government of the day found that it had virtually no laws to deal with the situation. So it rushed through this law. It was modelled on foreign legislation. It received almost no debate. It had virtually no consideration. In effect, it gave the Government a blank cheque. Parliament and the people of Canada surrendered all their rights at that time in 1914.

The War Measures Act allowed censorship, arbitrary arrest, travel restrictions and Government control of trade and property. There were no rights untouched. In effect, it provided for an authoritarian Government to replace a democratic Government without a shot being fired. I suppose that we should not be surprised by the problems this caused later on. It was a recipe for disaster. The process was so poor there was little thought that a bad law was perhaps unavoidable.

Let us not repeat this fatal error again. We need full debate. We must hear many points of view. We should deliberate in an air of calm and reason. There is no emergency at this time. We have time to consider what we are setting in place for future generations. There is no war. There is no apprehended insurrection, no violence, no upheaval. Now is the time to give it straightforward, serious, cautious and deliberate consideration.

It is the future that we must be concerned about. For if the War Measures Act shows us one thing it is that people suffer for past mistakes. Following the Russian revolution suspected dissidents were interned in Canada because of the extraordinary powers in the War Measures Act. The Communist Party was outlawed. Even Jehova's Witnesses were suspect. The political and religious freedoms that we are bound to uphold in this place were denied by Canadians. One of the most bitter of all ironies is that in the fight against communism we outlawed a communist party here in Canada which is precisely the same kind of authoritarian action that a communist Government would take. Therefore in doing so we reduced, or diminished to a considerable extent, the dynamism of our own democracy.

Again, in the Second World War thousands of Canadians of Japanese origin were interned. Racism raised its ugly head. The bitter legacy of this tragic episode still haunts the Canadian Government today. Japanese Canadians are still waiting for redress and for justice.

As I have already mentioned, many were arrested without warrant and held without bail in the October crisis of 1970. The Right Hon. Leader of the Opposition (Mr. Turner) will

remember that well. I believe he was Minister of Justice at the time. Many other Members will also recall that sorry episode.

Again, I do not wish to appear as if I were looking back with the wisdom of hindsight, but it is always a tragedy of inestimable proportions when a legislative body such as this, the supreme legislative body of the land, deliberately and knowingly passes legislation that it knows will deny basic human rights and freedoms to the citizens of a democracy, one of the great democracies in the world today, our own country.

I know that New Democrats remember that period very well. We have our own reasons. The public approved of the measure and Parliament favoured the proclamation by a vote of 190 to 16. The 16 were ridiculed, but they stood firm and history has vindicated them. That is one reason why the memory of Tommy Douglas is held in such high esteem in this country.

Later, of course, successive Liberal Governments recognized their error and tried to reform the War Measures Act. But nothing ever came before this House. That is why it is galling to listen to Liberal Members criticize this Bill, as no doubt they will and have. They were in government for 14 years after 1970 and did nothing to correct this problem.

One effort to at least examine the problem came from the task force on Canadian unity. It recommended that the Government have the right to seek parliamentary approval within a specified time limit for any extraordinary powers. It also recommended that the Government state the reasons for its actions and the duration of the emergency powers in its proclamation. The task force further recommended that provincial powers and individual rights be safeguarded to various degrees depending on whether the nation was at war or at peace. I am happy to see the bones of some of those recommendations in the Minister's proposals. We will try in the legislative process to improve upon them.

We will have help, of course. I do not pretend to have all the answers in this debate at second reading. I do not think anyone in this Chamber has. I hope that experts from such groups as the Canadian Bar Association, the Canadian Civil Liberties Association and others will give us their professional suggestions. Perhaps some of those Canadians who suffered from the excesses of the War Measures Act should come before our committee. I want to know whether they would feel any safer with this proposed law on the law books. If this Bill would not prevent such disastrous mistakes from happening again, then in our judgment it is useless.

We shall also look forward to hearing from the Minister in committee. It will be interesting to know what thinking went into this Bill. For instance, the McDonald Commission did not think that the Government needed any additional emergency powers in peacetime.

What has changed since the McDonald Royal Commission report was published? We have had disasters such as the Mississauga train derailment that required mass evacuation, but that was carried out without resorting to the War Measures Act. Why does the Government need such powers now? This is something else that we should look at in committee. I am not suggesting that the Government should not have these powers, but I think that the onus resides with the Minister and his experts to prove to this House that he needs these extraordinary powers in order to deal with that kind of an emergency.

I have other specific concerns about this Bill as well. I would like to put some of them on the record this afternoon. Under the section dealing with public welfare emergencies the Bill speaks of an emergency as a "breakdown in the flow of essential goods, services or resources". That would seem to have very serious implications for the right to strike.

A recent Supreme Court decision said that the right to strike is not protected by the Charter of Rights and Freedoms. So the Minister's assurances about this Bill being subject to the Charter is of no comfort to working people who may from time to time find themselves involved in a strike situation.

• (1650)

Another recent example shows that this power may not be necessary. That is the recent rail strike. It was an unfortunate incident, but it illustrates the point that I am making. During that strike the Government brought forward legislation that returned the rail workers to their jobs. The Government was not prevented from acting quickly. It did not use the War Measures Act. Why then does it seek new, special powers in peacetime? This is a very touchy subject.

Those who belong to trade unions whose activities span the nation such as in transportation, whether it is air, rail, or shipping, those who are involved in communications, and those who are involved in the postal services, whether it is inside or outside workers, all of those persons could feel that their rights are being infringed upon, or potentially infringed upon, if this Bill is passed without any change.

In response to the Government's back to work legislation, there were protests on Parliament Hill and elsewhere. Peaceful protest is the right of those affected. They had a right to register their displeasure. Under this Bill such a protest could have been prevented. I ask again, does the Government need such power? Should it have such power? These questions must be thoroughly discussed, debated, and reflected upon when this Bill goes to committee.

Probably the most contentious clause of this Bill is the one that deals with public order emergencies. This is the type of situation that gave rise to the use of the War Measures Act in 1970. This clause takes its definition of threat from the Canadian Security and Intelligence Service Act. This fact alone should make us very cautious, because of the difficulties already encountered with CSIS, in determining what is subversion and what is legitimate dissent.

This has always been a very difficult issue to resolve in this Chamber, and indeed in other democratic bodies throughout

the world. In my view, one of the things that keeps a democracy healthy is the right of its citizens to dissent, to object, and to oppose. It is often of a very negative nature, but nonetheless it is the right of a citizen to stand up in public and disagree with the Government, disagree with a law, suggest that the law is changed, or state that the regulation is a bad one.

It is a far different situation if someone is actively engaged in planning or executing a subversive action. That is something quite different. Most intelligence gathering agencies and most counter-intelligence gathering agencies, whether it is the FBI in the United States, MI-5 in Britain, or CSIS in Canada, find it extremely difficult to delineate the difference between legitimate dissent in a democracy, which should be welcomed, and subversive activity, which is clearly illegal.

The CSIS Act cites activities "in support of the threat or use of acts of serious violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state".

I would remind the Minister that the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) recently met with Oliver Tambo of the African National Congress. The ANC has not renounced violence in its fight against apartheid. I hope that the Prime Minister and the Secretary of State did not promise to support the ANC. Otherwise they might have to have themselves arrested under this Bill, if it becomes an Act of Parliament. That may sound rather ridiculous and extreme. Nonetheless, if one studies the wording of the CSIS interpretation of subversion, it is found that it is a pretty wide open interpretation and could include or involve all types of legitimate legal activity. It may rub the Government of the day the wrong way, whether it is Conservative, Liberal, or NDP, but nonetheless Governments in a democracy do have to tolerate legitimate dissent.

Others on the government benches have had contact with the Reagan administration, which supports the effort of the Contras in Nicaragua. The Contras use violence, and President Reagan spoke of their cause in this very Chamber. Should that be illegal in Canada? I am quite sure that most of my colleagues across the way would disagree and say that that is perfectly legal, and I agree that it is perfectly legal. Again, if a narrow interpretation is attached to the CSIS interpretation of what is a subversion then, of course, Bill C-77 becomes potentially dangerous.

A public order emergency also gives Cabinet the right to prohibit public assembly. But how could a Canadian avail himself of the right to protest peacefully the declaration of emergency powers? His right to disagree with government policy would be extremely limited.

Similarly, a legitimate protest against the emergency declaration could be suppressed and no one would find out. The Government could censor the media or simply forbid travel to the troubled area. How could anyone find out if the declaration of an emergency was justified if no one was allowed in or out of the area? How could parliamentarians rally public support against an unjust proclamation if the public was being kept in the dark? That is all included in this Bill as presently written. In committee we will chop through those clauses, clean them up, and make the definition much clearer and more limited.

I also have concerns about the clause dealing with international emergencies. The definition of an international emergency is extremely broad. The Bill speaks of a threat to "any country in which the political, economic or security interests of Canada or any of its allies are involved". That pretty well covers the global waterfront.

Our allies include the United States and western Europe which have very extensive trade interests around the world. In fact, it is hard to think of any country on earth where either Canada, the United States, or western Europe does not have some type of political or economic interest.

We have a perfect example right now in the Persian Gulf. The United States is escorting tankers through one of the most militarily dangerous stretches of water in the world. Other European nations are also involved because they have an economic interest in oil from that region. What would happen if another "Stark" incident blew up into a major confrontation? Canada could become involved under the terms of this legislation. There would probably be a great debate as to whether Canada's vital interests were involved. But the Government would have the right to mobilize first and answer questions later. I would not want to wake up one morning and read that the Government had declared an international emergency and have to wait for the matter to come before Parliament after the fact.

One of the reasons that I would not be comfortable in that situation is the other extraordinary powers that the Government could assume during a perceived international emergency. For example, Cabinet could authorize search and seizure without reference to the courts. Why does it need to bypass the justice system? Are the courts not to be trusted in an emergency? Have judges in this country ever shown themselves to be less than vigilant in their devotion to national security? It is their job to balance the interests and rights of the state and those of the individual. Yet the Government wants the right to enter any home without reference to the courts at any level. Clearly this part of the Bill is unacceptable to those of us in the New Democratic Party.

Finally, Parliament must consider the total discretion granted to Cabinet under the terms of a war emergency. It is difficult to see any difference between this clause and the current War Measures Act. I wonder why some powers could not be set out in the Bill. Canada has been in two world wars. Does the Government not have any idea what powers it needs to mobilize the Armed Forces? Could they not be added to the powers listed in the other clauses of the Bill?

I see that my time today has run out, Mr. Speaker. I look forward to continuing debate at a later time.

The Acting Speaker (Mr. Paproski): The Hon. Member will have 10 minutes for questions and comments the next time this debate comes up in the House. His time of 20 minutes has expired.

Mr. Blackburn (Brant): I was under the impression that, at second reading, the lead-off speaker for my Party has 40 minutes.

• (1700)

The Acting Speaker (Mr. Paproski): May I explain to the Hon. Member that there have been three speakers. The first was the Minister who moved the motion for second reading of the Bill, which immediately eliminates the first 40 minutes as he was deemed to have spoken. Then there were two other speakers, which eliminates the other two 40 minutes. We have heard three speakers for 40 minutes each, with no questions or comments.

The fourth speaker, the Hon. Member for Brant (Mr. Blackburn), has 20 minutes plus 10 minutes for questions and comments. I have given him an extra two minutes or three minutes after his first 20 minutes, and I will entertain 10 minutes for questions and comments the next time Bill C-77 is before the House.

[*Translation*]

It being 5 p.m., the House will now proceed to the consideration of Private Members business as listed on today's Order Paper.

PRIVATE MEMBERS BUSINESS--PUBLIC BILLS

[*Translation*]

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

The House resumed from Thursday, October 1st, consideration of the motion of Mr. Nickerson that Bill C-211, an Act to amend the FreshWater Fish Marketing Act, be read a second time and referred to a legislative committee.

Mr. Marc Ferland (Portneuf): Mr. Speaker, it is a pleasure to address the House, at the beginning of this second hour, on the motion moved by the Hon. Member for Western Arctic (Mr. Nickerson).

In order to understand what we are trying to do here, I think it must be said that the purpose of the Bill which is going to be debated is to remove the monopoly presently enjoyed by the FreshWater Fish Marketing Board for interprovincial and international marketing of fish and fish products.

To remind you of the mandate given to that Board, it was established in 1969, under the FreshWater Fish Marketing Act, for the purpose of marketing fish and fish products. The Board has a monopoly over marketing and trading in fish on interprovincial and export markets. It exercises this monopoly itself or through its agents, first to ensure an orderly marketing and, second, to increase fishermen's income. and third, find international markets for our fish and increase interprovincial trade and fish exports.

The participation of Manitoba, Saskatchewan, Alberta, Ontario and the Northwest Territories was established in agreement with the Government of Canada. The FFMC is a Crown Corporation covered by Schedule C, Part I, of the Financial Administration Act. It must carry out its operations independently without appropriations from Parliament.

The major purpose of the Corporation is to provide the highest possible income to commercial fishermen based on their catches, and all its activities contribute to this end. The Corporation keeps informed of the social effects of its interventions, but will not support the cost elements which can be directly attributed to the taking into account of these social considerations.

If a provincial or federal department or agency decides to apply social considerations to the activities of the Corporation to meet objectives other than the provision of the highest possible income for fishermen, such a department or agency will have to support the costs related to this intervention.

Mr. Speaker, both in agriculture and in other sectors of our economy, especially the agro-food sector, there is an increasing demand for marketing boards, particularly from farmers and producers. Yet, this Bill aims at abolishing a marketing board which, in 1986-87, had one of the most successful of its eighteen years according to its own report and to the comments of its Chairman. Its sales have totalled nearly $59 million, $10 million more than the record amount registered the previous year. Net revenues before final payments amounted to $14 million, $6 million more than the record set two years ago.

One very important fact is that the disposable income of fishermen has reached $36.6 million, $7 million more than the last record high.

Mr. Speaker, I think the Corporation, at least as far as 1986-87 is concerned, has indeed met our expectations, which were to find new markets for fish and find the best possible price for our fishermen so they can earn a decent living.

According to the president's report, and I quote:

> Strong demand for fish and seafood products in Canada and the United States assisted us in reaching many objectives for our major species.
>
> For species such as Pickerel, Sauger and Northern Pike whose landings were in balance with market demands, selling prices were excellent. For species whose supply had previously exceeded demand such as Lake Trout progress was made in eliminating or reducing inventory. We had a record sales volume for Whitefish, but an increase in landings prevented inventory reduction. However, we are optimistic the chronic over-supply of Whitefish will be alleviated in 1987/88.
>
> We continue to improve in all aspects of our operations and believe the Corporation is properly positioned with the products and the people to

participate fully in the ongoing growth of the fish and seafood industry for the benefit of our 3,500 fishermen.

Mr. Speaker, in my view the Corporation plays a vital role in providing 3,500 fishermen with a decent income. I am convinced if we were to get rid of the Corporation prematurely, without consultation with the provinces—because what the Hon. Member is proposing is to abolish the Corporation unilaterally.

As I said earlier, the Corporation was created jointly with and with the agreement of the provinces—

I see, Mr. Speaker, that you are indicating to me that my time is almost over and that I may not be able to complete my remarks. My point is that fish producers are the ones who directly depend on the Corporation to earn an adequate income in order to support their families and not have to resort to unemployment insurance or welfare to make a decent living in this country.

I think, Mr. Speaker, that to abolish this marketing board would be contrary to the will of the producers, in agriculture or elsewhere. Farmers are exerting considerable pressures for the creation of more marketing boards. We are presently considering a request from potato producers.

Why do the producers wish to have these boards? It is simply because they want to get a fair retribution for their work, they want a decent living for their families, they do not want to live all their lives on public charity.

Mr. Speaker, I think it is premature to abolish the Corporation at this time. It would run contrary to the will of our government which is trying to find the best ways to provide adquate incomes to all Canadians.

In closing, Mr. Speaker, I would simply express the hope that this marketing board will not disappear as quickly as the Hon. Member for Western Arctic (Mr. Nickerson) would like.

[*English*]

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. speaker, I welcome the opportunity to comment briefly on the Bill presently before us. At this time I want to say that I am neither for nor against Bill C-211. However, I have some serious concerns about fishermen who are served by the Freshwater Fish Marketing Corporation. Will it serve their interest to have this marketing agency disbanded? I believe we have to ask ourselves why the corporation was brought into being in the first place. The answer is quite simple. In the early 1960s the inland fishery and fish trade were in serious difficulty. They were experiencing difficulties similar to those which afflicted the salt fish industry in Atlantic Canada. Consequently a federal-provincial conference was held in October 1964 in Ottawa to identify the problem areas relating to the inland fishery. As a result of this conference a commission of inquiry into the freshwater fish marketing was established in 1965. The terms of reference for Commissioner G. McIvor included instructions to inquire into the underlying factors which contributed to the weaknesses in the export prices of freshwater fish. The commission completed its findings and prepared its recommendations in 1966.

• (1710)

The commission reported that prices for round or dressed fish in export markets were weak because there were too many exporters to counter a control exercise by a few importers. It also reported that in marketing of round or dressed fish, Canadian exporters were receiving too small a share of the prices paid by consumers. The commission recommended that a fresh fish marketing board be established under federal jurisdiction; that the board be the sole seller of freshwater fish produced in the designated areas; and that the board pool the returns from the sale of fish and fish products.

My colleague, the Hon. Member for Western Arctic (Mr. Nickerson), when he was speaking in this debate on October 1 said that the single desk selling system did not really work out, that the commercial clout that was supposed to have been given to the Freshwater Fish Marketing Corporation never really materialized in fact and things had gone from bad to worse. During its first year of operation when it was established in 1969 I believe, the FFMC generated sales of $14.4 million. It is interesting to note that since then each year sales have increased. In 1986-87 sales generated $58.6 million. It is also interesting to note that currently approximately 70 per cent of the wholesale price for fish marketed by the Freshwater Fish Marketing Corporation is returned to the fishermen.

Although I am sure my colleague from the Western Arctic has the greatest concern in the entrepreneurial spirit for private companies to be involved and not a government agency to be the sole marketer of fish, I am concerned that if prices should drop in the market-place for freshwater fish that, occurred in the early 1960s might happen to this industry. I share the same concerns for the disbandment of the Freshwater Fish Marketing Corporation as I would express if there were an attempt to disband the Canadian Saltfish Corporation. I believe they were not set up by Government just for the mere fact of having a government agency in place. They were set up to serve the fishermen and the industry as a whole with the greatest of intent to improve conditions.

I am neither for nor against the Bill at this time, but I still want to caution Members present that the Bill deserves a very serious look and we should give it our very serious attention. We should not act in a hasty manner and create great havoc in an industry which is doing quite well at the present time.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Bill before the House is in the name of the Hon. Member for Western Arctic (Mr. Nickerson). He has introduced it, I suppose, for the past eight, nine or ten years, as I recall, to try to get rid of the monopoly in the Freshwater Fish Marketing Corporation. In his particular area and down through western Canada there is one marketing agency, one corporation, set up by the federal Government to buy all of that freshwater fish and then sell it. It is a complete monopoly. If a private

businessman wishes to buy some freshwater white fish—a very popular fish—and he figures he has a market in the United States or Europe for that fish, he can pay more for the white fish than the Freshwater Fish Marketing Corporation can pay to the fishermen. He is able to pay more and he can get more for that white fish, if it is good white fish, in the United States or in Europe. But according to the law, he is not allowed to do that because the Freshwater Fish Marketing Corporation has the sole right to buy and market that fish.

We have the same situation on the East Coast of Canada with salt fish. A businessman can come along and say, "I can pay you more for your fish because it is of excellent quality". Perhaps he can pick a part of the coastline where the fishermen catch the biggest fish and bleed the fish properly so that it is of better quality than the general amount of fish being exported. Perhaps the individual can get more in the market-place, but he is not allowed because the law says that there is only one marketing agent for salt fish in Canada and that is the Canadian Saltfish Corporation.

Many businessmen came to the Progressive Conservatives when they were running in the last election. They asked them, "If you get in power, for goodness' sake change the law so that private business people can buy and sell salt fish and freshwater fish". The Progressive Conservative Party met with these business people and said yes. In fact, the Progressive Conservative Party said, "Yes, we will free you from the monopolistic practices of the previous Government because we will boot it out. They are the ones who set up these corporations that control and monopolize the market-place. These corporations are the only ones allowed to buy, sell and market all of these products in Canada.

• (1720)

In fact, the Progressive Conservative campaign handbook says the following on page 47:

> We will reduce the role of crown corporations in the fishery as we create economic conditions that allow private companies and fishermen's co-ops to prosper.

Mr. Speaker, the Progressive Conservative Party, and nobody can blame it for doing this, met with these business people on the East Coast and in central Canada, who wanted to get into the business of buying and selling fish, salt fish and freshwater fish. That is what it came up with as a policy.

What has the Progressive Conservative Government done? Since it has been in power, the only thing the Progressive Conservative Government has done with the Freshwater Fish Marketing Corporation that I can see is that it appointed a prominent Progressive Conservative to be the Chairman of the Freshwater Fish Marketing Corporation. That is all that was done, to my recollection.

Instead of changing the corporation, the Government appointed a chairman. Mind you, this particular Chairman is a chartered accountant, the author of two books on taxation, a prominent gentleman who used to write, as I recall, very good columns in the Winnipeg *Free Press* once upon a time. That is all the Progressive Conservative Party did with the Freshwater Fish Marketing Corporation.

Now we have this Bill before us today. As far as the positions of the political Parties are concerned, I can now say that the Progressive Conservative Party stands fully behind the Freshwater Fish Marketing Corporation. So does the New Democratic Party and so does the Liberal Party. This is because they have taken the position that the general good of all the fishermen in those areas should be the primary concern of the Government. In other words, there should be one marketing agent that would be able to perform in the way a cartel performs by regulating prices in the market-place. The political Parties have said furthermore that in this way, the Government of Canada can very easily assist the industry at times when prices go down and fluctuate in the market-place.

One can understand the position taken by the hon. gentleman who introduced the Bill. Perhaps some of the best freshwater fish is in his area. Perhaps up in the Arctic in his particular area, there are business people who are telling the fishermen that they can market the fish for a better price. Maybe he represents that kind of an area. Perhaps that fish is put in with other fish from other areas of Canada that is not as good as the fish from his area.

All of us who represent fisheries areas know what the Hon. Member is talking about. For example, on the northeast coast of Newfoundland, there is better salt fish than in other parts of eastern Canada, but our fish goes in with the salt fish from other areas to be marketed by the Canadian Saltfish Corporation.

As I say, the official position of the three political Parties of the House of Commons is in favour of this marketing structure, this Crown corporation. The hon. gentleman will just have to accept defeat and realize that he will not get such a Bill through the House of Commons.

Mr. Elliott Hardey (Kent): Mr. Speaker, in rising to speak on this Bill, I think it would be prudent first to ask the House to recognize the prosperity and positive market conditions which Canada's freshwater fishing industry has recently enjoyed. Fresh fish are a wholesome and healthy product whose consumer acceptance in our major market in the United States appears to be growing. As with all good things, I hope this surge of prosperity continues.

Yet this is not a time for complacency. I refer specifically to the interim report on freshwater fisheries of the Senate Standing Committee on Fisheries tabled in September of 1986 entitled *The Marketing of Fish in Canada*. I recommend this excellent report to anyone who wishes a general overview of the freshwater fisheries, their markets, their problems, their concerns and their opportunities.

The report deals with these issues and especially the concept of a single-desk system of marketing as now used by the Freshwater Fish Marketing Corporation for Canada's

freshwater fisheries. The report gives a glimpse of the future of our fisheries, the opportunities as well as the pitfalls.

I will refer to these matters in some detail, but going directly to the point, the report refers to activities of the FFMC and consistently indicates that provincial co-operation, which I remind the House was instrumental in the establishment of the corporation, be sought and encouraged. It is abundantly clear that co-operation with the provinces is crucial to the success of the freshwater fisheries of the western region covered by the corporation.

Today, the provinces and the vast majority of the fishermen continue to support the FFMC and the findings of the report are also pertinent in this manner. These findings, the result of 25 hearings, 17 of which were devoted exclusively to the freshwater fisheries, and 40 submissions could not have had a clearer thrust in the substance of their recommendations. These recommendations address a wide range of issues and challenges facing the fishery including new technology, over-participation, over-capitalization at the processing level, insufficient development of local markets, product substitution, and the introduction of potentially crippling import duties by our major market, the United States.

With respect to the challenges of making products available on a year-round basis, of co-ordination of supply and especially of the management of large inventories and delivery surges, the committee stated that the Freshwater Fish Marketing Corporation devotes considerable resources to unload these inventories, continually seeking out and developing new markets. As a central marketing organization set up to accomplish precisely this task, the corporation has on balance a good record of success. It is a record to which my colleagues have referred today and it has proven to be even more successful within the last year.

Let us examine some of these problems and challenges that are being faced by the freshwater fishermen of our western region and the contribution of the corporation in facing these challenges in more detail.

• (1730)

Single desk selling, as examined by the report, brings greatest over-all benefit when created to consolidate the efforts of a dispersed production. It can also be useful in industries where production varies widely according to the season. It can also provide for streamlining of the marketing process. Greater control can be exercised over quality and variety of products, speed of delivery, and flexibility in transport and payment terms. The single desk system can mobilize resources to seek out markets.

I suppose the area covered by the corporation, 5.34 million square kilometres with a population of less than five million, qualifies as a dispersed area. Indeed, it is larger than most of the world's nations, perhaps as dispersed as any harvesting area in the world. The 23 species of fish appeal to many different markets.

The U.S. is by far the leading market for the products of the freshwater fishery. The harvest of Canada's freshwater fishery does not, however, figure prominently in the total U.S. supply picture. This is because there is substantial production of freshwater fish in the U.S. As well, other nations have aggressive marketing policies for their products. Fortunately, there is now a healthy trend within the U.S. toward increased per capita consumption of fresh fish. However, consumer behaviour is easily changed by prices. Experts believe that price rises for fish products, mainly the result of higher production costs, may soon lead to product switching and the substitution of cheaper protein.

The American consumer is demanding. That is the reality facing Canadian fishermen. We are not the only ones selling our wares. Reliability of supply, price, quality, and attractive presentation to and education of the buyer are often the difference between success and failure in the supermarket. The committee could not be clearer on how to achieve that success: "The Canadian freshwater fishing industry should also endeavour to make its products available in the market-place on a broad scale and on a year round basis." It is that sort of activity which has been addressed by the FFMC. The expertise has a broader application to our fisheries as well.

Let me take a moment to recount some of the problems our freshwater fishery faces. These problems have been tackled by the corporation in co-operation with the provinces. Co-operation is the key word. They have looked at the question of over-participation, overcapitalization, and insufficient development of local markets. These problems are also opportunities. They present an ideal example of potential for continuing constructive co-operation with the provinces. Provincial initiative has always been an important corner-stone of opportunity for the freshwater fishery. Indeed, the committee realized that, and this brings me to the second theme spoken of by my colleagues, that of the role of the provinces in the success of our fishery.

Over-participation and overcapitalization at the processing level may very well create havoc in the fishery. In 1984 the average harvest of 6,435 kilograms generated average gross revenue of $8,222. This overcapitalization at the processing level raises the cost of bringing a product to market, creates pressure for higher prices, and raises expectations for higher than possible gains. The recommendation by the committee to cope with this problem was that the provincial and territorial Governments, in co-operation with the FFMC, co-ordinate their efforts to bring about a good balance of investment in harvesting facilities among participants in the western fishery, given the harvestable quantity of fish. It is that co-operation which sounds a signal note for the future prosperity of our fishery. Other speakers have referred to provincial initiatives in the establishment of the corporation. What better example might we have of the continuing need for provincial input and support than in the recommendation to eliminate the pressing problem of overcapitalization at the processing level.

Provincial participation and co-operation always was and always will be a necessity for the success of the fishery. This applies to similar recommendations with regard to the allocation of fish stocks, product substitution, and development of local markets.

These examples of provincial participation are meant to add to what is a matter of great concern to the provinces. Given the onslaught of new technology, especially in aquaculture, the need for co-ordination of supply, the over-participation and overcapitalization, and insufficient development of local markets, product substitution, and potentially crippling export duties, now is the time to focus all possible co-ordinated efforts to maintain the health of the fishery.

I can foresee potential difficulties for our freshwater fishery if the FFMC is limited in its ability to co-operate with the provinces and face these challenges. We should not forget that the freshwater fishery is as important to many of our small communities as is the fishery to the Atlantic coast communities. These problems are a test of the fortitude and skill of the Canadian fishermen.

Finally, I agree with the thrust and substance of the excellent report produced by the Senate Standing Committee on Fisheries. We know the participating provinces and the vast majority of fishermen support the FFMC. A bright future for the fishery and continued profits for the fishermen can result from continuation of this partnership. Thus we should continue to forge the bonds of the partnership, unique in the history of this growing fishery, between the six Governments which founded the FFMC and which led to success for the fishery and profits for the fishermen.

Mr. Jack Scowen (Mackenzie): Mr. Speaker, it is a pleasure for me to speak today on Bill C-211 sponsored by the Hon. Member for Western Arctic (Mr. Nickerson), my neighbour to the north. He has brought to the attention of Members of this House the fact that there could be some discrepancies in this marketing board which may or may not be to the benefit of his constituents, but certainly not to mine. This gives me an opportunity to tell you about the many lakes and rivers in the northern part of my constituency in Saskatchewan. Most of you probably do not know that there are more lakes in Saskatchewan than there are in Manitoba and Alberta combined. Of course, there are a lot of fish in those lakes.

Before the marketing board was set up, there were at least six different places in my constituency where fishermen caught fish. The industry provided employment for a good many people in the North. We supplied an excellent quality fish which could be purchased in my home town, the City of Prince Albert, and many other places to the south.

Today of course it is a different story. We now have no one working in the industry other than the fishermen themselves. They must first haul ice to where the fish are caught, pack the fish in ice and then haul them back again, truck the whole fish down to Winnipeg, having only removed the head and guts, where they are then processed further. Yet now we cannot buy that product in my home town or in Prince Albert. It is just not available. It all seems to go to the United States. The Freshwater Fish Marketing Corporation has not done its job of making that fish available in other places.

• (1740)

The cost has been fantastic. The fishermen are receiving 70 per cent of the payout after freight and deductions. When you are hauling fish from Stony Rapids, Saskatchewan, you have to fly them to Wollaston Lake where you put them on a truck to haul them to Winnipeg. It is obviously the trucker who makes the money rather than the poor fisherman. The price of gas and equipment has gone up far in excess of the increase they have received in the past few years.

I hear everyone talking about the increase in sales. I have a book, should anyone be interested in borrowing it, entitled *How to Lie with Statistics*. That is exactly what the fish marketing people are doing. They say that in 1969 they sold $14 million worth of fish and in 1987 they sold $58 million worth. There was not a damn pound more sold but the price went up. You can sell the same amount and still raise your sales as long as you get more money for it. I do not buy that one.

It does not sit too well in my craw when I listen to people up north talking about getting 10 cents and 12 cents a pound for fish when fishermen on the Great Lakes probably get 40 cents or 50 cents a pound. They certainly have a tremendous advantage over the fishermen in the North. The fish may not be as good, but that is the way it goes.

The last time I was up north the fishermen were trying to develop a better marketing system with the freshwater fish marketing people. As a result of attending the meeting which I did, I could see that the chance of them getting much more for their fish was pretty slim.

There is always a good side to such things as this. In this case it would be tourists fishing for trophy fish. I believe that as long as the Freshwater Fish Marketing Corporation is handling the fish from my area and that of my neighbour in the North we will have to concentrate on trophy fishing because most fishermen will not take their boats out in the weather with which they have to deal during the seasons that they can catch fish for the paltry sums which they get out of it, and I do not blame them. They have ideas about selling on their own, but it is against the law. They are not even allowed to peddle a little bit to their neighbours.

It appears that the only solution will be trophy fish. All the people who are so in favour of the Freshwater Fish Marketing Corporation should save their money and come on up to catch a big trout or big pike to hang on their mantle. That would be their contribution to solving the problem in the North.

Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines)): Mr. Speaker, in the

speech which the Hon. Member for Western Arctic (Mr. Nickerson) made on October 1, he said that he has been faced with this problem for 15 years. He first raised the problem in the Legislative Assembly of the Northwest Territories 10 or 12 years ago. He raised it here after he was first elected in 1979 and again in 1985 in the form of Bill C-235, which was referred to committee. I was the Chairman of the Fisheries committee when that Bill was referred to it. I regret very much that we were not able to deal with it. We were caught with some other very pressing business and before we knew it, the session had been prorogued and the Bill died.

Something must be dreadfully wrong with the system when a Member has to spend that much time and effort trying to get redress. We have just heard from the Hon. Member for Mackenzie (Mr. Scowen) that he, too, has problems with the Freshwater Fish Marketing Corporation. It boils down to the fact that the corporation has a monopoly on selling fish from the four provinces and the territories. We have the same problem in my province with the vegetable marketing board. It has a monopoly on the sale of vegetables and it is very difficult for anyone to sell their vegetables to stores.

The Member indicated in his speech that he believes that the quality of fish produced in his area is much superior to that in southern areas. There are fish which should be flown directly from that area to market without being frozen in Winnipeg, which destroys the whole fresh market aspect of it.

Some of the things which the Member said in his speech may be slightly inaccurate according to the figures and material I have been given by the Department. However, I agree with most of what he said. The problem seems to be that some of the provinces are in favour of maintaining the FFMC while others are not. I believe that the territories would be well advised to see if they can opt out as a last recourse.

I do not agree with the Member for Gander—Twillingate (Mr. Baker) who said that there is no solution to this. Although the parties are supposed to agree on the policy, if this is as bad a situation as that Member and the Member for Mackenzie say it is, we should try to repair it. At the very least, the Bill should be referred back to the committee in order to get to the bottom of the problem.

There is no doubt that the Senate found that problems exist. In its report it suggested that a pilot project should be undertaken to try to get people interested in a private fish industry in the North. I believe that would be a move in the right direction.

In his speech the Member for Western Arctic said:

> By what right does the Government of Canada prevent anyone from offering a fisherman $2 a pound for his product instead of forcing him to sell it to a government Crown corporation for 20 cents a pound?

If that is indeed happening in his area he has a legitimate complaint. I believe there must be some advantages to the Freshwater Fish Marketing Corporation as well because any marketing corporation has some benefits. One benefit is better control over markets, supply, and quality, although that is not always the case.

It has been said this afternoon that the industry in the West is not doing as well as it should be. I do not have any figures on the poundage, but it looks as though 1986-87 was a record year with $59 million of fish products being sold. That is an increase of $10 million over the former record year, which was 1985-86.

• (1750)

The net income to the fishermen was $36.6 million. The difficulty with this 1986-87 annual report of the Freshwater Fish Marketing Corporation is that it does not break down what the fishermen received per province or in the Territories. For example, the fishermen of Manitoba may have been doing quite well while, according to the Hon. Member for Western Arctic, the fishermen in his area were not doing as well. This situation should be corrected.

I suggest that an official of the Department seriously examine this situation and impress upon the provinces that a problem exists.

Perhaps one solution that may be acceptable to everyone involved is to allow the territories to opt out. Another solution is to adopt the Senate recommendation of a pilot project.

In conclusion, I do not believe an Hon. Member should have to spend seven years trying to get a solution to a problem confronting him and his constituents. It is up to the Department or Members of the House to address the issue.

An Hon. Member: How are you voting?

Mr. Greenaway: I believe I will vote with the Hon. Member who proposed this Bill because he has a just complaint. I will try to be here when this motion comes to a vote.

In the meantime, I suggest that positive steps could be taken. The Minister of Fisheries and Oceans (Mr. Siddon) could step up the process and persuade the provinces to deal with the problem. If they decide to stay with the present situation, so be it. However, if the territories want to opt out, perhaps that would be the answer.

In any event, I told the Member this morning that I think he has a good Bill, and just criticism of the present situation. I do not believe it is fair for the territories to be tied into a system that is simply not working.

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, I welcome this opportunity to say a few words on Bill C-211. This has been a genuine financial success story which is rather unique in that it has blended the skill and entrepreneurial initiative of the Canadian freshwater fishermen with legislative co-operation between the federal Government and its governmental counterparts in four provinces and the Northwest Territories. It is a success story which proves

that co-operation between provinces and the federal Government can forge profits in the rough and tumble of the market-place.

The Freshwater Fish Marketing Corporation resulted from the focus of the collective will of the Government of Canada, in co-operation with the Provinces of Alberta, Saskatchewan, Manitoba, Ontario, and the Northwest Territories to introduce application of what is known as the single desk selling system for freshwater fish.

The results of this system are shown by the recent profitability of the corporation, and dramatically increased returns to fishermen. I want to go further, and to bring facts and hard numbers to a debate that is certainly not new in the *Hansard* of the House of Commons and on which the Hon. Member who introduced it has spoken many times. I am glad that we are not the first to be concerned with these matters, as they affect the interest of our freshwater fishermen, a group whose recent successes must be placed in the context of future challenges.

Let me first recall that the purpose of this corporation was to solve five major financial and economic problems which had been identified by the Province of Manitoba in a brief presented to the National Fisheries Council held in Ottawa in January, 1964. The problems were ones which hopefully can be consigned to our past.

They included disorderly marketing, too many exporters, poor processing equipment, inadequate quality control facilities, and fishermen receiving too low a share of the prices, prices which were constantly fluctuating. That is certainly not a pretty picture and a far cry from today's prosperous industry. But it was different then.

These problems, as described by the commission of inquiry chaired by Mr. George McIvor, placed the fishermen in the western inland fishery in an appalling position of weakness. The commission said clearly:

> We find that under these circumstances, the fisherman is essentially an indentured labourer for the fish companies.

Not just the commission, but also four provincial governments and the Northwest Territories believed that Canada and its regions needed a strong presence in the diverse markets for freshwater fish to survive and prosper. That was 1965, and the corporation was established in 1969 by the Freshwater Fish Marketing Act.

While I would like to provide some of the figures, time will not permit. We have come a long way from the days of the individual producer being an indentured labourer for the fish companies, and the spectre of grinding, unending debt that prompted that description by the McIvor Commission. Last year, total payments to fishermen increased from $28.1 million to $36.6 million, over 30 per cent in one year.

The corporation has outperformed many of our leading industrial corporations. While it is true that historically periodic fluctuations exist, with patterns of lean and fat years, nonetheless the over-all picture, when viewed over a five-year period is one that the Freshwater Fish Marketing Corporation and all Canadians can be proud of. Sales have increased nearly 50 per cent, net income has increased by nearly 80 per cent, and retained earnings by nearly 120 per cent.

Today, the industry enjoys buoyant markets as the demand for fish expands. Yet the traditional cyclical nature of the industry will present the fishermen with new challenges.

The freshwater fisheries are now in transition. New technologies, especially the development of aquaculture, will see the introduction of a whole new interplay of market forces, in an arena in which an isolated fisherman would be at the mercy of these macroforces.

In conclusion, the Freshwater Fish Marketing Corporation is a success story of which we can all be proud. This is not to suggest that it is perfect, but we should consider that to change its mandate at this moment would return us to a position of relative weakness in an uncertain and fluctuating market.

For these reasons, and in recognition of the many successes it has had in a highly competitive and uncertain market-place, I believe that we should encourage and enhance the successes of this corporation.

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I am pleased to follow the distinguished Hon. Member for Northumberland—Miramichi (Mr. Jardine), an adjoining riding to the great riding of Gloucester in northeast New Brunswick.

As I understand it, Bill C-211 proposes to repeal from the Freshwater Fish Marketing Act the definition "participating province" in Section 2, Part III of the Act, and the schedule to the Act. Such amendments would essentially abolish the Freshwater Fish Marketing Corporation, as Part III of the Act establishes the mandate of the corporation and sets out its duties and powers.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 is deemed to have been moved.

HUMAN RIGHTS—ETHIOPIA—POLITICAL PRISONERS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my subject tonight arises out of a question I put to the Secretary of State for External Affairs (Mr. Clark). It was in connection with the linkage between overseas aid and human rights, focusing particularly on the situation in Ethiopia, a country that has received both aid and development assistance from Canada in rich measure, but which has a shocking, indefensible human rights record, judged by the World Human Rights Guide, published by *The Economist*, as the worst in the world.

CIDA announced as of October 26 that Canada will give $10 million in food aid for drought stricken areas in Ethiopia which will bring to $20 million the total bilateral aid given to Ethiopia by CIDA, a previous $10 million having been divided equally among Government relief agencies and Canadian NGOs, non-governmental organizations. This is right. I join the Government in this with great enthusiasm and great commitment.

But I bring to the attention of the House two matters. The first concerns reports of the Standing Committee on External Affairs and International Trade and the response of the Government to that report. In the first instance, the standing committee of this House argues that human rights and overseas development assistance should always go together. The report of that committee, after an exhaustive study, stated that respect for human rights is one of the most important conditions for a true developmental process. It is not unreasonable therefore for Canada to expect that Governments receiving our aid will pursue approaches to development and in supporting human rights that can be broadly supported and approved by the Canadian people.

According to the standing committee, the Government should clearly base its decisions on aid and assistance on a set of principles that respect the priority of human rights. The Government has largely agreed with this contention of our standing committee. It has suggested in its response that the basic principle of the Government will be to ensure that repressive regimes are not legitimized through Canadian development assistance policy and that victims of human rights violations are not doubly penalized by being deprived of needed outside help as well as of their rights. I welcome the news that as far as Canadian aid will go, we will see to it that Ethiopians are not deprived of their human right to sustenance. But are we taking equal efforts to see that the people of Ethiopia are not deprived of their basic human rights, civil, political and social?

The Government has already said in its response that human rights concerns must be fully integrated into Canada's development policies. It has given us the advice that the most valuable guide to human rights is to focus on those violations which are patently systematic, gross and continuous. Clearly, the Government is overlooking, ignoring, bypassing, the patent systematic, gross and continuous violations of human rights in Ethiopia if the Government does not join together with its new and renewed aid programs an equally strong and, hopefully, successful emphasis upon human rights and the need of the Ethiopian Government to come up to at least minimum standards.

According to *The Economist* human rights guide, Ethiopia is worthy of a rating of only 13 per cent, by far the lowest in the world, and the lowest in Africa. There is no country in the world, according to this guide, that has a worse human rights record. Just listen, Mr. Speaker, to some of the human rights abuses in that sorry country. There is no freedom to travel in or outside the country. There is no freedom to peacefully associate. There is no freedom to exchange ideas and receive information. There is no freedom to publish and educate in ethnic languages.

As well, there are such shameful unbelievable abuses as these: serfdom, slavery, enforced and child labour, extra-judicial killings and disappearances, torture by the state, compulsory membership in state organizations, political censorship of the press, censorship of mail, no peaceful political opposition allowed, no rights for women, arbitrary police powers exercised and an arbitrary seizure of personal property.

• (1805)

The most flagrant abuse of human rights on the mass scale was as recent as this summer when the spectre of famine returned to the north of Ethiopia once again, not only because of drought but more particularly this time because of swarms of locusts attacking in massive numbers, seven huge swarms sweeping over Tigre and other parts of the land. Airplanes that could have carried spray to destroy those locusts were prevented from taking off at Addis Ababa. As the House may be informed, more recently aerial sprays have been permitted, but the delay has been a tragic human cost.

I urge that the Government use this opportunity of Ethiopia's need for food assistance and in rightful response to that need by the Canadian Government to insist and demand in the name of humanity that the Ethiopian Government give at least a minimal response to this plea for justice.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): In reply to my friend the Hon. Member for Scarborough West (Mr. Stackhouse), Mr. Speaker, may I say that the Government has followed with great interest the drafting and approval process of the new Constitution in Ethiopia. Hon. Members are aware that we are quite concerned about several human rights violations in that country. We have raised these issues on a number of occasions with the Ethiopian authorities and, if need be, we will keep on doing so. We see the adoption of a new Constitution as a major event, since it amounts to a formal commitment to respect human rights in Ethiopia.

The Canadian Government is quite disappointed that a general amnesty for all political prisoners in Ethiopia was not announced on the day the new Constitution for the People's Democratic Republic of Ethiopia was proclaimed on September the 12th. Our Embassy in Addis-Ababa has since then told the Ethiopian authorities about our disappointment, especially with regard to the members of the former Royal Family of Ethiopia who have been held in custody since 1974. I can give my honorable colleagues the assurance that the Government will continue its efforts in this direction.

In conclusion, Mr. Speaker, I want to commend the Hon. Member for Scarborough West for his constant dedication to humanitarian causes. His personal contribution to that area certainly deserves our admiration.

[*English*]

PHARMACEUTICAL INDUSTRY—BILL C-22—SENATE COMMITTEE'S REPORT/MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, on October 22, 1987, I posed a question to the Minister of Consumer and Corporate Affairs (Mr. Andre) regarding the passage of Bill C-22 in the Upper Chamber whereby several amendments were made.

It should be noted that the debate on this particular subject matter has gone on for an extended period of time. My colleagues in the Upper Chamber have very reluctantly accepted the major thrust of Bill C-22. However, in order to clarify a number of points that had been made previously, particularly in lieu of the statements made by the Minister of Consumer and Corporate Affairs, and other Ministers of the Crown, across the country, the members of the Upper Chamber have made three amendments which in no way detract from the over-all thrust and substance of the Government's legislation.

In fact, the Upper Chamber has called for amendments with regard to job guarantees, expenditures on research and development, as well as guarantees with regard to consumer protection. Those three amendments would merely confirm in legislation what the Minister of Consumer and Corporate Affairs has been telling Canadians for many weeks, indeed months. In some respects it seems rather shameful that the Minister has not seen fit to concur with the reasonable amendments which have been made by members of the Upper Chamber.

• (1810)

I should point out for your edification, Mr. Speaker, that if these amendments were included in the legislation, they would provide a great deal of certainty and confidence to Canadians who, up until this point in time, have had some rather grave and serious reservations about the over-all thrust of Bill C-22.

I have asked the Minister to reflect upon and reconsider his point of view, not to object to or cast out of hand the obvious reasonable amendments which have been made by the Upper Chamber.

In summary once again, the amendments moved by the Upper Chamber do not in any way derogate from the over-all thrust of the Government's legislation. They are an attempt to codify into law the statements which have been made by Canadians and organizations that travelled across the country to appear before the committee of the House of Commons and the committee of the Senate. It would codify those things which the Minister and the Government have been telling us about expenditures on research and development. I think all Canadians, indeed all Members of Parliament, would want to see them realized. Equally important would be the job guarantees to which our government colleagues have alluded. I hope they would see their way clear to reflecting upon these obviously reasonable yet important amendments to the over-all thrust of Bill C-22.

If the Minister wishes to be true to his word—and thousands of Canadians have heard him in the Chamber and across the country—he should have no difficulty whatsoever in placing the amendments into legislation and thereby accepting the principles laid down by the Upper Chamber and by Canadians from coast to coast, whether they be the United Church, senior citizens, provincial Governments, or whomever.

I hope the Parliamentary Secretary to the Minister would reflect most sincerely on these very worth-while and reasonable amendments.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to the Minister of Consumer and Corporate Affairs): Mr. Speaker, what I cannot condone is the way the Liberal majority in the Senate is brazenly obstructing the will of the majority in the House of Commons, whose Members are elected by the people. Meanwhile, Opposition Members have failed to prove that Bill C-22 offers no guarantees either for job creation or for increased investments by pharmaceutical companies.

Mr. Speaker, the Bill provides for review by Cabinet and by Parliament, after respectively, four and ten years of implementation. This is a built-in safety valve which forces the companies to honour their commitments or else see the legislation revoked or revised.

Mr. Speaker, the serious implications of an unsatisfactory performance should, I hope, be ample reassurance for Opposition Members that none of the companies is going to try to get out of its commitments. The drug companies have already guaranteed the public over $800 million and have publicly announced that the industry will increase the ratio of R & D expenditures to sales from 4.9 to 10 per cent over the next ten years. Considering the coverage they are getting from the media, their reputations would be very much in jeopardy if they failed to meet these objectives. They would lose the confidence of the Government and the average Canadian, as well as the support of the rest of the industry.

Mr. Speaker, Bill C-22 has received a great deal of attention from the media across this country. Bill C-22, Mr. Speaker, was fully ratified in its present form by the Quebec National Assembly.

Mr. Speaker, Bill C-22 is a legislative measure which Quebecers want—as do the people of Ontario, I hope, and the other provinces in Canada—to make it possible for people doing research to find markets, to make it possible to create employment in Montreal, to make it possible to create permanent jobs, which happens to be the purpose of this Bill.

In conclusion, Mr. Speaker, allow me to suggest to my colleague that he should try to bring his friends and Liberal senators to their senses so they will stop filibustering this measure passed by the House of Commons.

• (1815)

[*English*]

AUDITOR GENERAL'S REPORT—MINISTER'S POSITION ON FUNDING OF FANTASYLAND PROJECT—REASON FOR FUNDING PROJECT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my intention is to follow up on a question which pertains to the city from which you come. I know it will be of some interest to you. It has to do with the questions that I asked in the House last week of the Deputy Prime Minister (Mr. Mazankowski) concerning a grant to the Fantasyland project in the Edmonton mall.

You will recall, Mr. Speaker, that when it was first raised the Deputy Prime Minister defended the decision to give the money to the Fantasyland project on the basis of how, in his judgment, he thought that the project was good for Edmonton, the mall and western Canada. We were quarreling about whether the criterion for selecting which project would get these moneys had been met and whether the Deputy Prime Minister had bent or broken the rules in order to provide the grant.

The Deputy Prime Minister in the early stages of the debate last week did not even try to pretend that the criterion had been met. He argued that what he had done was the right thing on the basis of what he thought to be the merits of the project regardless of the criterion. It was only in subsequent days that he then started to try to find ways in which he could fit the Fantasyland project into the criterion. It was interesting to see this line of argument develop over the next few days.

I want to address myself to some of the rhetoric that accompanied the defence by the Deputy Prime Minister and the Prime Minister (Mr. Mulroney) of the Government's decision to give this money to the Fantasyland project. What I object to strongly, and I hope you share this view, Mr. Speaker, is that Members of Parliament should be able to rise—opposition Members in this case—and ask legitimate questions of the Deputy Prime Minister or any other Member of the Cabinet about the granting of moneys to particular projects without having to be subject to the accusation that because we raise a question we are against a region, in this case western Canada.

I hope that some day western Canadians like myself can ask another western Canadian, in this case the Deputy Prime Minister, without having either the Deputy Prime Minister or the Prime Minister say, as the Prime Minister did say on the record, that the NDP is somehow against the interests of western Canada because we raised an issue. If we raise an issue with respect to some contract given in Atlantic Canada, are we against the interests of Atlantic Canada? If we raise an issue with respect to the granting of a contract in Quebec, are we against the interests of Quebec? If you cannot raise these kinds of issues without that kind of accusation being leveled, you cannot do your job.

I think it was a very low point in the life of Parliament when that kind of an accusation was made against myself and against other New Democrats because we raised such a question. I can tell you sincerely that this kind of regional McCarthyism, or as we have called it, regional racism, has the same dynamic that whenever you raise a question you are accused of something. Conservative Members of Parliament in previous Parliaments used to be frustrated when they asked a question about something happening in Quebec and Liberal Cabinet Ministers of those days used to retort, no matter what the question was, "You are against Quebec". Conservative Members of Parliament did not think that was an appropriate response by Cabinet Ministers then and it is not an appropriate response today when the Deputy Prime Minister or the Prime Minister use that kind of an answer to respond to that kind of a question by Members of Parliament.

Western Canada is a politically plural society. There is more than one political tradition in western Canada. Conservatives need to have enough respect for western Canada to realize it is not just Conservatives who speak for western Canada. With respect to many controversial western issues, whether it be energy policy or whatever the case may be, there are one or more views.

• (1820)

The tradition from which I speak, the CCF and NDP tradition, actually predates in many respects the tradition of the Deputy Prime Minister. He is basically a product of the Conservative tradition in western Canada created by John Diefenbaker. Long before John Diefenbaker came along, there were CCF members who spoke out for western Canada.

Many Canadians resent this monopoly that western Progressive Conservatives think they have on speaking for western Canada. It will come back to haunt them because western Canadians do not appreciate those who think they have a monopoly on their particular political mind-set. I think we saw that developing out of the events that happened here last week and out of what I understand to be some of the comments made about the exchanges that took place in the House last week.

I make a sincere appeal as one Member of Parliament to other Members of Parliament, let us not drag this place down by getting into this game of accusing each other of being against any particular region or in this case, against western Canada. My children are the fourth generation of my family to have made their homes in western Canada and I for one will just not put up with somebody like the Deputy Prime Minister saying that I am against western Canada. It is not true and the Deputy Prime Minister should have more respect for Parliament and for other Hon. Members than to have suggested that.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion, and Minister of State for Science and Technology): Mr. Speaker, perhaps the Hon. Member's colleague from Skeena might take heed of the very apt and appropriate words he has just directed to us. For the record, it should be of interest to the Hon. Member to be aware of what DRIE officials actually had to say about this particular transaction. I wish to quote from a response DRIE officials made to the Auditor General last summer:

> —that the application for assistance for this project was received on December 7, 1983 and while tourism was dropped from IRDP on November 9, 1984, the application was protected under the grandfather provision. It is clear from file documentation that the necessary permits, construction contracts and actual construction on this project was/were not entered into prior to December 7, 1983 and therefore the project was not prior committed within the terms of Section 29(1) of the pre-November 9, 1984 regulations to the IRDP. DRIE's position remains that the project continued to be eligible for assistance consideration under IRDP, notwithstanding the fact that construction was well advanced in August, 1985 when the DRIE Minister made the actual decision to assist . . . The IRDP contribution facilitated the company in arranging the additional financing and consequently ensured that the project was completed within the originally proposed scope and timing. If DRIE had not offered the assistance at that time, it is highly probably that construction would have been delayed and the significant contributions that have accrued to Canada's economy over the past two years from this tourism facility would have been substantially lessened.

That is the position of DRIE. Obviously the Auditor General has the right to examine it, to consider whether or not it was appropriate and indeed to reject it, but the fact remains that that was the position of DRIE acknowledged by the Auditor General.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Tuesday, November 3, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government response to 23 petitions bearing the following numbers: 332-3124 to 332-3126 inclusive, 332-3131, 332-3144 to 332-3146 inclusive, 332-3194 to 332-3197 inclusive, 332-3200, 332-3207, 332-3211, 332-3217 to 332-3219 inclusive, 332-3224, 332-3227, 332-3228, 332-3238, 332-3245 and 332-3261.

* * *

[*English*]

VICTORIAN ORDER OF NURSES

TRIBUTE ON NINETIETH ANNIVERSARY OF ORDER—STATEMENT BY MINISTER

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on this occasion of the ninetieth anniversary of the Victorian Order of Nurses, I would like to offer the Government of Canada's sincere congratulations to the Order, a national voluntary non-profit organization comprised of 75 branches in nine provinces across Canada.

It was in 1897, with the support of the National Council of Women, that Lady Aberdeen founded VON Canada. Lady Aberdeen had been actively promoting visiting nursing in Britain, where she had made the personal acquaintance of Florence Nightingale, who later wrote to her in Canada, and offered support and encouragement for the new Canadian nursing venture.

At a public meeting on February 10, 1897, Sir Wilfrid Laurier made a motion inaugurating the Order "as a mode of commemoration by the Dominion of the Queen's Diamond Jubilee". Lady Aberdeen was chosen president of the new Order, and on December 28 of the same year, Queen Victoria granted VON Canada a Royal Charter.

The Order's first 12 nurses were admitted at an official ceremony in November, 1897. After only five months, the Order organized a team of four nurses to accompany the Canadian Government Expedition to the Klondike. Throughout the 1917 Halifax disaster, the influenza epidemic of 1918, and two world wars, VON Canada continued to meet the challenging and changing needs of Canadians.

The first branches were organized in Ottawa, Montreal, Toronto, Halifax, Vancouver, and Kingston. When other requests for nursing services came from remote pioneer districts in the west, the VON offered to establish cottage hospitals. In 1898 the first of 44 cottage hospitals was opened in Regina. The last of these was turned over to local authorities in 1924.

More recently, in response to changing community needs, VON Canada is offering such innovative services as adult day-care, placement co-ordination, foot-care clinics, volunteer visiting, and such specialty services as palliative care and respiratory care.

During 1986, some 1,618 VON nurses provided more than three million home visits to 134,500 Canadians. I offer my thanks and congratulations, I am sure, Mr. Speaker, on behalf of all the Members in the House, to this active and vital organization.

Mr. John Nunziata (York South—Weston): Mr. Speaker, on behalf of the Official Opposition I am pleased to join with the Minister of National Health and Welfare (Mr. Epp) this morning to honour the contribution of the Victorian Order of Nurses to Canadian health care on this, the occasion of its ninetieth anniversary.

The Minister has spoken this morning of the Order's first 90 years of service in Canada; of its selfless contribution in times of war, natural disaster and health epidemic. The mark of a truly great health organization is service to Canadians day in and day out in both urban and remote communities. The Victorian Order of Nurses meets and indeed surpasses this standard.

When, in the past, Canadians required nursing care, the Victorian Order of Nurses has always provided this public service with compassion, efficiency, and dedication. As Canadian society has changed and developed, so has the nursing services provided by the Victorian Order of Nurses. It is this ability to identify the needs of Canadians and to respond to those needs which will ensure that 90 years from now parliamentarians will again rise in the House to congratulate the Victorian Order of Nurses for its outstanding contribution to Canadian health care.

• (1110)

Again, on behalf of the Official Opposition, our sincerest congratulations.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it is a great pleasure for me as health critic for the New Democratic Party to add our most sincere congratulations and appreciation to the Victorian Order of Nurses for 90 years of very special nursing services to Canadians.

The VON public health nurses and nurse practitioners have consistently pushed forward the frontiers of health care in Canada, bringing services to northern and remote communities and to the elderly and infirm in the comfort of their homes. They have a vision of a health care system which we as New Democrats share, a system that is preventive and community-based.

Many studies have shown that we must shift a much larger share of our health care dollars from curative to community care. Our population is rapidly aging and institutional care is very costly. It is essential that older people have the option to remain in their own homes as long as possible with a range of community support services like those provided so well by the VON.

I am sure that VON nurses were pleased when Bill C-3, respecting the Canada Health Act, included a new Clause 9 to provide insurance coverage for "additional services rendered by health care practitioners". Unfortunately, to date no provinces have implemented this clause, which could greatly extend community nursing and paraprofessional services. The bulk of funding is still going to hospitals and nursing homes. Only 10 cents of the health care dollar goes to community support services.

I call upon the Minister of National Health and Welfare (Mr. Epp) to extend and expand the tradition established by the Victorian Order of Nurses by increasing funding for community nursing and by persuading provinces to implement Section 9 of the Canada Health Act.

* * *

PETITIONS

DECOMMISSIONING OF LIGHTHOUSES

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have the pleasure to rise in the House to present a petition which requests that Canada Coast Guard not destaff lighthouses on the West Coast of Canada in order to protect and enhance the safety of the travelling public.

A great deal of concern has been expressed in the petition, and the individuals wish that the Minister would act immediately to overturn the proposal as laid down by the Canada Coast Guard.

[*Translation*]

REQUEST FOR BROADCASTING OF WINTER OLYMPICS ACROSS CANADA IN THE FRENCH LANGUAGE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I should like to present a petition which bears the signatures of a number of residents of the Ottawa—Carleton region and which is in accordance with Standing Order 106. This petition humbly sheweth that:

Whereas close to one million francophones residing outside Quebec will not be able to watch French television broadcasts of the Calgary Winter Olympic Games;

Whereas the CRTC compromise under which French TV signals would be made available to cable companies is unacceptable because not all francophone communities outside Quebec have cable service;

Whereas French-speaking Canadians will pay their share of the $200 million earmarked by the Conservative Government for the Calgary Winter Olympic Games.

Wherefore your petitioners humbly call upon Parliament to urge the Conservative Government to respect its commitment toward Canada's linguistic minorities by providing all communities from coast to coast with the possibility of watching, in both official languages, broadcasts of this international event, the 1988 Winter Olympic Games.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I have another petition signed by people from the riding of Ottawa—Vanier, in which your petitioners state that nearly one million francophones living outside Quebec will be enabled to watch the Calgary Winter Games on French language television.

The compromise suggested by the CRTC which would be to make the TV signals in French available to cable TV distributors is unacceptable.

Furthermore, Mr. Speaker, as the Hon. Member for Ottawa—Vanier (Mr. Gauthier) pointed out, your petitioners humbly pray Parliament to urge the Conservative Government to respect its commitments to language minorities in this country by making this program available.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I also wish to table a petition on behalf of many people in Ontario who want to watch the Olympic Games in French. Your petitioners are asking the Conservative Government to meet its commitments to this country's language minorities by making television broadcasting of this international event, the 1988 Olympic Games, available in both official languages throughout the country.

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty as well to table a petition on behalf of people who are very concerned about the fact that the 1988 Olympic Games will not be televised in French throughout Canada.

Your petitioners humbly pray that the Government will meet its commitment to official language minorities and ensure that television broadcasts of this international event be available to all minority groups in the country.

[*English*]

CLOSURE OF EMBASSY IN ECUADOR

Mr. John Nunziata (York South—Weston): Mr. Speaker, on behalf of the Official Opposition I am pleased to present to the House a petition containing hundreds of names and concerning the closure of the embassy in Ecuador.

The petition reads as follows: Whereas the Canadian embassy in Ecuador has been opened and closed twice in the last 10-year period, and whereas the closure of the embassy in Ecuador has caused hardship to those individuals seeking to apply for immigration to Canada and for visitors' visas, and whereas the waiting period for an appointment with an immigration officer in Bogota, Colombia, the nearest Canadian embassy to Ecuador, can be as long as six months, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to express their support for the reopening of the Canadian embassy in Ecuador and to urge the Secretary of State for External Affairs to reverse the decision to close the embassy.

CANADA POST—OPPOSITION TO REMOVAL OF RURAL ROUTE SERVICE—WILNO, ONT.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a petition to present to the House of Commons on behalf of the rural communities in Canada which stand to lose their post offices over the next 10 years under this Government.

The Government has given direction to Canada Post to cut back on rural services and on rural post offices, whereby rural postmasters and postmistresses will be taken off salary, and we will not have a representative of Canada Post *per se* on the payroll of Canada Post in the rural communities of Canada.

The petitioners from Wilno, Ontario are a case in point. They feel that the fight for the Wilno Post Office is the fight for every rural community in Canada. They do not want to see these rural services diminished in any way, because the postmaster or postmistress is the one remaining public servant of Canada identified with the federal Government in many of those communities. He or she is well known to everybody in the community and stands as a representative of the federal Government of Canada and indeed a servant of the community.

Therefore, I present the petition to support their cause that the Government retain rural post offices for the services of rural communities.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, question No. 194 will be answered today.

[*Text*]

DEPARTMENT OF JUSTICE—GRANTS TO METROPOLITAN TORONTO AREA

Question No. 194—**Mr. Redway:**

Since September 4, 1984, did the Department of Justice make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Since September 4, 1984, the Department of Justice made the following contributions to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto:

$75,000 Public legal education information network in Canada—Canadian Law Information Council

$9,500 Improving community mechanisms to support child sexual abuse victims—Metro Chairman's Special Committee

$6,500 National Conference of Directors of the Native Courtworker Program—Ontario Federation of Indian Friendship Centres

$145,800 Child victim/witnesses in the criminal justice system—Metropolitan Toronto Special Committee on Child Abuse

$50,000 Development of a position on the federal government discussion paper on equality rights—N.A.C. on the Status of Women

$5,700 Brief to the Sub-Committee on Equality Rights—Peter Maloney

$5,000 Standford Lectures—1986—Canadian Institute for Advanced Legal Studies

$5,000 Enterprise Crime Conference—Ontario Provincial Police

$10,881 National Database—Metfors

$17,985 Legal Information to Youth—Community Legal Education—Ontario

$38,700 Immigration Kit—Community Legal Education—Ontario

$150,000 National organization for mediation in family law matters—Family Mediation Canada

$60,000 Research project on mediation in family law—Legal Aid Committee of the Law Society of Upper Canada

$5,000 Conference on Constitutional Litigation—Faculty of Law—University of Toronto

$23,000 Language Rights in Canada—Faculty of Law—University of Toronto

$15,160 Special Issue on Section 15 of the Charter of Rights—Phoenix Rising Magazine

$3,500 Special Issue regarding the Charter of Rights and the psychiatric system—Phoenix Rising Magazine

$9,443 Citizen's Handbook on legal ways of cross-border interventions—Canadian Environmental Law Research Foundation

$8,200 Symposium about kids on the streets—Covenant House Toronto

$20,000 National Conference on family mediation—Family Mediation Canada

$20,160 Training, Information Standards and Ethics on Family Law—Family Mediation Canada

$7,500 National Criminal Law Program Conference—Federation of Law Societies of Canada

$8,000 Conference on the Charter of Rights—Federation of Law Societies of Canada

$6,000 Annual lecture series on media, courts and the Charter—Osgoode Hall Law School, York University

$11,000 Start-up of Advocate Journal—Canadian Human Rights Advocate

$12,700 Research study on the effects of mediation—York University

$25,275 Upgrading and expanding legal information—Advocacy Resource Centre for the Handicapped

$7,500 International Conference on black lawyers and jurists—Delos Davis Law Guild

[*Translation*]

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

Mr. Deputy Speaker: The question enumerated by the Minister has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1120)

[*English*]

Mr. Deputy Speaker: I wish to inform the House that because of the ministerial statement, Government Orders will be extended by six minutes beginning at one o'clock.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House proceeded to the consideration of amendments made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, we are making history here today in the House of Commons but not the kind of history any of us could be proud of. Never before in this country, in this Parliament, has the House of Commons been asked to approve a legislative proposal not once, not twice but three times.

Mr. Frith: You might get it right the third time.

Mr. Andre: Three times we have been asked to pass a piece of legislation.

Let me recount very quickly the history of this legislation. All kinds of claims have been made as to its initiative, where it has come from, where it is tied to and so on. It bears reminding the House that in June, 1983 the Hon. Member for Papineau (Mr. Ouellet), then the Minister of Consumer and Corporate Affairs, introduced a White Paper on behalf of the Liberal Government which said in part:

> To generate further growth in this industry—

Namely the pharmaceutical industry:

> —the Government of Canada has decided to change the Patent Act to rebalance the 1969 policy.

That was the policy of the Liberal Government which needed to rebalance the 1969 changes to the Patent Act to generate growth in the pharmaceutical industry. On April 17, 1984 the then Minister of Consumer and Corporate Affairs, Judy Erola, appointed the Eastman Commission. In June, 1984, the Leader of the Opposition (Mr. Turner), who at that point in time was duly elected and receiving briefings from Mr. Osbaldeston, continued to hold directorships of several companies, including the chairman of Sandoz Canada. In that capacity he was highly critical of compulsory licensing and said that it needed to be amended.

On July 16, 1984, during the election campaign, which deals with the question as to whether the Government has a mandate, the Progressive Conservative Party said:

> A Progressive Conservative Government would review the Patent Act to ensure that intellectual capital is protected and to allow innovating companies to profit from the investment made in research and development without causing the consumer to pay unduly higher prices for medications.

We are on record as a Party during the election campaign as saying that we would change the Patent Act.

On February 16, 1985, four months after the Government was sworn in, the current Minister of Supply and Services (Mr. Côté) then Minister of Consumer and Corporate Affairs, described the Government's intention to act on the pharmaceutical issue in a February 16 interview with *Les Affaires*, a Quebec business journal. The Minister stated that he intended to table a new policy for pharmaceuticals by the spring of 1985.

On February 22, 1985, again just four months after being sworn in, the Government, the Pharmaceutical Manufacturers Association of Canada and the Canadian Drug Manufacturers Association initialled a protocol suspending compulsory licensing applications while work proceeded concerning amendments to Section 41(4) of the Patent Act. Four months after the Government was elected, we had this protocol, but it came apart and was never acted upon. On February 28, 1985, the Eastman Commission reported. On March 15, the then Minister of Consumer and Corporate Affairs announced that consultations with the generic and brand name companies would be held. There were a series of consultations.

I might point out that on June 20, 1985, the then PQ Government of Quebec adopted a resolution unanimously in the National Assembly calling for amendments to the Patent Act. That was repeated by the newly elected Liberal Government of Quebec on December 19, 1985.

Someone has suggested that the trade negotiations were tied to Bill C-22. The Government in July, 1985 had P and P meetings in Baie Comeau. The Cabinet decision to initiate trade talks was announced in September, 1985. The amendments to the Patent Act came out of our commitment in the election and preceded by almost a year any concern about the decision respecting free trade.

One year ago on November 6, 1986, the Bill was finally given first reading in this House. There were 12 hours of debate in this House and extensive committee hearings were held. Finally the Bill was sent to the Senate in May of this year. The Senate resisted all efforts on our side to encourage it to engage in pre-study on the Bill. That is something the Senate does quite often on complex and important Bills, but the Senate refused to do so in this instance. When the Bill was referred to the Senate, instead of giving it the usual treatment of reference to a standing committee, the Senate set up a special committee which went on a tour of the country to try to get some groundswell of opposition. Some $350,000 were spent on that. That committee reported at the end of June. I was around all the month of July making it known to the Senate that I was here to discuss the Bill with the Senators. I had only one meeting, and after prodding from our side finally, on August 12, the Senate reported. On August 26 this House discussed the motion to send the Bill back to the Senate.

I might mention a couple of quotes from the debates of that day. The Hon. Member for Vancouver Kingsway (Mr. Waddell) said:

> —we believe the Senate should let the Bill pass after the House of Commons has, in fact, reviewed the matter.

On the same day the Leader of the Opposition, the Right Hon. Member for Vancouver Quadra, said:

> —at the end of the day the elected House of Commons must prevail. That is a clear position of the Liberal Party.

The Bill went back to the Senate. The Senate has then referred it to another committee. The Senators said they had no intention to delay, and I made it clear that I was anxious to appear before their committee. Finally, on October 3 I had one appearance before the committee. A member of my staff saw the amendments which we are now debating written on a document dated September 29. In other words, the Senate had already made its decision on the amendments before I appeared before their committee. It then reported to the House. The Senate was to debate the matter two weeks ago, but it was not possible because the Liberal Leader in the Senate was in Scotland and he wanted to speak. The Senators were going to discuss the matter last Tuesday, but again it was not possible because my remarks from the committee on October 3 were not yet translated. Then the Senators were to discuss the Bill on Wednesday, but the Governor General had need for the Red Chamber. Finally, on Thursday with one speaker from each side, the Senate sent the Bill back.

I challenge anyone to suggest seriously that what we have been exposed to over the last six or seven months is cold, analytical, non-partisan sober second thought. I challenge anyone to describe that as sober second thought.

Mr. Nunziata: What are you suggesting?

Mr. Andre: We have now before us amendments with which we must deal.

I have a motion I would like to put to the House respecting these amendments. I have given copies to each of the opposition Parties and if it is agreed, I would like to have the motion taken as read. It is technical and extensive and I will deal with the substance of it, of course, in debate, but in the interests of saving time, perhaps I could have the agreement of the House that this motion, seconded by the Minister of State, might be introduced as read.

• (1130)

Mr. Skelly: Mr. Speaker, would there be a quick summary of the motion given before we give the unanimous agreement to it? I would like to hear the motion in summary.

Mr. Andre: I am not asking for unanimous agreement to the motion, I am asking for unanimous agreement for it to taken as read and I will give a description.

Mr. Skelly: Before that is given, will the Minister just give a quick summary?

Mr. Andre: Okay, Mr. Speaker—

Mr. Nunziata: I rise on a point of order, Mr. Speaker. I understand that a copy of the motion has been given to

opposition critics. However, there are others in the House who have not had an opportunity—

Mr. Andre: I gave four copies to each Party.

Mr. Nunziata: That is true, but there are more than four Members in the House of Commons. I have not received a copy and perhaps the Minister can give us a précis of the resolution itself in order for us to participate adequately. If not, we might be put in a position to request that it be read.

Mr. Andre: I will read it and I want to thank the Hon. Member for his respect for the traditions of decency and fair play in the House.

Mr. Deputy Speaker: As soon as the Minister has read the motion and has forwarded it to the Chair, the Chair will make copies for everybody in the House.

Mr. Andre: The motion reads as follows:

That a message be sent to the Senate to acquaint Their Honours that this House agrees with amendment 18(b) made by the Senate to Bill C-22, an Act to Amend the Patent Act and to provide for certain matters in relation thereto, but disagrees with all other amendments except amendment 13(a), (b), (c), and (d), 14(a), (b), (c) and (d) and amendment 16(a) because this House believes that amendments 4(b), ll, 12, 15(a), (b), and (c), 16(b), (c), (d) and (e), 17(a) and (b) and 18(a) are in contradiction to the fundamental principles of the bill and undermine the objectives of the policy.

More specifically:

Amendments 4(b), 11 and 12 change the coming into force of the sections thereby jeopardizing all the research and development commitment of the industry, and are therefore not acceptable;

Amendments 15(b), (c) and 18(a) remove flexibility from the Patented Medicines Prices Review Board inconsistent with the design of such regulatory agencies and are therefore inconsistent and not acceptable;

Amendment 15(a) arises out of Senate amendments 13 and 14 and is therefore inappropriate;

Amendment 16(b), (c), (d) and (e) and 17(a) and (b) arise out of amendments 13, 14, and 16(a) which are proposed for further amendment by this House in this Message. Therefore the Senate amendments are inappropriate.

And that Senate amendments 13(a), (b), (c), (d), and 14(a), (b), (c) and (d) be amended to read as follows:

That clause 15 of Bill C-22 be amended,

(a) by adding, immediately after line 36 on page 13, the following:

"(1.1) Where, in the opinion of the Board, a patentee of an invention pertaining to a medicine has, within such period as is prescribed, increased the price at which the medicine is sold in any market in Canada by a percentage in excess of the percentage increase in the Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for that period, the Board may, by notice in writing, require the patentee to provide the Board with such information and documents concerning the costs of making and marketing the medicine as the Board may specify and as is available to the patentee in Canada or is within the knowledge or control of the patentee, and on the receipt of any such notice, the patentee shall comply therewith within such time as the Board may specify."

(b) by striking out line 45 on page 13 and substituting the following:

"tion (1) or (1.1),"

(c) by adding, immediately after line 33 on page 17, the following:

"(5.1) Where, in the opinion of the Board, a patentee of an invention that is a medicine has, within such period as is prescribed, increased the price at which the medicine is sold in any market in Canada by a percentage in excess of the percentage increase in the Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for that period, the Board may, by notice in writing, require the patentee to provide the Board with such information and documents concerning the costs of making and marketing the medicine as the Board may specify and as is available to the patentee in Canada or is within the knowledge or control of the patentee, and on the receipt of any such notice, the patentee shall comply therewith within such time as the Board may specify."

(d) by striking out line 42 on page 17 and substituting the following:

"accordance with subsection (5) or (5.1),"

(e) by striking out line 17 on page 20 and substituting the following:

"purpose of the report referred to in"

(f) by striking out lines 2 and 3 on page 23 and substituting the following:

"shall contain

(a) a summary of pricing trends in the pharmaceutical industry; and

(b) the name of each patentee to whom a notice under subsection 41.15(1.1) or 41.16(5.1) was sent during the year and a statement as to the status of the matter in respect of which the notice was sent."

(g) by striking out lines 4 and 5 on page 23 and substituting the following:

"(2) The summary referred to in paragraph (1)(a) may be based on information and".

And that Senate amendment 16(a) be amended to read as follows:

That Clause 15 of Bill C-22 be amended by adding, immediately after line 17 on page 19, the following:

"(12) Where an order is made under paragraph 6(d) in respect of a medicine, the prohibitions set out in subsections 41.11(1) and 41.14(1) cease to apply in respect of the medicine effective on the date of the order."

Mr. Nunziata: Mr. Speaker, just to make the record absolutely clear, I did not request that the Minister read the motion, I simply requested a précis of the motion itself. I will let the record speak for itself and the manner in which the Minister read the motion speak for itself. I do not think Canadians are impressed or amused by the Minister.

Mr. Andre: Mr. Speaker, let me very quickly indicate that among the amendments sent by the Senate, there is one amendment that seeks to improve the quality of the translation between French and English, and in fact the amendment of the Senate does that and we certainly find that acceptable.

The Senate was of the impression that the rules respecting drugs which are researched, discovered and patented in Canada might be exempt from the requirement to keep prices lower than the cost of living. Our officials disagree with that observation, but certainly the amendment in that regard proposed by the Senate gives added assurance, and in that regard is acceptable.

The other amendments deal with three fundamental questions. The suggestion was made by the Senate that the provision dealing with what is called pipeline drugs and I will define them in a moment, be retroactive. The Bill acknowledges that between the old regime prior to Bill C-22 and the new regime which would be in place after Bill C-22 is passed,

some drugs are caught in between, in the pipeline for approval. That was the reason the Government signed a protocol on February 22, 1985, almost two years ago, providing that there be a halt to applications and processing of compulsory licence applications pending the introduction of the new Bill.

In the event, the protocol fell apart, and applications continued to stream in for compulsory licences, so after much negotiation and discussion, it was decided by the Government that for those drugs, there would be a special time period during which the brand name drug would have a period of exclusivity. The rules were that if a compulsory licence had been applied for and granted prior to June 27, 1986, the patentee would have seven years of exclusivity. If an application for compulsory licence had been applied for but not yet granted by June 27, 1986, the patentee would have an eight-year period of exclusivity. Anything applied for after that, of course, is 10 years of exclusivity.

Senators have suggested that the June 27, 1986, date is retroactive, so they have eliminated through amendments that provision and said that the Act will come into force when it is proclaimed. We have difficulty with that. First, it violates the agreement that we had negotiated with all parties over almost two years, a year and a half at that point in time. It would be a very bad precedent for Parliament to say that the Government cannot honour an agreement which in essence it entered into with all parties concerned after much discussion.

• (1140)

Then there is the question of retroactivity. Why is that offensive in itself? People make plans based on their interpretation of the law and the rules. It has been deemed unfair by the courts, and certainly by Parliament, to come along and say that the rules under which someone has been operating under for the last year and a half were not really the rules and we are now changing the law. If we were to accept the Senate amendments and do away with the June 26, 1986, date in the Act, we would be saying to all those companies who have based their behaviour until now on that date that they were wrong, that is not the correct date. That would be retroactive and detrimental. It is for that reason that we cannot accept the Senate amendments in this respect. We believe it to be inappropriate and a bad precedent to do so.

There is a second group of amendments which deal with the question of research and development commitments. The Senate has said, in debate and through its amendments, that if we have a commitment from the industry to spend 10 per cent of sales on research, why not write it into the law and make it specific?

Mr. Orlikow: Why not?

Mr. Andre: I will explain why not. First, the commitment is an industry commitment, not company by company. There is an important difference. It may well be that there will be companies who spend 8 per cent of sales on research, or 6 per cent. There will be companies who spend 10 per cent, 12 per cent, 14 per cent. The commitment we have, and what the industry will be held accountable to, is the over-all average. On an annual basis Parliament will receive the report of the drug prices review board and that will allow us to monitor whether the performance requirements have been met.

In addition, it is also bad law because it will negatively affect their behaviour. Let me give you some hypothetical examples. A new small company, perhaps Canadian but it is not its nationality but its size that is relevant, has one or two new products. It is typical in the industry that when a new product hits the market, sales start out rather slowly because physicians do not immediately jump to use a new product. They want some assurance that it is going to work properly for their patients and so on. If it turns out that the drug is valuable in the treatment of disease, then sales start to go up.

You could have a small Canadian company spending 10 per cent or 15 per cent of its sales on research while selling at a certain rate, and then if sales of the drug start to take off in the latter quarter of the year, they would have to halt sales because their sales to research ratio for that year would be knocked out of whack and they would lose their patent. It would have the effect of triggering undesirable behaviour by a company in order to meet a rigid numerical test.

Another not uncommon practice for companies with a limited number of products is to buy other companies so that their salesmen have a complete line of products. For example, most drug companies have a line of over-the-counter drugs such as cough medicines, headache remedies, stomach remedies and so on. If a new company were starting up with a limited number of patented drugs and wanted to complement its sales line by buying an over-the-counter operation, it might not be able to do that if the total sales of the group caused its R and D ratio to be knocked out of whack.

Bear in mind that research and development cannot be turned off and on like a spigot. You do not go down to the local UIC office and hire Ph.D.s in biochemistry. It takes a long time to get a research program under way. Planning is required and you are not able to respond that quickly. By having a rigid numerical formula for each and every company, you could trigger behaviour that nobody wants.

Another possibility, based on the Senate amendments, is that a company would restructure itself so that it hold its valuable patents and does its research in one company and everything else in the other. It would be very easy to meet the research targets spelled out in the Senate amendments through the one company, while the other company has no patents and therefore it does not really matter whether it has any research or not because no penalties can be imposed under the provisions of the Act.

While the intent of the Senate may be the same as ours, to achieve a spending level on research of 10 per cent of sales, while the argument for writing it into the law sounds reasonable at first blush, in fact it is not a good law and not the right way to go. For that reason I recommend that this House not accept those amendments.

The Hon. Member for Montreal—Sainte Marie (Mr. Malépart), in a radio interview, said that at end of the day we are going to be accountable if the industry fails to meet the R and D requirements. The Government that introduced the legislation is going to be accountable. However, the Government of the day will have the ability to go back to the old rules after four years. The Government of the day will have sufficient power to make sure that the industry meets those levels. If it does not do so, it will be accountable to the people in the election, and that is the way it ought to be.

Mr. Orlikow: You will not be that Government, that is for sure.

Mr. Andre: The Hon. Member may be right. If he is, then why in blazes is he doing everything he can to hold up this legislation? If he is confident that his Leader, the Hon. Member for Oshawa (Mr. Broadbent), is going to be the Prime Minister, he should know, and he does, that the Government of the day will be able to undo this legislation by Order in Council. No Bill is necessary. If he is confident about being the Government, then he should have no difficulty in helping us get this motion through.

There is a third group of proposed amendments which would put in a rigid numerical test which says that the cost of a drug should not increase more than the cost of living as indicated by the Consumer Price Index. That is the intent of the legislation. The Senate says if that is the intent, write it in and be absolutely specific. That is bad law. I remind the House that when we had runaway inflation, the Anti-Inflation Board was there to make sure that prices and wages did not increase beyond specific levels. However, there was always flexibility to allow for exceptional cases. Good law provides flexibility.

Let me give a hypothetical example. A company has a new drug on the market and it is very useful in treating certain diseases but it has a negative side effect for 10 per cent of its users as a result of an impurity. By spending more money the company can remove that impurity or reduce the unfortunate side effects to 1 per cent, but to recover the cost it would have to increase the price more than the cost of living. The company would, in essence, be precluded from doing what might be appropriate for medicinal reasons because if it did so the Act would require that the company lose its patent automatically and without judgment. I do not think we should have law which contains such a provision.

• (1150)

There could be dozens of reasons why a particular drug may merit an increase of more than the increase in the cost of living in a particular year. The Senate apparently believes that the drug prices review board will not be in a position to ensure that that happens. The head of that board, Dr. Eastman, believes that the board has the power.

However, in order to give added assurance we are suggesting that Clause 15 be amended by adding, after line 36 on page 13, that if, in the opinion of the board, a patentee has increased the price in excess of the Consumer Price Index, the board can require that patentee to provide detailed financial information on how the price of a drug was set to enable the board to make a judgment. If the board makes a request under this provision, it will be required, in its subsequent annual report, to report that it made a request of that company and to give its reasons for its judgment, whether to allow the increase or to take away the patent.

We think this is an unnecessary addition, that the board would be effective without this, but we will put it in black and white in the law. One of the consequences of the activity of the Senate is to raise once again the spectre of whether drug prices will increase at a faster rate than the cost of living. They will not. I maintain that those who claim that they will are wrong and have no basis for making that claim.

However, it has been repeated so frequently that, as is the case with many things which are repeated again and again, a case has been established by virtue of repetition rather than by virtue of any foundation. That being the case, it is perhaps not unreasonable to give added assurance to the public that drug price increases will be less than increases in the cost of living except where clearly justified and justifiable.

That is the basis for the amendments. We cannot accept what the Senate is proposing. We believe that its proposal to make every company meet rigid numerical tests in research and development will lead to avoidance, distort business decisions, and could be unfair in some cases.

By way of rationale, it is very common for companies to sell drugs on licence. The most successful drug company today according to the stock market is Merck. Merck will be introducing a new anti-peptic ulcer drug called Pepsum but the patent will actually belong to a Japanese company. Merck will be selling it in North America on licence from the Japanese company.

Since you cannot take away from Merck a patent that they do not have, the inadvertent effect of the Senate's proposal would be to exclude from consideration this drug, which may or may not be very important in terms of revenues to Merck but which, in my view, should be considered when deciding whether Merck is doing its 10 per cent of sales on research. I think that should involve the judgment of the House and future Governments. The drug prices review board should be published, but a rigid numerical test is simply bad law. It is bad not to permit judgment in these instances.

With regard to the cost of living, we believe that under the original Bill C-22 the drug prices review board would have kept increasing the cost of all drugs, including that 80 per cent which never attracts any generic competitors, under increases in the cost of living. We must remember that when there is no generic interest in a drug taking away the patent is hardly a penalty.

We are convinced that the drug prices review board will work. We believe that the annual exposure of the public to drug prices will have a significant downward impact. However, because the concern that prices will rise has been repeated *ad nauseam*, although it has never been established on any rational basis and is only a propaganda technique, some people have started to believe it.

Therefore, to give added assurance we are proposing these amendments which empower the board to do that which I am sure it would have been able to do anyway, that is, to examine in detail the rationale for any price increases above the cost of living, to make a judgment as to whether or not they are appropriate, and to report annually on the fact that it has made the analysis and on why it has accepted or rejected the price increase in each instance.

I believe that that provides suspenders on top of a belt, but it should keep the pants up and be doubly assuring to those who are nervous.

Finally—

Mr. Dingwall: Thank goodness.

Mr. Andre: The Hon. Member groans and says that he is glad I am concluding. I remind him that I had the distinct pleasure of listening to him for two hours on his third reading debate.

Mr. Nunziata: He made sense, you don't.

Mr. Andre: Mr. Speaker, in closing I will read a quote from Senator Frith, the Deputy Leader of the Opposition in the Senate. In speaking on July 24, 1986, on the amendments to Bill C-67, the Parole Act, which the Senate amended and which was sent back to that place in the summer of 1986, Senator Frith said the following:

> Notwithstanding that we are right and they are wrong, notwithstanding all of these reasons to insist, the fact is that we are not an elected body. It is our job—and I believe that we classically fulfilled our job in this case—to expose the weaknesses of this bill. We proposed an amendment. We drew the attention to the people of the country and to the media of the weaknesses of this bill. We passed a good amendment, an amendment that we can be proud of. If the majority of the elected representatives still give us the back of their hand, then I suppose they should get away with it.

The Senator was saying, and he was right, that the Senate should not exercise a veto over the House of Commons. On August 26 of last year the Leader of the Opposition said:

> —at the end of the day the elected House of Commons must prevail.

He was saying that the Senate should not exercise a veto over elected representatives. It is unacceptable that the Senate should veto the House of Commons.

• (1200)

Mr. Caccia: It is not about the veto at all, and you know it.

Mr. Andre: Our Government will have to face the electorate with our record. We are prepared to do that. However, it is unconscionable for people to seriously propose that we should have to face the electorate on a record that is not of our own building but one that is a merger of what the Senate wants and what the House of Commons wants. That is simply an unacceptable democratic principle.

There has been more said about this Bill than any other Bill in the history of this Parliament. It has had more due process, more second thought—sober or otherwise—and it is time to get on to other business and demonstrate to the other place, by our quick action on this motion, that this it is about time they let the will of the elected representatives of Canada prevail—

Mr. Caccia: You know very well that is just rhetoric. They put on paper your own promises.

Mr. Andre: The Hon. Member came in, was not here for most of my debate, and now says they have just put on paper my own promises. I have just spent half an hour explaining why each of those amendments is bad law. He was not here.

He has nothing to learn and he is going to make sure that he never learns anything by plugging his ears and coming in and making a statement which, as I just spent half an hour explaining, is not true. He has the gall to make this accusation.

Mr. Caccia: You are not convincing.

Mr. Andre: How would the Hon. Member know whether or not I was convincing if he was not here to hear me?

Mr. Caccia: I was here for the past 20 minutes.

Mr. Andre: He was not here to listen to me, but he was sure that I was unconvincing. That is great logic.

It is the end of the day—

Mr. Caccia: For you.

Mr. Andre: I would prevail upon the Liberal Party, but also upon the New Democratic Party, to make the point. I have not reviewed all aspects of the Bill. Those points have been made repeatedly here, more often than should be necessary. I think it is time that we got on to other business.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, it is a pleasure for me to rise—

Mr. Andre: Mr. Speaker, I rise on a point of order. I just want to apologize to the spokesmen for the opposition Parties who were here for my debate. Unfortunately, I have to leave for a speaking engagement and I want to apologize to them. However, my staff will be here. Should any questions arise that require me to answer, I will endeavour to get back to them.

Mr. Dingwall: Mr. Speaker, I rise on a point of order. Before the Minister leaves the Chamber, I want to ask him a question. Why has the Minister refused to table his motion with regard to the amendments submitted by the Senate in both official languages? Why has the Minister not extended

the courtesy to Members of Parliament of tabling the motion in both official languages? I would like the Minister to explain why he has refused to do this and what shameful excuse he can give to Canadians for allowing this to take place, when we have two official languages.

Mr. Skelly: On a point of order.

Mr. Andre: Mr. Speaker, I will very quickly explain that. Indeed, there is no requirement for tabling, if you will. The procedure is to read the motion, but this motion being long and technical, I extended the courtesy of distributing it to the opposition Parties in advance of reading it.

The reason that it is not available in both official languages is that, as recently as two hours ago, inaccuracies were discovered as a result of gremlins in the typewriter. It was simply not possible to have it earlier.

While I take the Hon. Member's point about its being absolutely necessary to reflect that this is a bilingual country with respect to our dealings in this House, I can assure him that it is not through some insensitivity, disinterest or anything else. Normally, motions are not given to the Opposition. I extended the courtesy of doing so in advance of its being read in the House. I hope the Hon. Member will recognize that for what it is and not as some attempt to violate the Official Languages Act.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, I am raising a point of order because I feel very strongly that the Minister must be told it is absolutely unacceptable that the Government and the Minister of Consumer and Corporate Affairs (Mr. Andre)—who has conveniently left the House, to go and hide—should table in the House a number of amendments to a Bill as important as Bill C-22, while copies of these amendments in both French and English are not available to opposition Members.

Mr. Speaker, it is unacceptable and a direct contradiction of the spirit of the Official Languages Act. I want to make it quite clear today that this Government has a duty to ensure that Parliament can function properly, and that the Government must not only respect the letter but also the intent of the Act, which is that all Members shall have access to documents they can read in their own language. The methods used by the Minister do not meet this requirement, and I am referring to the fact that he gave a quick reading in English—we had to try and follow what he said—of a very technical amendment that was several pages long, and that of course Hon. Members have to be able to react to those amendments. I think that in 1987 it is absolutely unacceptable, when we have a Government, a Minister who comes to the House, gives us the verbal back of his hand and then has the nerve to leave after tabling amendments dealing with a very important Bill in one language only.

Mr. Speaker, I will let my colleages from Montreal and Quebec take it from here.

[*English*]

Mr. Skelly: Mr. Speaker, I rise on a point of order. The Minister has brought before the House today one of the most important matters that we have discussed. Indeed, the Minister mentioned that it is historic. The Senate has slapped the House of Commons in the face with respect to this issue and the House cannot stand still.

It is with great regret that I see the Minister has left and I am unable to ask for unanimous consent of the House for a short period of questions to determine what would be the proper course of action.

In my opinion this House should be dealing with the affront to the elected officials of Canada posed by a non elected group. The Government must resign and go to the people on this issue or take up the offer to geld the Senate before the Meech Lake Accord becomes final. This is completely intolerable and the House must address that question before we get on to the merits of the drug Bill.

It has been proposed that the Prime Minister (Mr. Mulroney) call a constitutional conference before the Meech Lake Accord is finalized and we still have an opportunity, with seven of the provinces and 50 per cent of the population, to put the Senate in its place and remove the powers that have basically offended the people of Canada by denying the passage of legislation put forward by their elected representatives. It is disgraceful that the Minister has left the House before we can have an opportunity for a short period of questions on this important matter.

• (1210)

Mr. Caccia: Mr. Speaker, the Minister of Consumer and Corporate Affairs (Mr. Andre), who has now left the Chamber, accused me of having not been in the Chamber when he delivered his speech. I object very strongly to this and I would ask him, through you, Mr. Speaker, to withdraw that statement. I have been in this Chamber since a few minutes after he began to speak.

His statement is not only incorrect, but it affects the credibility of the Minister himself who alleges something that is not true. In addition, I must draw to the Chair's attention that the Minister chose to leave this Chamber as soon as he completed his remarks.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart), on a point of order.

Mr. Malépart: Mr. Speaker, I think Canada's francophones have been insulted and they may well feel insulted by the Minister's tabling in the House this is a bilingual country!—of a document in English only, about a Bill, about issues that are very important to Quebecers. They may well feel insulted by the Minister, who says he realizes this is a bilingual country but in fact hands out strictly unilingual documents. Canada's francophones are fed up with words, words, words. They want action and they want it now. Mr. Speaker, to add insult to insult, the Minister goes so far as to inform us he distributed this document as a courtesy. Should we ask him to have the courtesy to make it available in French? It is not a courtesy, it is our right. If Canada is a bilingual country and if the Conservative Government is bilingual, in practice as well as in theory, then something should be done about this, and the chairman of the Conservative caucus from Quebec caucus should defend the rights of francophones.

Mr. Speaker, this happens at a time when the father of all Quebecers, after fighting to defend the rights of francophones against the stranglehold of the English, is lying in state in Montreal.

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I wish to reassure my hon. colleagues and say that, as Parliamentary Secretary to the Minister of Consumer and Corporate Affairs, I will certainly stay in the House to listen to their remarks and later on convey to the Minister their concerns about this Bill.

Also, Mr. Speaker, I should like to indicate to my colleagues that if ever a Government has been consistent in its approach to the official languages issue, it is this Progressive Conservative Government. Let us not fall into this leftward trap for they would like nothing better than to use this little incident—I will direct a question to you, Mr. Speaker, and to say that it is an insult to Canadians, etc. In my opinion, Canadians are well aware of the fact that this Progressive Conservative Government has an absolutely unblemished record in this country with respect to the question of the two official languages.

I understand that the Minister tabled this morning with the clerk a copy of the amendments. For this reason, Mr. Speaker, could you indicate to the House how things stand with regards to the translation of this document?

Mr. Deputy Speaker: Actually, the Chair has just received—

Mr. Malépart: It's about time. It's a shame!

Mr. Deputy Speaker: —the translation of almost all the amendments.

Mr. Malépart: For francophones, it's an hour later in the Maritimes.

Mr. Deputy Speaker: Having received the translation of almost all the amendments, the Chair will have it distributed to the Hon. Members right away.

[*English*]

Mr. Orlikow: Mr. Speaker, I want to support the objections made by my friends in the Liberal Party. I happen to be a Member who is still only knowledgeable in one of our official languages, which is English. It is unfortunate and I congratulate those Members on both sides of the House who have taken the time and made the effort to learn the second language. However, I happen to be the spokesperson and critic on this subject for our Party and I want to say that if the Minister, who introduced this motion of the Government in response to the Senate's proposal, had tabled it in the French language, I would have had a great deal of difficulty in dealing with it.

I am sure that Members of this House whose main, if not only, language is French are having the same difficulties now and certainly until the time they receive a translation, as I would have had in the reverse.

It seems to me that a Government which prides itself on the progress it has made in expanding the use of both languages, could have waited another day and had the translation here before it brought this motion forward.

Mr. Nunziata: Mr. Speaker, this matter has been raised as a point of order, but I am specifically rising on a question of privilege and seeking direction and a ruling from the Chair on the matter. A Minister of the Crown, representing the Government of Canada, came into the House of Commons this morning and presented a resolution to the House. I was here when he presented his motion. He presented the resolution, then sought the unanimous consent of the House to dispense with the reading of that particular resolution.

If you recall at the time, Mr. Speaker, I stood and asked the Minister to give a précis. I was not aware at the time that the resolution was not translated into both official languages. The Minister proceeded to read the resolution, notwithstanding the fact that he was not requested to do so, with such speed that it was totally incomprehensible.

I am sure that if you review the video *Hansard*, Mr. Speaker, of the Minister's reading, you will find that not only was it incomprehensible in English but I am sure the translators in the House of Commons, who are here to translate into both official languages, were unable to translate the Minister's reading of the resolution into French.

Although I have some knowledge of the French language, Mr. Speaker, I am not proficient enough to read and to understand a resolution of this nature, and I understand there are Members in this House who are unilingually French. We are either a bilingual country or we are not. It seems to me that if a Minister of the Crown finds it acceptable in the Parliament of Canada to present a resolution in the House in only one official language, it is not only insulting to French Canadians, generally, but insulting to this House and shows contempt for the Official Languages Act and for the fact that Canada is officially bilingual.

The Minister gave us some lame excuse for not having the—

Mr. Dingwall: A patronizing comment.

Mr. Nunziata: Indeed, it was patronizing, as my colleague has pointed out. He said he extended a courtesy to other English speaking members of the Opposition in providing them with a copy of the resolution in English. If it was a courtesy to provide a copy of the resolution in English, how can one describe the discourtesy and contempt in not providing the resolution in French, the other official language?

The Minister indicated that there were some gremlins in the Translation and he only became aware of it a few hours ago. By his own words, the Minister is admitting that he had full knowledge of the fact that the resolution was not translated in both official languages when he commenced his remarks today. Notwithstanding the fact that he had full knowledge that the resolution was not translated, he proceeded to introduce that resolution in the House and to read through the resolution with such speed as to make in incomprehensible. He was arrogant in the delivery, and I am seeking a specific ruling from the Chair. I believe my privileges have been breached as well as the privileges of all Members, by the fact that the Minister did not present the resolution in both official languages.

I believe very strongly that the Speaker should rule on the matter even though there might be a technical escape for the Minister. I am sure the Government may use some technical arguments for not presenting the resolution in both official languages. The fact remains that at the very least the spirit of the Official Languages Act has been breached and contempt has been shown for it.

• (1220)

A few short days ago a very prominent Canadian died, a Canadian who fought all of his life for the fact that those people who have French origins in Canada should have certain rights in this country. He went as far as to argue that there should be sovereignty association because the English-speaking majority were infringing upon the rights of French Canadians living in Quebec. Today the Government of Canada has given reason why there are those in Canada who believe in sovereignty association and separatism, because the Government has shown such contempt for the other official language.

You indicated in your comments, Mr. Speaker, that an hour after the Minister had presented his resolution, you had received a partial translation. That is not good enough. The fact is that the House did not have the complete text. A partial translation is not enough. Canada does not have partial bilingualism. It is full and complete. People have fought for that right. I ask you to stand up in the House, Mr. Speaker, and reinforce that right of all Canadians.

Mr. Deputy Speaker: I thank the Hon. Member for his representation. However, in the opinion of the Chair, I must rule that the question that he raised, although an important one, is not a question of privilege. In Beauchesne's Fifth Edition at Citation 411(3) it states:

> All motions must be presented to the Speaker in writing in either of the two official languages.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) rises on a point of order.

Mr. Gauthier: If I rise on a point of order, it is to give the translators a chance to provide us with a true copy of the document which the Minister has tabled in English only. I have scrutinized the support document which we were provided with and which is a translation of the technical amendments which the Minister is proposing. On page 1 of this document—

[*English*]

The front page of the document where it states that a message be sent to the Senate and explaining more specifically what the purpose is, is not with us at this time, Mr. Speaker.

[*Translation*]

Mr. Speaker, I should think that the House would want to give all Members the opportunity to perform their duties correctly and responsibly, and that it might spare a few minutes to ask the Clerk how much longer we might have to wait for the final translation. Should it be a matter of only five minutes, I think that the point would have been made and that the translation will be useful. But if this is to take one or two hours, perhaps the Clerk might advise the Chair concerning the time needed to provide a translation of the document submitted in English only by the Minister.

I bring this to the attention of the Chair in an attempt to help solve this problem which is a serious dilemma for us and which, as the Hon. Member for Saint-Denis (Mr. Prud'homme) reminds me, has been raised on a number of occasions in the House. It was even suggested that the Commissioner of Official Languages ought to mention this in his annual report and urge the House to request that all documents be tabled in both official languages to make work easier for all Hon. Members.

Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) made the point: Had this document been available in French only, I think everybody here would agree with me and say: we must wait for the English version. I think it is just as unacceptable that we are given the document in only one language, that we are given a partial translation. I ask the Chair to tell us how much longer—five minutes, ten minutes—we have to wait before we get the final translation, and if that is how long it takes I am prepared to wait.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis (Mr. Prud'homme), on a point of order.

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I must say I am getting very impatient, because I don't like wasting my time here in the House. I am not necessarily blaming the Government or the Chair or the staff. It is the system. I am sure everyone here realizes my good faith and personally, I think I have been very accommodating. However, one does get sick and tired of being accommodating all the time. I say "All the time" to make myself quite clear, because I realize people always get upset when this issue is brought up.

[*English*]

I know that many people get upset when we raise that—parliamentary language stops me saying exactly what I was going to. But on that question, I have had enough.

For those people who may feel that we are raising some difficult point, I am not blaming the Government, or ourselves, I am blaming the system. Surely the Clerk does not have at his disposal a translation immediately. Surely a Minister of the Crown knows ahead of time that he is going to table something, he knows that he is going to table an amendment. The Ministers have the staff, the know-how, and the possibility, and they should do it.

To show our fairness, I ask for those who may be impatient and whose first language is English, to put themselves in our shoes. Since I have been in the House, I have never seen anyone having to raise this question because some documents were produced only in French. Those amendments are very technical and difficult to understand in one's own language; just imagine trying to adjust in another language.

I call upon you, Mr. Speaker, to ensure that if Ministers do not have the possibility, the time is now coming, and I am sure our House Leader, our esteemed Whip, and our colleagues will say that we will no longer make exceptions.

You know the volatility of the House, Mr. Speaker, It is very difficult. If some Members start playing with the rules of the House and applying them, not much work will be done in the House. As a senior Member, I would not like to be the one to raise this again. I also would not like to be the one to start applying the book of rules of the House.

Please, Mr. Speaker, say to the House Leader to get his act together, and say to cabinet Ministers that from now on this will not be done. I hope that Mr. Speaker will understand that I will not eternally raise that question of having those services within the boundaries of the Hill. People dream of having a bilingual Canada from one ocean to the other. I dream with them. But let us start here within the confines of this building, this place, this House of Commons.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I regret that I should have to rise in the House to reproach the Minister of Consumer and Corporate Affairs (Mr. Andre) for having tabled amendments in English only.

It is positively unconscionable that today, in 1987, when every department has staff that is competent to prepare the documents the Minister needs, that that Minister should come to the House and table this text in only one of our two official languages.

What I find particularly unfortunate is that this is not the first instance of a profound lack of respect for a custom that has been a tradition in the Parliament of Canada for over 15 years. The previous Government would never have allowed this to happen, but it is typical of the present Conservative Government that it should fail to observe the now well-established parliamentary tradition of tabling documents in both official languages. I must reprimand the Minister severely for this breach of parliamentary tradition.

In fact, I see this as typical of the Conservative Government's general attitude to official languages. It is not the first time the present Government has been at fault in this respect.

Not long ago, I was reading an article in one of the Montreal papers which recalled that twice within the last few weeks, the President of Canadian National spoke in English only at some very important public meetings sponsored by Canadian National in the province of Quebec.

Who would have thought this could happen again in Montreal? Many years ago, a former president of Canadian National insulted French Canadians, and at the time, we hoped that subsequent presidents would be fluent in both official languages. Fortunately, the previous Government took steps to ensure that at least one of the two senior directors of Crown corporations as important as Canadian National would be fluently bilingual.

I must say with deep regret that the present CN president does not speak French, and it is a very serious shortcoming on the part of this Conservative Government that it has failed to ensure that one of the two heads of this Crown corporation—it is headquartered in Montreal and sponsors formal dinners and major social activities throughout the Province of Quebec—does not have the decency to see to it that the spokesman for CN is someone who can speak the language of the majority of people in the Province of Quebec.

And this, coupled with the attitude of the Minister of Consumer and Corporate Affairs (Mr. Andre) today, reveals precious little concern on the part of the Conservative Government with respect to the two official languages, as well as French in the Province of Quebec and in the House of Commons.

Such a situation therefore is no longer acceptable, and I urge the Government, the Prime Minister (Mr. Mulroney) to issue strict orders to his Ministers so that this situation will never arise again.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on the same point of order I must say that I objected very strongly and that I felt insulted as a francophone—and I am sure all francophones in this country are as well—by the attitude of the Conservative Government and of the Minister of Consumer and Corporate Affairs (Mr. Andre), who tabled a document in English only.

The Conservative Government first decided to table the text in English. But then, when Members of the Official Opposition, both anglophones and francophones, objected to this procedure, the House gave us a document with part of the text in French.

Mr. Speaker, I have to say that I completely disagree with this approach. I am sure there is not a single francophone in Canada who agrees with this way of doing things. First, we get a text in English only. If opposition Members had not objected or had failed to mention the fact, no one would have noticed.

So what did the Government do to correct this mistake? Did it say, sorry, we will adjourn the House for a few minutes until we get the French translation and we will submit both versions at the same time? No! People came running through the House to give us a text that was half-filled in and incomplete, and expected the francophones to be satisfied. Here is a bit of French, that should do it!

Mr. Speaker, the Conservative Government's behaviour cannot be condoned. And aside from any political considerations, I deplore the fact that we did not hear from our francophone colleagues on the Government side—I know some of them are ardent defenders of the French fact—and that we did not see them rise in the House to teach the Government a lesson. If we say nothing today, the Government will maintain its offhand approach, and that is why it is so important for all Ministers of the Conservative Government to understand that in future, documents shall be tabled in the House in both official languages. I am sure that if any of the Conservative Ministers—and I am sure this certainly applies to the Minister of Consumer and Corporate Affairs—if any of the Ministers had to table a text in French only, there would have been the devil to pay. So if that is how anglophones feel about it, francophones feel just the same, and I hope this will not happen again.

Mr. Fernand Robichaud (Westmorland—Kent): On the same point of order, Mr. Speaker, I must tell you that I am somewhat disappointed, because after the Minister tabled his document in the House and had copies of it distributed, when I asked the page for a copy in French, he told me that none was available.

Several minutes later, we are told that the translation of some of the amendments is available in French. On the one hand, I have a document in English with all the amendments, and on the other hand I have a document in French with only some of the amendments.

Mr. Speaker, I suggest the Minister is showing his contempt for all French-speaking Canadians, considering that he had received this document from the Senate last week, more specifically last Thursday, and that he had plenty of time on Friday, Saturday, Sunday, and Monday to get a translation. He could be excused on the grounds that translators do not work on Saturdays and Sundays, which leaves both Friday and Monday. Now we get here, and are told: Sorry, the French translation is not available. To get it, as francophones, you may have to wait a few days after the debate is over. We do not have the French text.

Mr. Speaker, I know that you are taking note of our objection to this kind of action by a Minister representing the Government of Canada.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, could I suggest to the House this compromise? In order to allow for the translation of this document, may I suggest that we call it one o'clock and that following negotiations, we proceed with the scheduled debate at 3 p.m.? Therefore, I now seek the unanimous consent of the House to call it one o'clock, to make it possible for the translators to complete the translation of the document.

• (1230)

[*English*]

Mr. Lewis: Mr. Speaker, I think my hon. colleague has made a very helpful observation. I am sure that when the Minister was considering his actions he had in mind Standing Order 70 which provides that motions may be in writing and in one language or the other.

I appreciate the comments of my colleague who has just spoken. I can assure him that while we had the response from the other place for two or three days, there were considerations taken by the Government in respect of what response might properly be made to the other place.

I think my friend would admit and acknowledge that in fact two of the changes requested from the other place were in translating more correctly part of the document, and that is why those two changes were agreed to by the Government. We had no difficulty with that. However, I can assure my hon. friend that the decision was only taken late yesterday afternoon as to exactly what would be the response. Of course that triggered putting the response into one of the official languages. Obviously we have to get our response in one official language before we can even begin to translate it into the other official language.

In any event, I think my colleague has made a very helpful suggestion. It is my understanding that the entire wording will be available very shortly in both official languages.

In the interests of a reasoned debate—and I know my colleague who will respond for the Official Opposition does not want to be interrupted—I think my colleague has made a very helpful suggestion that we should call it one o'clock or 1.06 or whatever and that the debate resume after Question Period. We are content with that.

Mr. Deputy Speaker: Is there unanimous consent to call it 1.06 p.m.?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I do now leave the chair until 2 p.m. this day.

At 12.40 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—FORECAST THREAT TO PROVINCIAL JURISDICTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, according to constitutional law Professor Petter the so-called free trade agreement threatens provincial jurisdiction. He notes that in addition to removing the authority of provinces to protect domestic wine and spirits producers there is potential for encroachment by the federal Government on provincial powers in the sectors of energy, services, investment, and the right to set quantitative restrictions.

In the text of the Washington-Ottawa agreement, Canada is committed to take all necessary steps to ensure provincial compliance. This raises the spectre of the federal Government using its taxing and spending powers to force provincial co-operation.

It seems strange for a federal Government, pledged to respect provincial jurisdictions, to make a 180 degree turn and impose the supremacy of the federal Government over the provinces. Here is another contradiction of this Government between its promises and actions. If so-called free trade will be imposed on the provinces it will sap their powers. What a sham of Progressive Conservative promises.

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POLITICAL PARTIES

NEW DEMOCRATIC PARTY GOVERNMENT IN MANITOBA

Mr. Joe Reid (St. Catharines): Mr. Speaker, so, the NDP are riding high in the popular opinion polls, but can the New Democrats govern? Ask the people of Manitoba which has the only NDP Government in Canada. It also has the highest provincial debt, $9,000 for every man, woman and child. Its spending is out of control. After Quebec it has the highest rate of taxation.

Though the New Democrats talk about the environment, according to the Canadian Nature Federation, Manitoba has the poorest record on environmental matters of all provinces. The NDP Car Insurance Corporation is losing $50 million annually.

No wonder then, as popularity polls are taken across the country, in Manitoba where people have an NDP Government the NDP trails a poor third at 27 per cent, down from the 31 per cent of days gone by.

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ABORIGINAL RIGHTS

NISHGA LAND CLAIM CASE—SUGGESTED REFERRAL TO SUPREME COURT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, B.C. Attorney General, Brian Smith, has applied to the Federal Court of Canada to prevent Ottawa from settling the century-old claims negotiations with the Nishga Tribal Council. The Nishga have an historic claim of aboriginal title to the Nass Valley and have been negotiating with Ottawa for 12 years. The Supreme Court of Canada split three-three on this case in 1973. Already this year the Federal Court rejected a similar application to that of Mr. Smith's.

The Government of Alberta just last week agreed to settle the outstanding 47 year old claim of the Lubicon Band and negotiations began yesterday. Clearly the Government of British Columbia, which is a signatory to the Meech Accord and to the Constitution Act of 1982, is trying to stall the recognition and affirmation of aboriginal title and rights in British Columbia. In attempting to scuttle the Nishga negotiations, the British Columbia Government is forcing a crisis.

The Government of Canada must act in the interests of all Canadians and protect the constitutional, legal and moral rights of the Nishga. If there is insufficient political will to conclude and negotiate a settlement at the federal level, then now is the time for Canada to make a direct reference of the Nishga case to the Supreme Court of Canada.

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[*Translation*]

NORTHERN QUEBEC

INTERNATIONAL SYMPOSIUM FUTURE OF NORTHERN QUEBEC TO BE HELD AT AMOS

Mr. Guy St. Julien (Abitibi): Mr. Speaker, an international symposium on the future of northern Quebec will be held from November 19 to 21 in Amos, Abitibi. This symposium will enable northern specialists to meet and it will promote an exchange of experiences and viewpoints on northern development.

S. O. 21

Under the chairmanship of Mr. Louis Edmond Hamelin, a world known northern specialist, this symposium will be organized jointly by the *Université du Québec en Abitibi-Témiscamingue*, Hydro-Quebec (La Grande region), the municipality and the James Bay Development Corporation.

Nearly 30 speakers from Canada, Quebec, France, Sweden, the U.S.S.R., Norway and China will be there to discuss northern development.

The Minister of Employment and Immigration of Canada (Mr. Bouchard) will attend the opening of the symposium on November 19. The issues examined will be social economic development, northern development management and territory development in a multi-ethnical spirit.

Mr. Speaker, I appreciate the work of the members of the organizing committee for the Symposium on the Future of Northern Quebec as this Symposium will prepare northern residents for the year 2000.

* * *

• (1405)

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—OPINION OF HON. MITCHELL SHARP

Ms. Sheila Copps (Hamilton East): Mr. Speaker, on the issue of free trade, we heard this morning that a freer trader by the name of Mitchell Sharp thinks this is a bad deal. The reason he thinks it is a bad deal is not because he is against liberalized trade but because he feels that this particular deal will compromise Canada. We are pitting a strong partner against a weak partner in a continentalist approach to trading as opposed to opening our eyes, our arms, and our markets to the whole world.

In fact this issue is not about free trade; it is about a bad Mulroney deal which is selling out Canadian interests in energy, culture, and economics for the all-mighty American buck. A point was made today in the committee when somebody said there is a price to pay for being a Canadian. We heard a Conservative member ask in a snarky fashion, "What price?"

The continentalist pull which has had its historic impact on this country is such that if we do not develop and continue to nurture an east-west trading relationship among the provinces, we will be taking the first step toward absorption by the United States. That is what this issue is all about. It is about keeping Canada together. It is about a bad economic and cultural deal that could cost Canada our sovereignty.

We on this side of the House believe that Canadians are entitled to all the facts on the deal. We want a full and open discussion because we believe Canadians will reject this bad Mulroney deal when they finally see the fine print. The Government wants to ram it through because it knows it will not stand up to the scrutiny of Canadians.

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HOUSING

CO-OPERATIVE HOUSING PROJECTS—SUGGESTED ROLE FOR CANADA MORTGAGE AND HOUSING CORPORATION

Mr. Alan Redway (York East): Mr. Speaker, last weekend in Toronto I attended both the sod-turning ceremony for a new CMHC-funded senior citizens' home sponsored by Hope United Church and the Shelter for Women Conference sponsored by the YWCA. Participants at each event stressed the great difficulties churches and co-ops are having in finding land for affordable housing projects when they must compete against offshore investors and private condominium developers.

How can CMHC help to solve this problem without providing enormous amounts of new money? The YWCA conference had two excellent suggestions, one, lend the co-ops money to buy land on condition that CMHC becomes the owner or can sell it if the project does not proceed; two, advance the time of the annual CMHC co-op housing proposal call to ensure that budgeted funds do not lapse but are actually used to create housing.

In this International Year of Shelter for the Homeless I hope the Standing Committee that deals with housing matters will give these suggestions serious consideration.

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PESTICIDES

CONSEQUENCES OF USAGE

Ms. Lynn McDonald (Broadview—Greenwood): Canada is being blanketed with a thin film of pesticide residues, threatening animal life of all kinds and in all regions. World Wildlife Fund research recently showed a growing threat to the smallest water insects, through snapping turtles, to the polar bear, all living far from the original source of the contaminants.

Last week the Law Reform Commission of Canada issued a study which had alarming results. Many pesticides in use are unsafe, including some accepted on the basis of fraudulent safety tests.

The Pest Control Act has not been amended in 15 years and even its weak provisions are not being enforced. There is no

remedy at law for pesticide damage to the environment or for long-term health consequences. Screening for pesticides in food is often haphazard and pesticides are still being dumped in massive quantities into our river systems.

What is the federal Government doing about all this? Precious little. Research funding for toxicology has been cut back, and the Environmental Protection Act deliberately excludes herbicides and pesticides, yet we are all being affected, from farm families to consumers in the cities, from the blue heron to the voter next door.

I call on the Government to begin to take seriously the environment and health threats from herbicides and pesticides. This means money, research, legislation and enforcement, and I call on the Government to do it fast.

* * *

[*Translation*]

NEW DEMOCRATIC PARTY

PUBLICATION OF DOCUMENT "BASIS OF RESOLUTIONS"—POSITION OF NDP

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, Peter Cook was right to speak about the wrinkled face of the socialist Party in this morning's issue of the *Globe and Mail*.

That Party recently published the summary of a document entitled "Basis of Resolutions". This document refers to the evolution of the NDP up to their 1987 Convention. Here are a few passages from this document:

Resolution K.2.1, 1979: The NDP encourages support for a whole series of efforts to establish the legitimacy of the dissident, socialist and Marxist ideology.

Resolution T.1.3, 1983: The New Democratic Party will be satisfied only when we achieve a socialist and democratic Canada; in B.4.3, 1985, the NDP objects to Canadian participation in NATO; in H.1.2, 1981, the NDP suggests the purchase of Imperial Oil at a cost of $12 billion; in E.l.3, 1981, the NDP suggests the purchase of the Canadian Pacific at a cost of $4 billion; in K.3.2, 1981, the NDP proposes legalizing prostitution and bawdy houses; in D.4.2, 1977, the NDP proposes a surtax on food products with little nutritional value.

If the socialist leader is honest, I challenge him to table in this House his "Basis of Resolutions" for the specific information of Canadians, and to say whether he still agrees with the resolutions this document contains.

S. O. 21

EMPLOYMENT

ALLEGED GOVERNMENT INACTION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, tomorrow 500 employees or should I say unemployed workers from Vickers of Montreal will demontrate on Parliament Hill in an attempt to catch this Government's attention.

Thousands of people in Sept-Îles tried to pressure the Government into saving jobs in their city. Unemployed workers from Matane had to pay for buses to come here in order to get the Government to do something. But this government did nothing, nothing at all to create jobs.

The Picard report was published a year ago with 86 recommendations to help promote and develop the Montreal area. Still nothing. Five weeks ago, the Committee for the development of East Montreal tabled a report on job creation and industrial development in East Montreal. But his Government did not do a thing, Mr. Speaker.

This is unfortunate. Tomorrow, unemployed workers will come here to try to be heard by this Government. One thing is sure, this Government will not last very long.

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AUDITOR GENERAL'S REPORT

MANAGEMENT OF PUBLIC FUNDS—GOVERNMENT'S PERFORMANCE

Mr. Marcel Tremblay (Québec-Est): Mr. Speaker, as a member of the Standing Committee on Public Accounts for the past two years and as a former public auditor, I feel obliged to rise to express my satisfaction with the Auditor General's annual report, tabled in the House on October 27.

Believe me, Mr. speaker, I can appreciate all the efforts made by the Mulroney Government, a Government that is trying to be efficient, open, sound and honest in the management of public funds. The Auditor General's report is ample proof of the marked improvement of public administration in Ottawa and of the tightening of controls.

What a contrast with the 1981, 1982 and 1983 reports. Public administration then had no orientation, no controls and no effectiveness.

There was so much to be done. We inherited deficits and problems in so many areas: budgetary, constitutional, environmental, in the field of international relations and so on.

There is no use asking who showed more honesty and more morality. You simply cannot make comparisons with the previous Liberal Government. We put order where there was nothing but disorder before September 4, 1984. That is what the Auditor General himself is saying.

Mr. Prime Minister, Québec-Est wants to thank you for your leadership.

* * *

• (1410)

[*English*]

RELIGIOUS PERSECUTION

EXECUTION OF BAHA'IS IN IRAN

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I hope all Members of Parliament will join with me in regretting the fact that two more Baha'is in Iran have been killed as a result of their refusal to recant their religious faith. These two men, Amir-Husayn Nadiri and Ardishir Akhtari, have been in prison since September 12, 1984. Their execution on September 28 of this year brings to at least 207 the total number of Baha'is killed since 1978 in Iran for refusing to recant their religious beliefs.

This religious fanaticism on the part of the Khomeini regime is an offence to the whole world and something that all Members of Parliament should be able to join together in condemning. This is one of those occasions on which I regret the passing of Standing Order 43. This is the kind of occasion on which all Members of Parliament could join together to send a unanimous message to the regime in Iran that this kind of persecution and execution of people for their religious beliefs is completely unacceptable to the entire international community.

* * *

• (1415)

THE LEADER OF THE OPPOSITION

Mr. Bob Horner (Mississauga North): Mr. Speaker, I would like to take this opportunity to read a letter which I received from one of my constituents which is so typical of the letters I am receiving from a lot of my constituents. It reads:

> With the stock market seeking new lows, it is comforting to know hypocrisy is reaching for new highs.
>
> John Turner has repeatedly said, "Being Canadian has a cost and I am glad to pay that cost". He states this as he rants against the free trade agreement that will be of such enormous benefit to consumers.
>
> As an "ordinary Canadian" taxpayer, I find his words full of hypocrisy as well as repugnant. Does he not realize he no longer has any concept of what the "ordinary Canadian" is willing to pay for?
>
> When John Turner walks into his closet to dress each morning, he thumbs through his button-down $80-plus cotton shirts and has to decide whether to wear a blue, white or striped one. How many "ordinary Canadians" have to make those decisions? Few! Why?
>
> Because most "ordinary Canadians" cannot afford a closet full of $80-plus cotton shirts. These same shirts, with free trade, would cost about half what John Turner "is willing to pay to be Canadian".
>
> Perhaps Mr. Turner should try to "buy his Canadianism" at his own expense—

Mr. Speaker: Order, please. Hon. Members know that the Chair always wants to allow some latitude in Statements by Members but they ought not be used as an attack on any particular Member. I am sure the Hon. Member would not want to do that.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—NEGOTIATOR'S TESTIMONY TO COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, our number two trade negotiator, Gordon Ritchie, has admitted that the Government did not do any job studies before signing the trade agreement with the United States. That was his testimony yesterday before the committee as reported to me. That contradicts everything Canadians have been told by the Government.

The same negotiator admitted that parts of the final text, which we have not seen, are critical to an understanding of the agreement. That again contradicts everything we have been told by the Government.

Finally, the negotiator admitted that the dispute settlement mechanism will not improve Canada's chances in disputes with the United States. That, once again, contradicts everything Canadians have been told by the Government.

In the absence of the Minister for International Trade I will direct my question to the Deputy Prime Minister. Why has the Government consistently and repeatedly misled Canadians about the job impact of the trade agreement, about the availability of critical information on that agreement, and about the value of the dispute settlement mechanism?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, this is, of course, a matter which is before the committee. The Right Hon. Leader of the Opposition knows that every study which has been conducted with regard to a free trade agreement with the United States indicates that there will be a significant net gain of jobs in Canada. That should be welcome news to the right hon. gentleman, notwithstanding the fact that he said he would tear up a free trade agreement with the United States.

Mr. Riis: Can you table those studies?

Mr. Mazankowski: The Economic Council of Canada is an independent body that has studied this quite thoroughly, as have other institutions which have indicated that this is a very positive initiative for Canada.

With regard to the dispute resolving mechanism, the right hon. gentleman and other Members across the way have indicated that this trade arrangement would not be worth anything if it did not have a binding dispute resolving mechanism. That it has. That is a first in the international arena and is something which the hon. gentleman should endorse even though he does not like a free trade arrangement with the United States.

COST OF GOVERNMENT ADVERTISING CAMPAIGN—PROGRAMS TO ASSIST AFFECTED WORKERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I am basing my questions on the testimony of Gordon Ritchie, our number two trade negotiator who reports to Ambassador Reisman and, through him, to the Prime Minister.

• (1420)

Mr. Ritchie said in the committee that the dispute settlement mechanism would not improve Canada's position in disputes with the United States, that it is not binding and continues to apply American law to Canadian exports.

The Government has spent $12 million in putting together an advertising campaign to promote this trade deal across the country. According to Mr. Ritchie's testimony, the Government has not yet had time to put together any adjustment programs to protect Canadians who will lose their jobs as a result of the trade agreement.

Is the Deputy Prime Minister aware that 60 per cent of Canadian women in manufacturing work in industries which will be hardest hit by the trade deal? These include women working in the textile industry, the electronics industry, the food processing industry, and the leather manufacturing industry.

Why can the Government find $12 million to put together an advertising program to promote the deal, yet not have the money to put in place currently any program to protect Canadian workers who will be affected by the deal?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we have a range of programs now, including the Canadian Jobs Strategy, Job Futures—a range of programs to help individuals, as well as a range of programs in the Department of Industry and Science and Technology that help companies. That is also reinforced by the programs for western diversification and Atlantic opportunities. That clearly addresses the needs for adjustment that the Hon. Member is seeking.

We do not expect that there will be those needs for adjustment because we believe that in a growing economy we will be able to take advantage of these programs and, as the Deputy Prime Minister said, increase jobs in this country during the period in which we move into the free trade arrangement.

Let me add one other point to the second part of the Hon. Member's question relating to the impact on women. The study for the National Advisory Council on the Status of Women stated that the free trade agreement will be beneficial to women in Canada. The Economic Council also came to that conclusion. Again, the Leader of the Opposition is off base on this particular comment.

Mr. Turner (Vancouver Quadra): Again, I based my question on the testimony of Mr. Gordon Ritchie before the committee last night where he said that the Government is only now planning programs for adjustment for workers who are to lose their jobs. He said that last night. He also said that new programs would be necessary to cushion those workers who are going to lose their jobs.

[*Translation*]

CANADA-UNITED STATES TRADE AGREEMENT—EMPLOYMENT—WOMEN—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I should like to direct my question to the Minister of Finance or the Deputy Prime Minister.

Can the Minister comment on the statement made by his colleague the Minister of Employment and Immigration to the effect that half a million jobs will be lost as a direct result of the Canada-U.S. free trade agreement? Or perhaps the Minister might comment on the Maryland University study which indicates that 77 per cent of Canadians who will be laid off in the textile sector will be women? Should he want to consult his Cabinet colleague responsible for the status of women, how can one contradict a study specifically related to the textile industry?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Leader of the Opposition is distorting what the Minister of Employment and Immigration said. Let me remind him again of the various programs that are in place now to help those people who lose their jobs today or in a free trade environment. Industrial adjustment programs are in place now. Community futures programs are in place now. Skills investment programs are in place now. Restructuring assistance is in place now. There is product improvement and plant modernization. All these programs are in place now.

However, the key to this is that in a growing economy, which is creating more jobs, this adjustment is much easier to accommodate and will certainly be far less than the adjustment that is taking place in the country today.

Again, I draw the attention of the Leader of the Opposition to the Economic Council report which points out that yearly some 4.5 million people change their jobs from one company to another. We have a growing economy that has created 959,000 jobs in the last three years. Because we have a growing economy we are able to accommodate this adjustment. What we expect in the free trade agreement will be far, far less than that which is happening right now.

• (1425)

COMMENTS MADE BY TRADE AMBASSADOR

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Deputy Prime Minister. There is a report in today's news that Bruce Phillips, Director of Communications in the Prime Minister's Office, has now said the Prime Minister will not seek a retraction from Ambassador Reisman of the maladroit and unfortunate remarks he made last week.

You will recall, Mr. Speaker, that the Prime Minister said he would report to the House on that matter. We now have a comment from his Director of Communications.

Considering the transcript is very clear that Mr. Reisman said that those who oppose the free trade deal are using the big lie techniques that were used in Nazi Germany, why is it that the Prime Minister and his Government are condoning those kinds of remarks? Does he not believe that that will now give licence to other spokespersons of the Government to continue to use that kind of insulting language that all Canadians find reprehensible?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the answer to that is no. I am surprised the Hon. Member would raise this matter when it is a question of privilege raised by Members of this House which has not yet been disposed of at this particular time.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would simply say to the Deputy Prime Minister that it is not I who raised it. It was a spokesperson for the Prime Minister's Office who has now issued a statement on behalf of the Prime Minister saying they would not issue a retraction. We believe this is a matter before the House. We expect the House to be treated with dignity and respect. Ambassador Reisman did not even bother to show up at the committee last night to issue any kind of apology or show any example.

We want to know why the Government is treating this Parliament with disdain. Why is it condoning these kinds of remarks? Why is it giving licence for this kind of low-belly response and debate it is sponsoring on the free trade issue?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Prime Minister and the Government of Canada are not treating the House with disdain. I need only remind the hon. gentleman that when the Auto Pact arrangement was put in place the Government of the day, which was a Liberal Government, chose to exclude the House of Commons—

An Hon. Member: Answer the question.

Mr. Mazankowski: —any committee debate, any provincial involvement or any public involvement.

Mr. Axworthy: Did I ask about the Auto Pact?

Mr. Mazankowski: I find it rather strange today—

Mr. Guilbault (Saint-Jacques): What about the Nazis?

Mr. Mazankowski: —that the Hon. Member is trying to deal with something which is currently before the Speaker for adjudication. But if the Hon. Member wants to bring forth quotations, perhaps he might be interested in this remark that occurred in the committee, since we are allowing committee proceedings to be debated on the floor of the House—

Mr. Gauthier: No.

Mr. Mazankowski: —which is somewhat irregular. Mr. Reisman said this:

> I want to say that I have the utmost respect for every Member present in this room who I believe is approaching their task and their responsibility in a conscientious and sound manner. I intend to answer questions in response to their queries in that spirit. That is the way I am going to conduct myself at this meeting.

ECONOMIC COUNCIL'S STUDY—CREATION OF JOBS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, all I would say to Mr. Reisman is you don't show respect for Members of Parliament by comparing them to Nazis. That is the point.

I want to ask the Deputy Prime Minister another question. It has been said by the Prime Minister and the Minister for International Trade a number of times that this trade deal the Government is negotiating with the United States will lead to the creation of some 350,000 jobs. They base this on the Economic Council of Canada study. The Minister of Finance just a few minutes ago referred to the same study.

Considering Mr. Ritchie in committee yesterday explicitly acknowledged that the Economic Council model is totally inapplicable to the agreement that has been entered into—

Mr. Clark (Yellowhead): Order.

Mr. Broadbent: —will the Minister tell us where they get this 350,000 figure? Is it based on studies or is it just another example of Government propaganda?

• (1430)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I was at the committee hearings last night, and the Hon. Leader of the New Democratic Party was not there. I think that he is quoting a little out of context.

Let me say that the best evidence that was presented to the Government, not only by the Economic Council of Canada but by the C.D. Howe Institute, by the Royal Commission on the Economy of Canada led by Donald Macdonald, by the Fraser

Institute, and all the legitimate studies that were done looking into the free trade issue, all stated that there will be net increases in jobs in this country. There is no question about that.

What Mr. Ritchie stated last night was that now the deal has been struck there will be further studies which will show conclusive evidence that this is a positive job-creation vehicle for Canada.

REQUEST FOR PRODUCTION OF GOVERNMENT STUDIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am informed—

Mr. Shields: By Bob White.

Mr. Broadbent: —and the Hon. Member replying did not deny this—that Mr. Ritchie acknowledged in two key assumptions made by the Economic Council that it is totally inapplicable to use that as a model for job forecasting. That is what he pointed out. The Prime Minister and the Minister for International Trade have been using that model.

Since Mr. Ritchie also stated that not a single study has been done yet on the basis of this agreement, will the Government produce those studies before it signs a final agreement so the people of Canada will know what we are getting into?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I can tell the Hon. Member that this Government used the International Trade Advisory Committee, which was made up of Canadians from all walks of life; it used 15 sectoral advisory committees, which were made up of some 500 Canadians from coast to coast representing all areas of the economy. It was their recommendations, support, and advice that drove our trade negotiation team. They are very happy with the result of the trade negotiations. They are telling us that it will be positive for the economy, positive for their sectors in the economy, and it will create jobs—

Mr. Riis: Based on what evidence?

Mr. Blackburn (Brant): Where is the hard data?

Mr. McDermid: —and we take their advice over the Hon. Member's, that's for sure.

[*Translation*]

REQUEST FOR GOVERNMENT GUARANTEES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, both the Government of the Province of Quebec and the Government of Ontario carried out studies in the past and their findings with respect to new job creation were negative, not positive at all.

My question to the Minister is simple: Will the Government guarantee that the committee will have the studies made by the federal Government concerning this agreement before a decision is made? Yes or no?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, as a matter of fact I spoke with a former Minister of Industry in Ontario today regarding the study referred to by the Hon. Member. He stated that they were not jobs that were going to be lost, but that they were sensitive jobs in the economy. I can tell the Hon. Member that that study was done two years ago. Let him do a study now—

Mr. Broadbent: You do one and give us the study.

Mr. McDermid: —and I think he will find that it will be very positive for this country.

* * *

PUBLIC SERVICE

PRODUCTIVITY BONUSES FOR SENIOR MANAGERS—CASH BONUSES FOR CROWN CORPORATION HEADS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, with the acceptance by the Government of the Burns report last week, some 4,400 managers in the Public Service now qualify for so-called productivity bonuses over and above their present salaries, and each person is being asked to judge the manager below them to see if they qualify for a cash bonus.

The biggest cash bonuses are being awarded by this Cabinet to the heads of our Crown corporations, 10 per cent, 15 per cent, 25 per cent over and above their present salary, as Christmas presents.

I ask the President of the Treasury Board and Deputy Prime Minister, does this not really mean, for example, that Mr. Donald Lander, the head of Canada Post, will be rewarded with a $51,000 cash bonus as a Christmas present for closing rural post offices right across the country? And Mr. Ron Lawless, the head of Canadian National, will be given a $81,250 cash bonus as a Christmas present for closing down rail lines across the nation. Are not those so-called productivity bonuses just pay-offs for lay-offs?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Advisory Group on Executive Compensation was established by the previous Government in 1968, and it has provided a guide and recommendations to the Government of Canada to provide salary ranges—

Mr. Guilbault (Saint-Jacques): The lay-offs and the closings are now.

Mr. Mazankowski: —for the executive level of the Public Service, as well as Crown corporations.

I think the Hon. Member knows that the principle used is that the Public Service should not be a salary leader, but rather a salary follower. It was in that context that the adjusted ranges were proposed.

I am not sure where the Hon. Member got his figures. My understanding is that for the two individuals he mentioned in particular, the maximum salary levels have not changed in the recommendations in the Burns report.

APPROVAL OF SALARY INCREASES

Mr. George Baker (Gander—Twillingate): Mr. Speaker, what the Government forgets is that while the shareholders in the private sector demand first and foremost profit, the shareholders in the public sector, that is, the people of Canada, demand first and foremost service. That is the difference.

The Government has to answer now how a cabinet Minister can ever again be at arm's length with Crown corporations—that great principle of arm's length. How can the Minister of Transport be at arm's length with the President of CN when the President of CN could be up for an $81,250 cash bonus to be approved by Cabinet?

The President of CN will not be at arm's length from the Minister of Transport. He will have his arms around him, if he can manage it, with a back-scratcher in one hand—scratch for cash—and his other hand in the Minister's pocket.

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I find it rather surprising that the Hon. Member would now seize upon the opportunity to take exception to the system, because it has been in place for quite a number of years. What was good for the Liberal administration does not seem to be good for this administration.

The fact of the matter is that the board of directors do make recommendations for any increases in the salary levels of their executives. Then it is processed through Order in Council.

Hon. Members opposite are very quick to seize upon some of the horror stories so-called in the Auditor General's report. I would invite the Hon. Member to read Section 17 of the Auditor General's Report where he talks about the delays and the difficulties with regard to salary inversion and compression, and the need for ensuring that the executive level have an appropriate compensation as compared to their subordinates. Perhaps the Hon. Member might then have a more sympathetic point of view.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—STUDIES ON POSSIBLE JOB CREATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Deputy Prime Minister. He will recognize that all of the studies that have been referred to so far today were studies conducted on the concept of a free trade deal. Now we have before us a Mulroney-Reagan trade deal which is quite different.

The Deputy Prime Minister has indicated that the Government has studies that clearly indicate there will be a significant increase in jobs. Were those studies done based on the present trade deal that we have before us today? If so, will he table those? If not, will he explain why the Government is taking this decision without doing any in-house study in terms of the impact on jobs in Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Starting with the Macdonald Royal Commission, which spent in excess of $20 million in public funds, it went out and criss-crossed the country and talked to ordinary Canadians—

Mr. Broadbent: It didn't have anything to do with this deal.

Mr. Mazankowski: —to businesses, to unions, to a broadly based cross-section of the Canadian people. It came forth with some very firm recommendations. On many occasions Canadians accuse Governments of not dealing with Royal Commissions in an effective way. The clear recommendation was there.

Every study that has been undertaken by groups, independent of government, have indicated that the free trade arrangement is going to create jobs, and create a lot of jobs—

Mr. Blackburn (Brant): In the United States.

Mr. Mazankowski: —and improve regional equity in this country. That is something that I think every individual would want to applaud.

• (1440)

The New Democratic Party cannot have it both ways. I ask the New Democrats "what is your option?" That is what I ask them. When we started on our economic renewal program the NDP were quoted as saying that our spending cuts would kill 100,000 jobs. New Democrats have consistently said there would be job losses following every economic initiative that we have taken. They were wrong then, and they are wrong today.

REQUEST FOR POSTPONEMENT OF DEADLINE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the difference is that we are interested in making a decision based on facts, facts before us and a deal before us, and we do not have that deal before us today.

So far all the Deputy Prime Minister has discussed are studies done on the theory of free trade. We are talking about a specific deal the details of which are still not before us.

Since this is, by his own admission, the biggest trade deal in Canadian history, would the Minister not agree that it would be appropriate to approach the Americans to put off that January 2 deadline so that the Government can carry out specific studies and so we will understand clearly what the impact of this new deal is on jobs in Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think that Canadians would be interested in knowing what kinds of studies the NDP engaged in when the Leader of the NDP said on November 9, 1984, after the Minister of Finance brought in his Economic Statement, that that would cost 100,000 jobs. The Member for Hamilton Mountain said 100,000 or 200,000 jobs would be lost. The Member from Vancouver East said 150,000 jobs would be lost as a result of the May Budget. The Leader of Her Majesty's Loyal Opposition said 125,000 jobs would be lost. Where were their studies, Mr. Speaker? It is now time to start testing the credibility—

Mr. Riis: You are the Government.

Mr. Broadbent: Let's have a debate in Alberta.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF LEGISLATIVE ASSEMBLY OF ALBERTA

Mr. Speaker: I wish to bring to the Members' attention the presence in the Gallery of the Hon. Dr. David J. Carter, Speaker of the Legislative Assembly of Alberta.

Some Hon. Members: Hear, hear!

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—REQUEST FOR PRODUCTION OF JOB-CREATION STUDIES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the Minister of International Trade my question is directed to the Deputy Prime Minister. He will know that when the Minister of International Trade was travelling in Atlantic Canada she surpassed most of her colleagues by insulting members of the United Church, and then went on to tell the people of Atlantic Canada that thousands of new jobs would be created as a result of consummating this agreement with the United States.

In view of the very serious statement made by the deputy negotiator, Gordon Ritchie, last night that there are not studies available to support that contention, why should the people of Atlantic Canada believe the Government when there are no studies whatever to support the comments? The fact is that people in Atlantic Canada will suffer greatly as a result of consummating this free trade agreement. Why does he not produce those reports?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we are taking our information from the people of eastern Canada—

Some Hon. Members: Oh, oh!

Mr. McDermid: —who are advising the Government, who work there, who provide the jobs, who have the industries and who say that this deal will be good for them. Certainly we are taking their advice. Those are the people of eastern Canada. The Hon. Member says the deal will be bad for eastern Canada. Where is he getting his reports from?

Mr. McKenzie: Shirley Carr.

Mr. Axworthy: You negotiated the deal.

EFFECT OF AGREEMENT ON ATLANTIC CANADA

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. In view of the fact that you refused to answer specific questions—

Some Hon. Members: Order.

Mr. Dingwall: —regarding government policy, let me ask him are we in Atlantic Canada, are the fishermen in Atlantic Canada, to depend upon the voices at National Sea—which, by the way, is owned 20 per cent by the Government of Canada—who say that free trade is somehow good for Atlantic Canada, when policies supporting inshore fishermen are due for countervail by the United States? Why don't you come clean and tell us the specifics in the matter?

Mr. Speaker: The Chair is fully cognizant of the fact that in Question Period a Member rising to put a question wants to put it with as much vigour as possible. It is putting the Chair in difficulty when Members break the rules. The Chair will then, of course, have to interrupt the Hon. Member. I would ask the Hon. Member to keep in mind that there are rules in this place. The Hon. Deputy Prime Minister.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I know the Hon. Member would have difficulty digesting good news about the free trade arrangement, but a well known economist, the chief economist for the Atlantic Provinces Economic Council— which Council, incidentally, is funded by the Atlantic Provinces—Elizabeth Beale, said in referring to the free trade arrangement that "it

won't eradicate our economic problems but it is the best opportunity we have. You can tinker with regional development programs but in the long range we need basic economic changes. The status quo has not been good to us."

Mr. Broadbent: That is true.

Mr. Mazankowski: That very clearly summarizes a very positive endorsement of what we have been trying to do.

While we are challenging each other on figures, may I ask the Hon. Member what studies he had when he, his Leader, and the Member for Notre-Dame-de-Grâce—Lachine East said in May, 1985, that the Minister of Finance's Budget would cause the loss of 150,000 jobs, or the Member for Hamilton East who said it would cause the loss of 100,000 to 125,000 jobs?

Mr. Riis: This is answer period now.

Mr. Mazankowski: We know that they were wrong then, and they are wrong today.

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APARTHEID

SOUTH AFRICA—REPORTED ATTACK AGAINST ANGOLA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Secretary of State for External Affairs. Today it is reported that South Africa has launched another, this time quite heavy, attack into Angola. What will be the Canadian response to this situation in which South Africa, in alliance with UNITA, uses Namibia, which should by now have been freed and is therefore illegally occupied, to launch attacks continually on a sovereign nation, one of the front line states that presumably we are trying to support through SACTU?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, while taking nothing at all away from the gravity of the question that was raised by the Hon. Member, I have to say that we have no absolute corroboration of the rumours. However, on the basis of what we have heard, we are very troubled that this action has been taken.

We have condemned and continue to condemn the aggression of South Africa with respect to Angola. We believe that the occupation of Namibia, as the Hon. Member knows, is illegal. We believe that that question should be resolved in accordance with the Security Council resolution with which the Hon. Member is well acquainted.

It is part of a pattern of violence in South Africa that will continue so long as the apartheid system remains in place.

UNITED STATES ROLE

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there is one matter that has been well corroborated, namely, the involvement of the United States in arming southern African style Contras who are in alliance with the South African regime. When will the Canadian Government protest this complicity of the United States in undermining the Angola regime?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, again without commenting upon some of the assumptions in the question, I think the Hon. Member would agree with two things. One, there has been some movement away from the thesis of constructive engagement in the United States. That is a welcome development, a development of which evidence was given in the speech made in New York a month ago by Secretary of State Shultz.

• (1450)

Second, if we are going to have the kind of impact we want to have as a result of economic and other sanctions against the South African Government, we will require the active participation of American authorities. The question has to be raised, are we more likely to achieve that kind of co-operation on the part of American authorities by taking the kind of action recommended by the Hon. Member, which, in my judgment, would have no constructive impact?

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[*Translation*]

TAX REFORM

POSSIBILITY OF TAX CREDIT OF $1,000 FOR FAMILIES WITH DEPENDENT CHILDREN OVER 18 YEARS OF AGE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Minister of Finance. Yesterday, the *Conseil des affaires sociales et de la famille*, a Quebec advisory agency, submitted its brief on tax reform to the Minister of Finance. That council indicates that the proposed tax reform of the Conservative Government is a real attack on families and a substantial regressive step for the Canadian society in terms of equity. rIn addition, the council deplores the fact that the Conservative Government has eliminated the $1,000 exemption for dependent children over 18 years of age with no compensation whatsoever. My question to the Minister, and thousands of Canadian families are also asking it, is the following: Is the Minister prepared to change his reform proposals and grant families with dependent children over 18 years of age a tax credit equivalent to the $1,000 exemption which he eliminated, so that the Canadian families affected get at least some compensation from the Government?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member must understand when he puts that question that eight out of 10 Canadians will be better off as a result of tax reform and that, by changing exemptions to credits, we are able to help those people in lower income brackets. If he looks at the impact tables I set out with the tax reform work, he will see that married people do better out of tax reform than singles, so that I think we have addressed the importance of tax reform for families and for married people.

Having said that, as the Hon. Member knows I am awaiting the report of the Finance, Trade and Economic Affairs Committee which is studying the tax reform proposals. When I have received its report, I will be better able to comment.

[*Translation*]

POSSIBILITY OF PROGRESSIVE TAX CREDIT—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, obviously the Minister of Finance has not listened to those groups of Canadians, which clearly demonstrates, following a comprehensive study of the report on tax system as it applies to families—as you know that study clearly shows that those families with many children are penalized compared with single persons. Also, those groups would like a tax credit of $65 per child. Does the Minister not believe it would be better to grant a progressive child tax credit which would increase with the number of children in a family, and to give back that refundable tax credit to low income families?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I repeat what I said in my earlier reply to the Hon. Member. Eight out of 10 people, 80 per cent of Canadians, will be better off as a result of tax reform. I believe the social groups to which he is referring will find that they are all, by and large, better off as a result of tax reform with the exception of those who are making pretty full use of tax preferences. Those tax preferences, as he knows, are being cut back, and I think he would support them being cut back, but the bottom line is that the large majority of Canadians are better off as a result of tax reform.

[*Translation*]

SOCIAL BENEFITS FOR FAMILIES—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of Finance who should know that a tax reform is no reform at all when it goes against the family's interests. What is the response of this Government to the *Conseil des affaires sociales et de la famille* regarding the erosion of family benefits? Will the Minister assure the House that those social benefits will not be further eroded?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that is essentially the same question as those asked by previous questioners. I would point out to the Hon. Member that we have, during the life of this Government, increased the child tax credit and introduced and increased, as a result of tax reform, the refundable sales tax credit. These are beneficial to families and to people with children, and these are things that are very indicative of the directions we are going in tax reform and will continue to go in as we move into the second phase of tax reform.

Ms. McDonald: Will the Minister not admit that while there have been increases in some measures, there have been decreases in others, and when we add it all up the result is negative?

[*Translation*]

ASSISTANCE FOR FAMILIES—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): In principle, does the Government recognize that families need more assistance rather than a net reduction of the social benefits they enjoy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not have the specific numbers with me here today, but I think if the Hon. Member will check the impact tables that are in the tax reform documents, she will find that people with children benefit more out of tax reform than single people. We obviously have a difference in points of view here, but I will abide by the facts set out in the tax reform proposal.

* * *

CRIMINAL CODE

GUN CONTROL—AMENDMENT OF PROVISIONS

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the Minister of Justice. The Minister is aware that very recently the State of Florida amended its gun control legislation, dramatically loosening its gun control laws. I am sure he will recall as well that one year ago, in fact on October 14, 1986, in response to a question I put in the House, the Hon. Minister advised the House that he was reviewing our own gun control legislation and expected to have recommendations very shortly. How soon is shortly? Can the Minister assure the House that his recommendations will not follow the example set by the State of Florida?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want at the outset to assure the Hon. Member that we in this country do not propose to emulate the law change that took place in the State of Florida which clearly has the loosest gun law in the civilized world, as far as I can make out.

I think the people of Canada want a balanced, effective set of gun control laws. They want laws that in fact will meet their expectations with respect to public safety yet will allow for the legitimate use of rifles and guns for sporting and other legitimate purposes. Accordingly, I do not propose to make any very substantial change in the direction of the present gun laws.

In fact, as I indicated to the Hon. Member last year, I am reviewing the laws in order to clarify situations which were not contemplated when the Bill was originally passed some 10 years ago. "Soon" means before too long.

* * *

AUDITOR GENERAL'S REPORT

GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister and is about the Government's contribution to Fantasyland in the West Edmonton Mall. Can the Minister confirm that the Government has failed to comply with the Industrial and Regional Development Act which has required, since November, 1984, that no contribution can be made to any project in the service sector unless a specific Order in Council is passed declaring that the project is eligible under the Act?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I answered that question in the House quite fully. There was a "Late Show" question on it last night. I invite the Hon. Member to read the answer.

Mr. Kaplan: Mr. Speaker, I read the answer.

ORDER IN COUNCIL QUERY

Hon. Bob Kaplan (York Centre): If the Minister feels the law was complied with, I would like him to tell the House when the Order in Council was passed and when it was Gazetted because I have found no record of it at all in the *Gazette*. I would ask him, if in fact it has not been properly passed and Gazetted, will he recognize that that contribution was a loan, and will he agree to undertake to get that contribution paid back?

• (1500)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the same answer.

THE CENSUS

ALLEGED RELEASE OF CONFIDENTIAL MEDICAL INFORMATION

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the Minister responsible for the census. Will the Minister order an RCMP inquiry into allegations that his departmental staff passed confidential medical information about census respondents to drug company sales representatives? Will he direct the RCMP to investigate in particular the complaints of the Young family of Powell River, British Columbia?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, of course we have been made aware of the problem raised by my colleague and, according to the information we have, I must tell my colleague that all standard procedures were followed in this case.

[*English*]

REQUEST FOR AMENDMENT OF CENSUS FORMS—RIGHT TO REFUSE IN-DEPTH INTERVIEWS

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, will the Minister guarantee this House that Canadian families who do not wish to participate in in-depth interviews concerning personal medical problems will not be exposed to continuous harassment in violation of their basic rights? Will he guarantee that the census forms will be amended so that respondents can exercise their right to refuse such interviews and that right will be respected by census employees?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, I can only repeat the answer I gave my colleague: all standard procedures have been followed. I did respond to the allegations brought to my attention. Should my colleague have additional allegations or claims to make, I will be pleased to entertain them and act accordingly, Mr. Speaker. But until I get proof to the contrary I hope the credibility of the Department and the census or those who are responsible for these procedures will be maintained in all fairness.

[*English*]

Mr. Speaker: There will be two more questions, by the Hon. Member for Humber—Port au Port—St. Barbe, followed by the Hon. Member for Fraser Valley East. That will close off Question Period.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—COMMENTS MADE BY TRADE AMBASSADOR

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister

and concerns the statement today in *The Toronto Star* by Bruce Phillips, the Prime Minister's spokesman, that indeed the Prime Minister has reviewed the transcript of comments attributed to Ambassador Reisman in which he on at least two occasions compared some critics of free trade, presumably both in and outside this House, to the Nazi propaganda machine run by Joseph Goebbels. The Minister knows that Members of the House and, I suspect, Canadians no matter which side of the debate they are on, reject that kind of language and insult as a legitimate defence for the Government or any of its official spokesmen.

Does this statement by Mr. Bruce Phillips represent the end of the Prime Minister's commitment to check the record and report back to the House, or can we expect to hear from him when he is back here again?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, that is a repeat of an earlier question and I have already provided an answer.

Mr. Speaker: A very short supplementary because the question has been asked.

GOVERNMENT POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Canadians want to know whether or not it is the official position of the Government that it is acceptable for a Canadian Ambassador to describe Canadians concerned about free trade as Nazis? Is that the position, yes or no? If it is, it is not acceptable in a civilized society.

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member knows, that accusation, as he phrased it, was never made.

When we look at the question of public debate on the trade agreement it is important to come back to the point made earlier by the Deputy Prime Minister. When the Liberal Party brought forward the Auto Pact agreement they refused a Conservative request to have the matter referred to a committee of this House. There was not one word of testimony. There was not one witness heard. There was not one moment when an examination such as has been proceeding under this Government was allowed by that Government. The public was shut out. The provinces were shut out. Parliament was shut out.

MARINE SAFETY

SAFETY CONDITIONS ON FISHING VESSELS—TASK FORCE REPORT

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Transport. While we know the majority of fishermen operate within safety standards and have operated for years without any problems, there is serious concern regarding safety on fishing vessels. Can the Minister tell us what action his Department is planning in order to improve safety on fishing vessels and when such action might be implemented?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it is good to hear a serious and responsible question for a change. Some months ago I appointed a task force from the Coast Guard to review the issue of safety in the fishing industry. That group travelled widely throughout Canada and on both coasts. They have now made a report to me with 41 recommendations. The report will be released today. The recommendations will be followed up and there will be a working group that will see that they are implemented. This has been done with the co-operation of the Department of Fisheries.

I should note that the conclusion is that human error is responsible for many of the accidents in the fishing industry, and that the main action recommended is education and a greater communication of information, because it is the skippers and owners of these vessels who have to take the greatest responsibility with respect to perils at sea.

I am also happy to say that statistics show—

Some Hon. Members: Order!

Mr. Crosbie: —that the record in Canada is better than that in the U.S., Norway, and some other maritime countries.

Mr. Turner (Vancouver Quadra): Finish it in caucus, John.

Mr. Crosbie: It is too bad that the Liberal Opposition is not interested in anything but vituperation and contrived hysteria.

* * *

• (1510)

[*Translation*]

PRIVILEGE

ELECTION OF CHAIRMAN TO LABOUR, EMPLOYMENT AND IMMIGRATION COMMITTEE—MEMBER FOR LASALLE—MOTION FOR REFERENCE TO ELECTIONS, PRIVILEGES AND PROCEDURE COMMITTEE

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, pursuant to Standing Orders, I gave you notice of my intention to rise on a matter of privilege and to introduce a motion of referral to the Standing Committee on Elections, Privileges

and Procedure. If I may, Mr. Speaker, I could proceed immediately.

The House will surely know that the election of the Chairman of the Standing Committee on Labour, Employment and Immigration was quite an exciting and even very noisy event on Wednesday, October 7, 1987, around 3:30 p.m. The officers to be elected were the chairman and vice-chairman of the committee. The minutes and proceedings are to be found in Issue No. 42 of the Minutes of the Standing Committee on Labour, Employment and Immigration, page 4212, where the qualifications of the nominees, namely myself, the Hon. Member for Laprairie (Mr. Jourdenais), and the Hon. Member for LaSalle (Mr. Lanthier), were discussed.

During the sitting, a member of the Committee asked Mr. Lanthier whether he was parliamentary secretary. Another Member, Mr. John Oostrom, took his defense, stating—excuse me, the Member who sponsored Mr. Lanthier's nomination, in reply to Mr. Warren Allmand, had this to say: To my knowledge, Mr. Lanthier is no longer a parliamentary secretary. Another Member, Mr. Rodriguez, asked him: Is Mr. Lanthier parliamentary secretary at this point or not? Mr. Lanthier answered: I am not, at least I do not think I am. Mr. Rodriguez: You do not think your are, well are you or are you not? Mr. Lanthier said: I am no longer, at least I do not think so. I said goodbye yesterday to the Minister and the Deputy Minister of Public Works. Please note that this happened on October 7, 1987.

Now, at the end of last week, the Government tabled the Public Accounts of Canada. I examined them in detail on Friday, especially Volume II, and the additional information and analyses on page 1209 of the *Public Accounts, 1986-87*, where the salaries of parliamentary secretaries to Ministers are listed, and there I saw the entry: Lanthier, C—which means Claude—Parliamentary Secretary to the Minister of Public Works—October 15, 1986, to October 16, 1987, with a $9,450 salary.

Mr. Speaker, I was taken aback because I remembered vividly the answers given by Mr. Lanthier on October 7.

Mr. Speaker, ever since I was elected to the House of Commons, I have always assumed with humility my role as a Member of this House and I have a great deal of respect for this institution. Since last Friday, I have made inquiries and even went to the Privy Council Office where Mr. Chassé confirmed that the Hon. Member for LaSalle (Mr. Lanthier) had not resigned as a Parliamentary Secretary and that he still held that job on October 14. All other Parliamentary Secretaries were appointed on October 14, with their appointment effective on the 15th. Therefore, Mr. Lanthier was still a Parliamentary Secretary and he was still paid accordingly.

I had consultations with parliamentarians and experts in different Parliaments and even in the House of Commons of the United Kingdom. I quote a committee chairman, who should be, like the Speaker of the House, above all suspicion, partisanship, and conflicts of interest and who should be straightforward.

Mr. Speaker, I hasten to add that I raise this issue which is so essential for the proper functioning of the House as a good parliamentarian who seeks to uphold the respectability of this House, of its members and Speaker.

Mr. Speaker, this is probably the first time such a question of privilege is raised by a Member on the Government side about one of his colleagues in the same Party. As recently as last week, all those present in the House heard the Prime Minister confirm the importance of the McGrath reform.

On October 7, when the election was held, the presence of shock troops, of groups that have been called "goons" could be noticed. Even the assistant Whip for the Government, the Hon. Member for Lévis (Mr. Fontaine) was there to lead the Government troops with his advisers. It is impossible to plead ignorance or forgetfulness. The Hon. Member for LaSalle is a well-known professional engineer. Precision and accuracy are part of his psychology. He made a false statement and the election is therefore invalid. Members of the Committee and of the House have been misled. The Hon. Member for LaSalle (Mr. Lanthier) should resign immediately as chairman of the Committee. I urged him to do so honourably in a letter I wrote to him today, and I quote:

> Dear Mr. Lanthier,
>
> In the speech you made in support of your candidacy as Chairman of the Standing Committee on Labour, Employment and—

Mr. Speaker: Order, please. This letter does not need to be read. The Chair has received the complaint of the Hon. Member. The Hon. Member could perhaps take a few minutes to conclude his remarks.

Mr. Jourdenais: Mr. Speaker, I want to read the letter advising him to resign—

> —and Immigration. Twice you hid the truth concerning your status of Parliamentary Secretary. I checked your statements and I am convinced that you misled the committee and the House. If you respect your honour as a Member and the honour of this House—

Mr. Speaker: Order, please. I am very sorry, the letter may be very interesting but it is a serious attack against an Hon. Member. I think that for the reasons I have just indicated it is not necessary for me to hear more of the letter. Perhaps the Hon. Member might give it to me once he has completed his remarks.

Mr. Jourdenais: Mr. Speaker, would you allow me to read certain citations from Beauchesne's?

Mr. Speaker: The Hon. Member has asked whether he may read certain citations from Beauchesne's. Of course, his argument is a procedural argument. Please.

Mr. Jourdenais: So here is Beauchesne's citation 231, page 77:

Personal Interest

231. (1) The personal interest of a Member in a subject before the House must be a direct pecuniary interest, and separately belonging to the persons whose votes were questioned, not in common with the rest of Her Majesty's subjects, or on a matter of state policy.

(2) Disallowance of a vote, on the score of personal interest, is restricted to cases of pecuniary interest and has not been extended to those occasions when the dictates of self respect, and of respect due to the House, might demand that a Member should refrain from taking part in a division.

Citation 232 reads as follows:

232. (1) A member's right to vote on a question in which he is personnaly interested is one of those matters that must be decided by the House and not by the Speaker.

. . .

(5) The principle of the rule which disqualifies an interested Member from voting must always have been intended to apply as well to committees as to the House itself.

Mr. Speaker, I have several citations to read, but still I will make my point. I believe a person seeking to obtain a position in the House or in committee must be frank and honest. And in this case we saw a person who came in, was pushed, coming from I do not know where, but who indicated three times in a row that he was not chairman. It is not because he is Parliamentary Secretary that he has or does not have the right to become chairman. I am told it is not the tradition. But what concerns me most is that he resorted to an argument which is not really the right argument. Had he told us he was Parliamentary Secretary the tradition would probably have been mentioned and he would not be the chairman.

Therefore, Mr. Speaker, I move the following motion: That the question of the behaviour of the Hon. Member for LaSalle (Mr. Lanthier) be referred to the Standing Committee on Elections, Privileges and Procedure, and in the meantime I would ask you to invite the Hon. Member for LaSalle to relinquish the chairmanship.

As for me, Mr. Speaker, I intend to move a motion of non-confidence at the next committee meeting and recommend that a new election be held.

[*English*]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would like to make two or three points, if I may. As part of parliamentary reform the Opposition requested, and the Government agreed, that the Parliamentary Secretary reporting to the Minister, the Estimates of whose ministry were being reviewed by a committee, should not sit on that committee. It is my understanding that at the time about which my hon. friend complained the Parliamentary Secretary was not the Parliamentary Secretary to that particular Minister.

In any event, I am advised that the Hon. Member for LaSalle (Mr. Lanthier) did resign in writing, which resignation was in fact accepted in writing prior to the date of the election to which the Hon. Member refers. That is obviously something we can check and we will be pleased to provide Your Honour with that information so that it can form part of your judgment.

I suggest that under those circumstances you may wish to stay the matter until we can provide you with that evidence.

Mr. Sergio Marchi (York West): Mr. Speaker, I, too, would like to address the question of privilege raised by my colleague, the Member for La Prairie (Mr. Jourdenais). This is yet another indication of what has gone wrong with the immigration committee. It is evident that parliamentary reform lives only in theory and not in practice.

We experienced the John Quigley and Georges Grossmann affairs. We saw the chairmanship questioned. In addition, there was a motion put forward by government Members at the committee that the research director should be fired.

Mr. Speaker: Order. The Hon. Member for York West (Mr. Marchi) has a very great interest in this committee which is respected in this place, and certainly by the Chair. However, I must once again remind Hon. Members that the task of the Speaker is to listen to the exact procedural point as that is what I have to resolve. I think I understand the exact procedural point which the Hon. Member has brought forward.

The Hon. Member for York West might address that, keeping in mind that the Minister of State (Mr. Lewis) has indicated that he has some information which might be of vital interest to the House, although it is not yet in front of us.

• (1520)

I would ask the Hon. Member for York West to continue but to stay off the other matters, some of which are before me for consideration, as the Hon. Member knows.

Mr. Marchi: Mr. Speaker, I was attempting to place before the House and Your Honour the perspective of the last meeting that took place on October 7. It was a meeting that was somewhat difficult because of these other events.

When we came to the election of the chairperson for that committee, we had the candidacy of the Member for LaSalle(Mr. Lanthier), a Member who had never attended one meeting of the immigration committee and had never put forward his agenda for the committee.

When there is an allegation, on top of those variables, that the Member for LaSalle also misled the committee in terms of his office of Parliamentary Secretary, it becomes very serious indeed. If it is found to be true that on October 7 the Member for LaSalle said quite clearly two or three times to members of that committee that he was no longer Parliamentary Secretary yet received funds as a Parliamentary Secretary until October 14, then he is taking unfair advantage of members of that committee who had been frustrated, angered and disappointed with the shenanigans that had taken place on that committee—

Point of Order—Mr. Mazankowski

If Your Honour finds that the Member of Parliament for LaSalle was a Parliamentary Secretary as of October 7 and beyond, I hope that the Member for LaSalle would come forward and resign his chairmanship, because he has abused the confidence of Members. If he did not enjoy the confidence of my support, he surely will not have it now if, in fact, he was a Parliamentary Secretary as of October 7.

In conclusion, I suggest that if the Member for LaSalle was Parliamentary Secretary he does not deserve the confidence of the committee and surely not of this House. He should do the honourable thing and resign and try to regain integrity and the confidence and respect of the committee.

Mr. Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez) is rising. I ask him to keep strictly to the point. The Chair cannot settle all of the questions of argument that take place in a committee which may or may not concern matters that ought to be discussed here or, if they are, perhaps at some other occasion.

The point that the Chair must consider, because I know the Hon. Member for Nickel Belt realizes it full well, is strictly the one that the Hon. Member for La Prairie (Mr. Jourdenais) has raised. I would ask him to stick to it. Obviously there are disagreements within that committee. Quite frankly, right now I do not want to hear about them. I already have some of them before me for consideration.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I was extremely concerned at that particular meeting. First, I was aware of the fact that the Member for LaSalle (Mr. Lanthier), who is now Chairman, had been a Parliamentary Secretary. That is why I wanted to clarify in committee exactly what was his status.

I will not go into the background of what we knew was taking place in that committee when certain Members were showing up to do a specific job in the committee.

I put the question to Mr. Lanthier, as appears at page 42:16 of the committee hearings on October 7. I asked: "Is Mr. Lanthier a parliamentary secretary at this time or is he not?" The Hon. Member for LaSalle replied: "No longer, I do not think". I asked: "You do not think so? Well, are you or are you not?". The Hon. Member for LaSalle replied: "No longer. I do not think".

Mr. Speaker: Order. The Chair has the point that is being raised. The Chair is in some difficulty because I have just been handed a letter dated October 7—

[*Translation*]

—October 7, 1987, and addressed to the Right Hon. Brian Mulroney, P.C., M.P., Prime Minister of Canada.

I will read the letter:

"Mr. Prime Minister:

I hereby advise you of my resignation as Parliamentary Secretary to the Minister of Public Works. This resignation is effective today, Wednesday, October 7, 1987.

Sincerely yours,"

[*English*]

It appears to have been signed by the Member for LaSalle (Mr. Lanthier).

Some Hon. Members are asking questions. As I say, I only have the letter.

I think it would be appropriate if the House heard from the Hon. Member for LaSalle, and this is not the place to hold a trial, or what may certainly seem to some to be a trial.

I think there are certain facts which the Chair must have. I think this letter clearly makes it incumbent upon the Chair to adjourn the matter until I can hear from the Hon. Member for LaSalle. I would ask Hon. Members to co-operate with that.

Mr. Mazankowski: On a point of order, Mr. Speaker.

Mr. Speaker: I certainly want to hear the Hon. Deputy Prime Minister (Mr. Mazankowski), but I have a question of privilege from the Hon. Member for the Yukon (Ms. McLaughlin). If the point of order is short, I might ask the Member for the Yukon for the courtesy to wait for a minute or two.

Ms. McLaughlin: Agreed.

* * *

POINT OF ORDER

FUND-RAISING LETTER FROM LEADER OF NDP

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, it will be a short point of order. Today I received a letter from the Leader of the New Democratic Party (Mr. Broadbent), on behalf of the New Democratic Party, asking me for money.

An Hon. Member: What?

Mr. Mazankowski: For money to support the efforts of the NDP in spreading fear and hysteria among the Canadian people.

Mr. Gauthier: How much are you giving, Don?

Mr. Mazankowski: Mr. Speaker, it is really taking a lot for granted. To suggest that I could support that group over there is really the height of—

Mr. Speaker: The Hon. Deputy Prime Minister (Mr. Mazankowski) said that it would be a short point of order, and indeed it is. If it is any comfort to Hon. Members, I might advise the House that the Chair received one, too.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Mr. Speaker, my point is simply this: There is enclosed in the envelope a statement saying: "You can afford to be generous". That is somewhat offensive because, quite frankly, I have difficulty supporting my own Party, let alone supporting the NDP. That is really taking a lot for granted and being presumptuous.

Mr. Speaker: The Hon. Member for Yorkton—Melville (Mr. Nystrom) has the floor.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I just want to explain why the Member for Vegreville (Mr. Mazankowski) received the letter. If you check the results of the last provincial election in Alberta, Vegreville went massively for the Party of light and goodness, the New Democratic Party, with a tremendous MLA, Derek Fox. This is the Minister's last chance to get re-elected, by crossing the floor. He is a good red Tory and he has a chance to do it.

Mr. Speaker: I suppose that in purely procedural terms there may be those who think that we ought to proceed to something else. However, I cannot let the opportunity go by without hearing what my long-time colleague and friend, the Member for Comox—Powell River (Mr. Skelly), may have to contribute.

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PRIVILEGE

ELECTION OF CHAIRMAN TO LABOUR, EMPLOYMENT AND IMMIGRATION COMMITTEE—MEMBER FOR LASALLE—MOTION FOR REFERENCE TO ELECTIONS, PRIVILEGES AND PROCEDURE COMMITTEE

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I was somewhat disappointed that the issue raised by the Member for La Prairie (Mr. Jourdenais) was overrun as quickly as it was.

• (1530)

Mr. Speaker: I am sorry. It was not overrun and I did not mean to overrun it quickly. I said that in view of the fact that I have that letter, I think before we proceed any further we ought to hear from the Hon. Member for LaSalle (Mr. Lanthier). In other words, it is only adjourned. I do not want to carry on with it now.

Mr. Riis: Point of order.

Mr. Speaker: The Hon. Member for Comox—Powell River (Mr. Skelly), in spite of what I said, is still seeking the floor. I will hear him in case I have not fully appreciated what he is saying.

Mr. Skelly: Mr. Speaker, the Hon. Member for La Prairie indicated that the Parliamentary Secretary and Chairman of that committee had received payment to October 14, and it is in the records.

Second, if I might just have one minute—

Mr. Clark (Yellowhead): Order.

Mr. Speaker: I will hear the Hon. Member when the matter comes back to the Chamber. That is what I intended. I have not given any indication that I would not hear Members further. However, in view of the comments that have been made, which I think are serious, and in view of calls for resignations and other things, I felt that given the fact there is now a letter which, I think, is of intense importance—there may be questions of when it was sent or when it was received—I have asked Hon. Members to co-operate in adjourning the discussion until we can come back to it again with the Hon. Member for LaSalle here. At that time I certainly will hear the Hon. Member for Comox—Powell River.

I apologize to the Hon. Member if he thought he was in any way being removed from having the right to comment on the matter.

Mr. Tobin: Point of order.

Mr. Speaker: We are now infringing on the Hon. Member for Yukon (Ms. McLaughlin) who has a question of privilege. I think that does take precedence. Perhaps it might be more convenient to listen to the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) who is indicating to me, and I accept it at face value, that it will be a very short intervention.

Mr. Tobin: Thank you, Mr. Speaker. Perhaps the Speaker could advise us today, with the greatest of respect for the Speaker's ruling and the wisdom of the Chair which he has exhibited consistently, when we could expect some decision with respect to the comments attributed to Ambassador Reisman and whether or not they affect the privileges of Members?

Mr. Speaker: I will do everything I can to bring it in front of the House soon, and as the Hon. Minister of Justice (Mr. Hnatyshyn) said in Question Period, that is, without too much delay but very quickly. I am conscious of the fact that after this week there will be the usual adjournment. I am doing the best I can to meet the needs of Hon. Members. I thank the Hon. Member for his request.

* * *

POINT OF ORDER

FUND-RAISING LETTER FROM LEADER OF NDP

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a very short point of order, taking up from my hon.

friend, the Deputy Prime Minister (Mr. Mazankowski), when he raised his point of order. I have been waiting for some time. I have a desk full of letters from my friend, the Hon. Member for Athabasca (Mr. Shields), who has been sending out letters to various, I guess, random Members from northern Alberta. I just want to congratulate him on identifying a critical trend in Canadian political history. He said in his letter: "The mood of the electorate is changing". I think he needs to be congratulated. He is right on. The mood of the electorate is in fact changing.

Mr. Speaker: I think everyone has been treated fairly on that very interesting point of order the Hon. Deputy Prime Minister has raised. As the Chair has remarked, I am glad I was not left out.

* * *

PRIVILEGE

STANDING COMMITTEE ON EXTERNAL AFFAIRS AND INTERNATIONAL TRADE—TRAVEL TO THE YUKON

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, pursuant to the question of privilege raised with Your Honour earlier today, it has come to my attention that the Standing Committee on External Affairs and International Trade is planning to go to all of the 10 provinces to seek the views of provincial residents on the trade agreement and perhaps through an oversight, it is not planning, or has not planned at the moment, to go to either the Northwest Territories or the Yukon.

By not travelling to the territories, the ability of the committee to fully understand and to hear from all the residents in the territories is greatly diminished, in my view, and I feel once again northerners would see this as being locked out of a major Canadian political debate. Therefore, I believe that my ability to represent my constituents has been compromised because the committee will not be giving all territorial residents an opportunity to express their views.

If you find that this is a prima facie case of privilege, I would be prepared to move the appropriate motion.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, if I may be of assistance to the Hon. Member, I would not normally be prepared to suggest on the floor of the House what House Leaders are discussing, but I think in this case, in the interests of the point my hon. colleague made—which is a valid point. I take it as given—I would advise the House that we are presently discussing among House Leaders a draft travel order, the wording of which is to adjourn from place to place in Canada. Therefore, at our level there is absolutely no intention of excluding anywhere in Canada.

We appreciate that Canadians want to have an opportunity to appear before this committee, given, of course, that this is the first time in history that a treaty of this nature has been exposed to committee hearings and will get proper discussion coming forward.

There is absolutely no question that this is to be in any way exclusive and we will certainly bring it to the committee's attention.

Hon. André Ouellet (Papineau): Mr. Speaker, I find it very regrettable that the House Leader of the New Democratic Party has not spoken to the Member to explain to her the discussions that are currently taking place in this regard. The feeling is that this intervention is exclusively to try to gain some political points and I regret it very much.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I would be the last one to suggest that this was a place to talk politics, the floor of the House of Commons, and I do take some exception to the intervention from the Hon. Member for Papineau (Mr. Ouellet).

There has been considerable discussion between myself as House Leader of the New Democratic Party and the Hon. Member for the Yukon (Ms. McLaughlin).

An Hon. Member: Why did she ask such a dumb question then?

Mr. Riis: My hon. Conservative friend asks why she would ask such a dumb question. I would suggest that asking why the committee is not travelling to the Yukon is not a dumb question. Perhaps that is more of a reflection on the Hon. Member.

Let me make it perfectly clear—

Mr. Ouellet: Why ask the question if it is already known that the committee is going there?

Mr. Riis: The point is that I want to simply confirm what the Hon. Member has indicated. There have been some discussions and the discussions with the House Leaders have included the fact that the committee would be eligible to travel to various points in Canada. It was during discussions at the committee level that it was decided they could perhaps avoid travelling to the territories, including the Yukon and Northwest Territories. I think all my hon. friend from the Yukon is saying is that since the Yukon was left out of the Meech Lake discussion, she is concerned it is going to be left out of the free trade discussion. She is simply doing what her constituents have asked her to do, and that is to represent the people of the Yukon and ensure that when the biggest trade deal in Canadian history is going to be examined by the people, the people of the Yukon and the Northwest Territories will also have that opportunity.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on that same point, I think we are seeing an example here of negotiating across the aisle between the different Parties. I would like to remind Members that whatever the three House Leaders decide among themselves, they must come to the House to ask unanimous consent to put these motions, and if

the Hon. Member for Yukon (Ms. McLaughlin) does not agree with the motion to the effect that the committee will not travel to the Yukon, all she has to say is no, and then the committee does not travel until she is satisfied that the committee will go to the Yukon. Therefore, I cannot see the point.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has perhaps added something helpful. I have to say to the Hon. Member for Yukon (Ms. McLaughlin) that while she may very well have a complaint, it may not be as great or as severe a complaint as she may have thought, in view of what has been said by the Hon. Minister of State (Mr. Lewis) on behalf of the Government. However, it is not a question of privilege. It is a matter arising out of a committee. As I say, the Hon. Member may now have received a response from the Government that may in fact be satisfactory. In any event, there are other remedies available to the Hon. Member, as has been pointed out. It is a matter of concern, of course, to this House, and the Hon. Member might take some comfort from the fact that Members on both sides have indicated the importance of the committee, of where it goes and the matter which it is discussing. I thank the Hon. member for her intervention.

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BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-77

Mr. Riis: Mr. Speaker, my hon. friend, the Deputy House Leader will be aware that yesterday business of the House of Commons moved particularly quickly. We were able to complete examination of a number of Bills somewhat unexpectedly because of the expeditious nature with which the various debaters addressed those Bills.

• (1540)

In all corners of the House it is recognized that Bill C-77 is an important piece of legislation. Because of the fact that the Minister was unable to make the presentation on behalf of the Government, the spokesperson for the Official Opposition was unable to respond, and the spokesperson for the New Democratic Party still had some remarks to make at the end of his presentation, I would suggest that the Minister consider reintroducing Bill C-77 to facilitate the consideration of that Bill as we would normally approach it. In other words, have the Minister introduce the Bill and provide ample opportunity for the opposition spokespersons to respond. I do not think that that is an unreasonable request.

Mr. Lewis: Mr. Speaker, that is item No. 2(1) on the agenda for the House Leaders' meeting which will start immediately after the House moves to Orders of the Day. I am perfectly prepared to entertain some rearranging of that debate immediately. We will take care of that.

Mr. Speaker: Orders of the Day.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of amendments made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto; and the motion of Mr. Andre (p. 10664).

Mr. Speaker: The Hon. Member for Comox—Powell River (Mr. Skelly) on a point of order.

Mr. Skelly: Mr. Speaker, after we left the debate this morning we were on a point of order considering a couple of very serious matters. One of them was an attempt to make a request of the Government House Leader to provide the House with an explanation of what the House will do as a result of the Senate refusing to pass legislation that came out of the House. This is an extremely important matter.

I would ask for unanimous consent to permit the Government House Leader to stand up and explain exactly what the House can do, as elected representatives of the people of Canada, to ensure that an unelected group of people in the other place do not override the legislation passed by the elected representatives.

With unanimous consent will the House Leader explain what progress has been made on the proposal submitted to the Prime Minister (Mr. Mulroney) to use the time before the passage of Meech Lake, when only seven provinces and 50 per cent are required, to eliminate the powers of the Senate, so that it will not again interfere with the legitimate passage of legislation by the elected people in the House of Commons?

Mr. Speaker: The Hon. Member rises on some matters of importance. He asked for unanimous consent to get into a discussion. It seems to me to be a long way from the matter that is presently before the House for debate. The House is the master of its own procedure.

The Hon. Member has asked for unanimous consent to hear remarks on behalf of the Government by one of the Ministers concerning the situation with respect to the views of the other place on a piece of legislation which is presently before this House.

I have some difficulty with that procedurally. I would probably have to consider it. I will not have to consider it at all if there is not unanimous consent.

Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: I must inform the Hon. Member that there is not unanimous consent.

The Hon. Member for Ottawa—Vanier is seeking the floor?

Mr. Gauthier: No, Mr. Speaker, I was going to offer some remarks because I thought that you were asking for comments or advice on this point.

Indeed, I think it would prejudice the decision of this House to anticipate what is going to happen. I do not think it would be proper for us to entertain such a statement at this time.

Mr. Speaker: I thank the Hon. Member for Ottawa—Vanier who does, I might say, bring considerable helpful advice to the Chair. The Hon. Member was anticipating my own comments on my concern about the procedural validity of the motion, even if there was consent. However, there is not consent, so I think that we should revert to Orders of the Day.

The Hon. Member for Cape Breton—East Richmond.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am glad to participate in this debate. I say at the outset that I can understand and appreciate the fact that the Minister responsible for this particular piece of legislation is away from the House on important government business. I do wish to take this opportunity to share with you some of the various happenings that have taken place earlier today regarding the insensitivity and incompetence of the Department of the Minister responsible in providing a motion in both official languages. I would hope through you, Mr. Speaker, that perhaps as we progress a little in the debate, you would indicate as to whether or not copies have now been made available to all Members in both official languages.

I see that you are nodding your head expressing that that is the case. Is that correct, Mr. Speaker?

The Acting Speaker (Mr. Paproski): We can make sure that any Member who wishes a copy of the French text will receive a copy. They are on the table.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Edmonton West (Mr. Lesick)—Financial institutions—Principal Savings and Trust—Reimbursement of investors; the Hon. Member for York East (Mr. Redway)—Environmental affairs—Introduction of pollution control legislation; the Hon. Member for Cochrane—Superior (Mr. Penner)—Free trade—Softwood lumber export tax—Effect of agreement on pulp and paper industry.

GOVERNMENT ORDERS

[*English*]

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MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed consideration of amendments made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto; and the motion of Mr. Andre (p. 10664).

Mr. Dave Dingwall (Cape Breton—East Richmond): I should remind Members that in his opening remarks, the Minister indicated that the $300,000 that was spent by the special Senate committee to hear the views of Canadians with regard to Bill C-22 was somehow a very drastic and inappropriate expenditure of federal funds.

While he stood in his place, the Minister failed to tell Canadians the amount of funds that were used for the defence of a senior Minister in the present Government under a conflict of interest. Millions of dollars went to the defence of a Member of Parliament who was a cabinet Minister and a former Minister of Regional Industrial Expansion. The Minister failed to say anything about that.

On Bill C-22 the Minister tried to give the impression that what was happening at the present time was unprecedented. That is not the case. What is happening now is unprecedented as to what the Government is doing. When disagreements like this one occurred in the past, conferences were held between the Senate and the House of Commons, and they were held at this stage, that is, when the Senate has twice sent back a government Bill. Instead of following the normal procedure and holding a conference, as has been done in the past, the Government of Canada has acted on its own, proposing new amendments without any consultation whatsoever.

The Minister responsible for this piece of legislation ought to have his facts straight before he attempts to delude Canadians as to what is going on in regard to this piece of legislation.

My colleague from the New Democratic Party, the Hon. Member for Comox—Powell River (Mr. Skelly), who has now left the Chamber, attempted to portray in the House of Commons this new-found sense where the NDP now supports the thrust of Bill C-22. It does not want the Upper Chamber to try to make improvements to Bill C-22. I find that change of heart with regard to this particular piece of legislation to be rather telling of the New Democratic Party and the position that it has taken on social policy. In fact, I suppose Members of the New Democratic Party are doing this on a daily basis, checking to see which way the winds will blow. One day they are opposed to Bill C-22, the next day they wish to make amendments to Bill C-22 and now, today, we have a senior Member of this House from British Columbia, a Member of

the New Democratic Party, saying to the Canadian people that the Upper Chamber ought not to improve upon Bill C-22, thereby supporting the over-all thrust of increases in drug prices for Canadians. That is the position of the New Democratic Party. I say it is a shame that the NDP Leader, for whatever reasons, is not here in the Chamber to address those concerns as evidenced by the comments of that Member.

• (1550)

In order to give effect to the statements made by the Minister of Consumer and Corporate Affairs (Mr. Andre) that prices of drugs will not increase faster than the increase in inflation, Bill C-22 was amended to reflect the Minister's own words. I must point out that the Minister responsible has been telling Canadians from coast to coast that the Prices Review Board will keep price increases at less than the cost of living. When he appeared before the special Senate committee on Bill C-22 on April 14, 1987, the Minister said:

> Under the legislation, the Drug Prices Review Board will have a mandate to examine the prices of all drugs and to keep the prices less than the rise in increase in inflation.

That is found at page 28. On August 20, 1987, the Minister of Consumer and Corporate Affairs told Members of the House the following:

> The Drug Prices Review Board will be in place and mandated by law to keep those prices increases at less than the cost of living. Thus for the first time we will have those drugs for which there is no generic competitor being held down in terms of price increases by the Drug Prices Review Board.

That is found at page 8249. On the following day the same Minister repeated the same message to the House. He said:

> This package, Bill C-22, provides consumer protection . . . It provides that drugs will not increase more than the cost of living.

He went on to say:

> Under our scheme the Drug Prices Review Board will be examining those drugs and keeping the price increases of them at less than the cost of living.

That was the Minister responsible in this House and across the country for consumers.

The amendment which was suggested by the Senate Banking, Trade and Commerce Committee provides that the Consumer Price Index should be the primary factor which the Prices Review Board considers rather than merely one of many factors. The thrust of the amendment of the Upper Chamber is that the primary consideration be the Prices Review Board and that is in accordance with the Minister's own statement. Should the price of a drug increase faster than the Consumer Price Index, the manufacturer would then lose its period of exclusivity on that drug and at the board's discretion, its period of exclusivity on any additional drug. This amendment is in total conformity with the Minister's own words. If he will not agree to this amendment or to the thrust of this amendment, perhaps he could explain to Canadians and to Members of this House why he refuses to include in the Bill guarantees that reflect his very own words. If he does not accept this amendment, which is evidenced by his comments here, let him then confirm that price increases in excess of inflation will be permitted.

I suggest to the Minister, to his Cabinet colleagues and to the Members of this House that the Minister responsible for consumers cannot and should not have it both ways. He has to choose.

The second area of substantive amendments deals with research and development. At second reading debate in the House of Commons on November 20, 1986, the same Minister of Consumer and Corporate Affairs stated:

> We have received commitments from the industry to invest directly in research and development $1.4 billion and to create 3,000 jobs between now and 1995. The commitment is worded so that 10 per cent of sales will be invested in research and development.

Unfortunately, Mr. Speaker, those words, those commitments are found nowhere in Bill C-22. They are not in the Bill. They are not in an exchange of letters as was the case, if you will, with the Auto Pact. These commitments are contained in what? In press releases. What Canadians are asked to put their reliance in is the promise and the weight of a press release. The Government seems to talk with perverse pride in the fact that it has not obtained a firm undertaking or guarantees from the very companies which would so handsomely, and I underline the word handsomely, profit from this legislation. This approach in my view is both naive and unacceptable.

In 1985 the Government of Canada introduced a 10 per cent sales tax on non-prescription drugs such as Aspirin and cold remedies and even poison ivy treatments. Now, the implementation of a tax on medicine is in itself scandalous. Does an individual who falls ill not face enough adversity without being taxed on the very medication he or she must purchase to treat his or her ailment? Apparently not in the view of the Government. When it comes to collecting additional revenues from the ill, the sick, the Government has absolutely no hesitation in codifying such measures in the very law of Canada to ensure that it collects its own reward in the form of a sales tax. There is no hesitation, no doubt. It is a clear unequivocal desire to implement sales tax on the sick and on the elderly.

Contrast this approach to the one being taken in the legislation before us. The Government of Canada assures us that the pharmaceutical manufacturers will increase research and development expenditures by a total of $1.4 billion over the next 10 years. But there is nothing, absolutely nothing, not a comma, not a sentence, not a reference, not an amendment, absolutely nothing in the Bill that requires the Government to do so. Over a billion dollars is reportedly at stake. The Government and, indeed, right now the Minister of National Health and Welfare (Mr. Epp) laugh. They hold up press releases and then they cry victory. It is shameful, shameful behaviour on the part of a national Government which is supposed to take its responsibility both seriously and sincerely.

The Minister of Consumer and Corporate Affairs went on and stated before the special committee on Bill C-22, "I prefer a carrot to a stick. I don't think a stick is necessary". He said that on April 14, 1987. No, Mr. Speaker, one would certainly not want to use a stick on the multinational pharmaceutical interests. When it comes to taxing Canadians who fall ill, this Government apparently has no hesitation in holding the stick over their heads. I ask government Members where is the fairness, where is the social justice, where is the dignity? I suggest it is highly lacking and that is evidenced by their actions.

• (1600)

Is the goal of the Government to promote research and development in Canada? The people in the Senate did their best to further that goal by providing amendments to Bill C-22. They recommended that a pharmaceutical royalty fund be created, the same recommendation that was made by one of Canada's most distinguished authorities, Dr. Harry Eastman. Drug companies would receive additional monies in direct proportion to the amount of research they conduct. The Government found this unacceptable. It prefers to give a blank cheque to the pharmaceutical giants to be paid by the sick, the elderly and the infirm of Canada.

The Senate Committee on Banking, Trade and Commerce, in the spirit of compromise, now recommends that at the very least, the promises of the Minister and of the pharmaceutical companies be placed in the legislation itself. Surely if the Minister believes in his own words, if the industry, as evidenced by the press releases of the pharmaceutical multinationals, believes in its own words, what do they have to fear? If what they have said will be realized, why would they be afraid? What do they have to hide?

The Senate did not ask for any additional commitments. It is not substituting a totally new scheme in place of that proposed by the Government. The Senate amendments simply ask that the promises made by the industry be contained in the legislation and nothing more.

The amendments would require the drug companies to actually spend the funds they have promised to spend on research and development. If the drug companies are serious about the commitments they have made in Quebec, Ontario and other parts of Canada, they should have no reason for concern because this amendment would never, ever come into effect. It would only come into effect if those companies and the industries at large reneged on their promises and failed to live up to their commitments.

This amendment is obviously unacceptable to the Minister of Consumer and Corporate Affairs. I would ask the Minister to take the time to explain to the employees of the pharmaceutical industry why he refuses to put into the Bill a guarantee that research and development will actually increase as promised by the industry and now by the Minister.

As introduced by the Government, Bill C-22 does not even require pharmaceutical companies to maintain their present levels of research and development and employment, let alone increase them. That is shameful national social policy. What kind of Government would be that irresponsible to the people it says it represents and wishes to represent?

If the Government says that research and development will increase to 10 per cent of sales, and if the Pharmaceutical Manufacturers Association of Canada is making the same commitment, why is there hesitation about putting it in the Bill? Let me use this analogy. If a consumer went to buy a car, a fridge, a stove or any other commodity and the salesman made all sorts of promises about the vehicle, the fridge or the stove, but then at the end of the day when the consumer went to pay for that particular commodity, the salesman refused to put any of those promises in writing, would the consumer not have some serious concerns and reservations about the promises? I think the answer is obvious to most Canadians.

If the Government refuses to put into writing its own words, then all Canadians have good reason for concern. It is not fair, it is not good public policy, it is not in the interests of Canadians, it is not in the interests of trying to maintain reasonable prices for prescription drugs for the Government to give away without receiving anything in return.

I underline again and again the unfairness, the incompetence, the give-away, the walk-away about the objectives of social policy. Why is the Government afraid to put into legislation things it has been telling Canadians from coast to coast? Unfortunately, the reasons for the Government's refusal are what we in the Opposition have been echoing for quite some time.

The Minister may say, as he attempted to say in committee, that for certain technical reasons, this amendment cannot be accepted, but it can be accepted. It only requires the political will to do so. There could have been that will, as evidenced by the suggestions we made in committee and in the House and our colleagues made in the Senate. If there was one iota, one teensy little bit of political will on the other side to protect Canadians from the harshness of this particular Bill and to give us guarantees for research and development, jobs and the protection of the consumer, the Government would have moved on those suggestions.

Canadians now hold the position, as evidenced by opposition across the country, that this Government does not really believe what it has told us. It is a smoke and mirrors game. Say one thing, do the complete opposite. The Government did it on free trade. In 1983, the Prime Minister (Mr. Mulroney) said no way to free trade. Now free trade is here. The same thing was true with the sacred trust. He put legislation in to deindex pensions for senior citizens. The list goes on and on.

Who have been hit? Who pays for these unconscionable acts of the Government? It is the Canadian consumer who pays.

The third area of amendment deals with the retrospective operation of Bill C-22. We heard today a litany of words and sentences piled up on top of one another by the Minister of Consumer and Corporate Affairs. One would have to be a Philadelphia lawyer, a medical surgeon and a Ph.D. in biochemistry to understand what he was talking about. He did not know what he was talking about.

As a matter of principle, legislation with a retrospective application is highly objectionable. Bill C-22 is no exception. The committee found that the use of June 27, 1986, as the operative date impairs the rights of certain licensees and of those who have applied for but have not yet been granted compulsory licences. The Minister tries to weave, bob, stand on this foot and stand on that foot to justify using the date of June 27, 1986.

• (1610)

Some have said the Minister is on drugs. I do not believe that for one moment. I think he has taken the drug and right now he is coming off it. That is why he is making such silly, stupid and irresponsible statements as he made here this morning. I wish we had the opportunity to have him in the Chamber in order to have a frank and free-flowing debate on some of those irresponsible and somewhat incompetent statements regarding the retroactivity of Bill C-22.

Generic companies have expended time and money under the present legislation. They have applied for compulsory licences and notices of compliance in good faith. We are now told by the Government that those efforts are to be of no avail because the law is to be changed as of June, 1986. Where is the fairness? The Hon. Member for Burlington (Mr. Kempling), who sat on the committee studying this Bill, referred with great eloquence to the generic companies as nothing more than rapists. That was his understanding of the contribution generic companies can make to the pharmaceutical industry. Members opposite have a very narrow view of the industry. It is based on one foundation, that of the multinational corporation. We in this Party believe it is more than just that group. It is the generic industry, the Canadian consumer, provincial Governments, and other interested groups across this country.

The unfairness of the retroactivity involved in this legislation is without parallel. What is particularly disturbing is that the companies which will be harmed are in the main Canadian generic companies. Not only do we bring in harmful retroactive legislation, it is most harmful to the Canadian generic industry. So much for helping Canadian business. So much for trying to facilitate expansion of the Canadian pharmaceutical industry. The Government is doing everything but.

I want to underline that the obvious beneficiaries of Bill C-22 are foreign based multinational companies. Let us be clear. It is one thing to say, as the Minister said, that new jobs will be created, research and development will take place, and prices will be maintained in line with the CPI. It is quite another thing for him to say, because of a magical process called the press release, that we should place our faith in multinational corporations with respect to creating jobs, increasing research and development, and maintaining reasonable prices. The Minister is out to lunch, he does not know what he is talking about, when he relies solely on the press releases of multinational corporations.

There is of course an argument to be made that all firms operating in Canada should be treated equally. In this instance the Government seems to have gone out of its way to hinder development of a Canadian controlled pharmaceutical industry. What the Senate Banking, Trade and Commerce Committee has done is to recommend that the Bill be amended to provide that the new regime would only come into effect on the date the Bill is proclaimed. It says that this new regime would apply only to brand name drugs that received their notice of compliance on or after that date. In this way new drugs would be afforded the increased protection of Bill C-22, while drugs now on the market would continue to be governed by the old rules.

What is so earth shattering about that suggestion? Why could the Minister not accept the thrust of that amendment? Has he made a side deal with the multinational corporations which he refuses to inform Parliament about? That is the conclusion Canadians are coming to. The Minister refuses to codify his own words in this legislation. Surely any fair, reasonable and objective individual would have to conclude that there must have been some side deal in order that we revert not to June of 1987 but June of 1986.

That is a long period of time. I am sure even you, Mr. Speaker, reasonable and objective man that you are, coming from that great Province of Alberta which is opposed to higher drug prices, can see the insensitivity on the part of the Minister regarding the Senate's amendment concerning retroactivity. Who is it going to hurt or hinder? Canadian consumers? The generic industry? The employees of those generic firms, a point which has not been mentioned in this House as of yet?

There are other objections to this Bill. The amendments proposed by the Senate Banking, Trade and Commerce Committee are reasonable and deserving of our support. There is nothing in these amendments, absolutely nothing, to cause any discomfort to the Government, particularly since they mirror the Government's own words. I would like to draw to the attention of Members of this House comments made in a *Financial Post* editorial on October 26, 1987. If anything, that paper has not been overly fair, understanding or sensitive to the views of opposition Members about this Bill, nor to the Senate's view, nor indeed the whole issue of intellectual property rights. However, for the edification of Members opposite I want to quote what *The Financial Post* had to say. It says in part:

> The Government seems determined to manufacture a constitutional impasse over its drug patents law, Bill C-22. It was one thing for the Senate to alter fundamentally the nature of the bill, as it did in its first round of amendments. It is quite another when, the bill having been returned to the upper house, a Senate committee suggests the most moderate, sympathetic amendments, wholly in keeping with the spirit of the legislation and respecting every constitutional precedent—only to meet with brusque dismissal from Consumer & Corporate Affairs Minister Harvie Andre.

The Senate banking, trade & commerce committee's recommendations only sharpened the bill's purpose, that it might at least achieve what it intends. One sets explicit guidelines for the new drug price review board. A second established R&D commitments in law, on a company-by-company basis, rather than industry-wide. And a third merely cancels the bill's retroactivity, in accord with natural justice. In every essential, including the 10-year monopoly for new drugs, the bill is intact. Consumers, taxpayers, and economists might have complaints at this, but the minister should have none.

• (1620)

Finally, it says:

—the government should surely be able to accept the Senate amendments and spare us a constitutional showdown.

Mr. Speaker, that was in the *The Financial Post* of October 26, 1987, in an article entitled "Drugs and trade", commenting on the amendments which have been referred to us in this Chamber for our consideration—reasonable, objective amendments being put forward, not to lessen the government thrust of Bill C-22 but to improve it and to codify and confirm the words of the Minister responsible.

The Minister has come into this Chamber and insulted my colleagues from the Province of Quebec. He has made reference to opposition Members using stalling tactics. On a previous occasion this Minister accepted amendments of the Senate and then went on to make two additional amendments himself.

I do not know whether the Minister was speedreading, talking in his sleep, talking as he was coming off drugs, or what, but he seemed to suggest in his motion that he was accepting one of our amendments and some other amendments, the full impact of which we are in the process of examining. The Minister has certainly not gone far enough in my view.

In this debate we must emphasize the position which our Party has taken from day one. It was the NDP which said "no amendments to Bill C-22, none whatsoever". That was a couple of months ago. There was then some wavering and then they wanted some amendments, in fact they even suggested some amendments. When the standing committee met, some amendments were brought to Parliament but they were rejected by the Government. Today the senior member of the New Democratic Party from British Columbia says that we should do away with the Senate, that it should have no right to improve Bill C-22.

I am not suggesting that that is hypocrisy. I am not suggesting that they are sitting on the fence wavering back and forth, waiting for a political opportunity to jump in or jump out. I would not say that about the members of the New Democratic Party. They do not know where they are at. If the convention is in Montreal, they are against Bill C-22. If the convention is in Atlantic Canada, they are probably against Bill C-22.

It is clear to Members in this Party that the New Democratic Party has been, as I am sure the Minister of Justice (Mr. Hnatyshyn) will agree, inconsistent throughout this entire debate. That ought to be brought to the attention of the House.

I know that my colleagues across the way are very much aware of their inconsistency, of the way they change their feet, pulling one foot out and putting the other foot in to meet the political whims of the day, whatever they may be. First they wanted no amendments, then they wanted amendments, and now they want no more amendments. Are they in support of Bill C-22 or are they against it? I think Canadians should know where they stand. We have seen in this House a terrible display of inconsistency by members of that Party. They do not know where they are at and I suppose they never will.

We, however, have been consistent throughout. We have said since day one that there must be amendments to the Patent Act. The Government has advocated a 10-year monopoly period for the multinational corporations. The Minister of Justice has a social conscience and I know that he agrees with me—although he cannot say anything because of cabinet solidarity—that that was the wrong way for the Government to proceed. I know that my good friend, the Minister of National Health and Welfare, also agrees that it was a Draconian measure taken against the consumers of the country to include a 10-year period of exclusivity. The Minister of Justice shakes his head. I do not know whether he is blowing his nose or what.

Mr. Hnatyshyn: You remind me of Allan MacEachen. I don't know why.

Mr. Dingwall: We have been very clear that there must be amendments to the Patent Act. We have adopted as our position the recommendation of Dr. Harry Eastman, a distinguished authority in Canada who made very sound and reasonable recommendations to what is now known as Bill C-22. That has been our position and we have not wavered one iota, unlike the NDP which is all over the country saying one thing to one group and a different thing to another group. We have been consistent.

Our Leader has gone to western Canada and stated clearly and unequivocally where we stand as a Party. He has done the same thing in the Province of Quebec, including in the City of Montreal and particularly to the Montreal Board of Trade. He has clearly spelled out the position which we have adopted since day one.

Members ought not find it difficult to understand that we would look upon the amendments sent to us by the Upper Chamber with great sensitivity and great understanding for they, too, have had the objective of improving the overall being of this piece of legislation. That ought to be clear to all Members.

What are Canadians saying about Bill C-22? I would like to read to you, Mr. Speaker, what some Canadians are saying

about Bill C-22. I have a letter from Regina, Saskatchewan, dated August 13, 1987. It reads:

• (1630)

> It is a saddening situation that the present Government should show a contemptuous and uncaring attitude towards its citizens. Most hurtful of all is the position that they take in believing most of us are stupid and believe their propaganda that the Bill will create jobs and add to a better business outlook in Canada. This is nothing but an aberration on their part. Since when have European and U.S.A. States multinationals given the slightest consideration to the well-being of the citizens of Canada?
>
> Trusting that we may depend on your continued opposition to the passage of Bill C-22 in its present form.

That is from Regina, Saskatchewan. Canadians are speaking out on legislation that they know will affect them dearly.

A physician from London, Ontario, writes:

> As a physician, I am aware of the difficulties some patients are having paying for drugs. It is important that we take whatever steps are necessary to keep drug prices lower . . . The Government has done the country a disservice by implying that the drug Bill will not push up drug prices. I applaud you in your efforts to amend the drug Bill. Keep up the good work!

That is another Canadian who is concerned about drug cost, and knows something about it.

I have a letter from another individual from British Columbia. Perhaps this explains the irrational and inconsistent behaviour of the Hon. Member for Comox—Powell River when he makes his change of heart as to what the position of the New Democratic Party really is. No one really knows what their position is, depending on the day and how the winds will blow.

This person writes: "Like many Canadians I strongly support the Senate for its stand on this issue. Competition not regulation is the best means of price control and a healthy domestic generic industry has been providing this since 1969. Sick Canadians require protection, not the foreign pharmaceutical industry which has been enormously profitable for many years. In Canada unique drugs such as insulin have almost always originated in universities, seldom, if ever, by industrial research, and legislation is unlikely to change this. The Government is getting seriously out of touch with our citizens who are having to look elsewhere for protection. I hope the Senate will stand its ground in the interest of Canadian consumers and our domestic industry".

That was written by a doctor from British Columbia. Canadians are voicing their concerns about the thrust of Bill C-22.

I also have a letter that was sent to the Minister, to whom I have referred in a very kind way. I refer to him as the Minister of Consumer and Corporate Affairs, but from time to time I do make mistakes. My mistake is that I have been generous and kind. I have called him the Minister of Consumer and Corporate Affairs, but I tell you that he is the Minister of corporate affairs.

He will go down as a great Minister of corporate affairs, manipulating, conceiving, facilitating, expediting secretly and every other way the interest of multinational corporations while he does not respond to the real people, the individuals who need the protection of the Minister. When he does respond to them, it is without any degree of political will to assist and facilitate them in achieving the objectives that they believe are important.

The Minister of corporate interests received a letter on August 19, 1987. Part of it reads:

> As a Chairman of a Department of Psychiatry which deals with hundreds of individuals who require certain medications to get through life, I am constantly reminded of the need to keep drug costs at an absolute minimum. Of the more than 60,000 patients which we at Queen's are seeing during the year, two-thirds are individuals who have serious financial constraints and whose day-to-day emotional survival depends on cheap medication. Your wish to counterbalance these benefits with increased research commitments appears rather vague to me.

That is from the Chairman of the Department of Psychiatry, Professor of the Department of Pediatrics, Queen's University. It is another Canadian who is expressing his view with regard to this legislation.

Many other Canadians are opposed to Bill C-22. I do not wish to reiterate all of those groups and organizations who have opposed it, but it must be said for the benefit of Members and indeed the Canadian public that six provincial Governments are opposed to Bill C-22. Yet we only hear from the Government benches that one government, the Government of Quebec, supports Bill C-22.

I have stated in this Chamber on several occasions that we support research and development, we support jobs, we support the lessening of price increases and the maintenance of reasonable prices for prescription drugs. That is why we have attempted both in the House of Commons and in the Senate to effect amendments which would serve that purpose. Yet the Government has chosen not to do that, for whatever reasons.

Let it be said clearly and unequivocally that the amendments which have been put forward by our Party and our colleagues in the Senate have been made to strengthen the Bill and provide Quebecers with those assurances on jobs, research and development and a guarantee with regard to the cost of prescription drugs. That has been the primary consideration.

The Minister began by telling us that there will be all sorts of benefits for all Canadians, those who live in western Canada, Atlantic Canada, Ontario and Quebec. The Minister then said that perhaps he should change that to mean the capitals of the various provinces would benefit. Now he has sliced off the Atlantic, thrown out western Canada. Nothing going to Brandon, Manitoba.

Mr. Epp (Provencher): Yes, there is, $30 million.

Mr. Dingwall: The Minister says $30 million. Why do you not have the courage of your words and put it in writing in the

Bill so that Canadians will have confidence in what you are saying?

Mr. Epp (Provencher): Do not use arguments that are not true.

Mr. Dingwall: What is the Minister of National Health and Welfare afraid of? Why does he refuse to put his words into writing?

Mr. Epp (Provencher): I am afraid of the kind of comments you make which are unfounded.

Mr. Dingwall: He is not a chameleon. Prove it and put it in writing in the Bill.

Mr. Epp (Provencher): Your association with the truth is unfounded.

Mr. Dingwall: What will be going to Lunenburg, Nova Scotia, Shediac, New Brunswick—

Mr. Nunziata: Or Revelstoke, B.C.?

Mr. Dingwall: Or Revelstoke, B.C.? What will go to Portage la Prairie? The Minister knows.

Mr. Epp (Provencher): Stay with the truth, David. It will be a new experience for you.

Mr. Dingwall: The Minister talks about truth. I challenge the Minister to put up or shut up.

Mr. Epp (Provencher): You said there was nothing in Manitoba, until I corrected you.

Mr. Dingwall: If you believe in your words, why do you not place it in the Bill?

Mr. Grisé: Very decent. Very high profile argument.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) has the floor.

Mr. Dingwall: I ask the Minister simply to put his words in writing. The Minister talks about truth. I would not want to say that we must question the truthfulness of the Minister.

Mr. Epp (Provencher): You said nothing in Manitoba, until I corrected you.

Mr. Dingwall: What is going to Brandon, Manitoba? Put it in legislation.

Mr. Epp (Provencher): You said nothing in Manitoba.

Mr. Dingwall: The Minister said $30 million. I say to the Minister, put it in writing. Codify it into law. But the Minister says: "No, I shan't do that". So who is being untruthful?

• (1640)

Mr. Clark (Yellowhead): You are.

Mr. Nunziata: Point of order, Mr. Speaker.

Mr. Dingwall: I suggest the Government is being untruthful.

Mr. Nunziata: I distinctly heard the Secretary of State for External Affairs (Mr. Clark), former Prime Minister of Canada, accuse another Hon. Member of being untruthful. As you know, Mr. Speaker, that is unparliamentary.

The Acting Speaker (Mr. Paproski): I think we will wait until I see the "blues". I do not believe I heard that. I can wait until tomorrow. However, if the Right Hon. Secretary of State for External Affairs would like to comment, I would appreciate hearing from him.

Mr. Clark (Yellowhead): Mr. Speaker, the Hon. Member for York South—Weston (Mr. Nunziata) was uncharacteristically correct and I withdraw.

Mr. Dingwall: We are getting places today, Mr. Speaker. Perhaps the Minister of National Health and Welfare would accept the challenge to take the truthfulness of the comments of the Minister of Consumer and Corporate Affairs as well as the truthfulness of the multinational corporations, and take that truthfulness—if he believes so strongly in their truthfulness—and place it into law so that all Canadians can see and recognize that their words really mean something, that they do not have to depend upon the mere words and weight of a press release that may have been issued from the head office of the multinational corporation or, indeed, from the Minister of Consumer and Corporate Affairs. I think the Minister might want to do that for Canadians if he is so concerned about truthfulness.

We have heard the Minister talk about the great benefits that would be bestowed upon Canada with Bill C-22. The area now being concentrated on is the City of Montreal. We are told all sorts of benefits will go to Montreal. I am not against benefits going to Montreal. My colleagues are not against benefits going to Montreal. I just ask the Hon. Minister to put it into law. Why does he not put it into law and reassure the people, as we have suggested in our amendments, that what he is saying will be realized, as opposed to this smoke and mirrors game the Government is playing with the Canadian people? After all, it is Canadians from coast to coast who will have to pay the lion's share of the increase in the costs of prescription drugs. Canadians across the country, the elderly, our senior citizens and the sick will have to pay.

Of course, the Minister of National Health and Welfare, of all people, should be all too aware of what effect increases in the cost of drugs will have on our provincial Governments. He knows that when the costs of prescription drugs go up, it is not directly seen by Canadians because most Canadians, yes, are under a drug plan or program sponsored by their provincial Government. However, where do the provincial Governments get their money for health care? It is through the taxation system. The Minister knows that smaller and poorer provinces, even his own Province of Manitoba, are going to have to pay

higher drug prices. Costs are going to go up and someone has to pay for it.

We are not asking for something we have contrived or stirred up at the drop of a hat. We are just trying to put into law the words of the Minister of Consumer and Corporate Affairs.

Mr. Nunziata: I rise on a point of order, Mr. Speaker. I hate to interrupt my colleague and friend in the middle of his remarks, but he has been indicating for some time now that certain promises made by the Government ought to be entrenched in legislation. Is he suggesting that Canadians do not believe promises made by the Minister and the Government? Is that why he wants it in legislation?

The Acting Speaker (Mr. Paproski): This is not the time for questions and comments. The Hon. Member has the floor in unlimited debate. If the Hon. member for York South—Weston would like to write his colleague a little memo to tell him exactly what is happening, that is fine, but I would hope that the Hon. Member for Cape Breton—East Richmond could carry on with his debate.

Mr. Dingwall: Thank you, Mr. Speaker.

Mr. Clark (Yellowhead): Can you handle it on your own?

Mr. Dingwall: The Hon. Member will have an opportunity to say a few words in this debate and I will wait with great anticipation to hear what he has to say about some of the recommendations which have come forward from the other place.

The word we have received to date has been a mere statement of intention. I think the price Canadians have to pay in terms of higher drug costs, no guarantees for jobs, no guarantees for research and development, is a pretty big price. If we are going to give the multinational corporations a free monopoly for a 10-year period, surely it is a measure of good public policy to have some clear legislated commitments in order to ensure Canadians jobs, expenditures on research and development, as well as reasonable prices for prescription drugs. But the Bill is completely devoid of that, and for that reason I have urged the Government time and time again to take its words and put them into writing. I know the Minister of National Health and Welfare has a little difficulty with this. This is where we may depart company. If the Government says something and is not prepared to legislate it on such an important measure as this, Canadians quite rightly are going to conclude that perhaps there is something wrong, perhaps the Government is not going to deliver on its commitments.

I go back to what I said in my opening remarks when I referred to the car salesman or the salesperson selling a stove, refrigerator or microwave. They make all sorts of grandiose promises about that particular product but when an individual goes at the end of the day with money to purchase the item and have it delivered, the salesperson says: "Well, I cannot put those things in writing". Quite rightly an average reasonable Canadian consumer would conclude there is something wrong and more than likely would not purchase the item. They would want to go home and reflect upon the fact that the salesman was not prepared to put in writing or give a guarantee of what he said the item would do.

The Minister of National Health and Welfare knows only too well that we have heard there are going to be jobs, expenditures on research and development and all Canadians are going to benefit. If the Minister believes that, why does he not put it into law? What is he afraid of? The only time it will trigger into effect is if the multinational corporations do not live up to the sentiments they have expressed.

Therefore, I say to my colleague and friend, the Minister of National Health and Welfare, he cannot have it both ways. He cannot speak out of both sides of his mouth. When he is enacting social policy in this country, he ought to do the decent and honourable thing and come clean and tell Canadians exactly what is going to take place.

• (1650)

If the Government is not prepared to accept the amendment put forward by my colleagues from Cape Breton—The Sydneys, York South—Weston, and from Windsor, that we have made repeatedly in the House, the only thing that we can conclude, as reasonable objective consumers and opposition persons, is that the Government does not believe that what it has stated will materialize.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I see that the hour is approximately 4.51 p.m. The Hon. Member for Cape Breton—East Richmond (Mr. Dingwall) has now spoken for some 50 minutes. I understand the House will be adjourning in eight minutes. Can the Chair indicate whether the Hon. Member has unlimited time, or whether his remarks might be restricted by any rule of the House?

The Acting Speaker (Mr. Paproski): The Hon. Member is well aware that he has unlimited time. The Hon. Member for Cape Breton—East Richmond has the floor.

Mr. Dingwall: Mr. Speaker, I am glad that you clarified that for my colleague, who, as you know, is a new Member to the House of Commons, but a very able and distinguished Member of Parliament.

That is the issue here today. There is no hidden agenda. Opposition Members do not have something that they are attempting to pull out of the hat at the last moment. We are looking for improvements to Bill C-22. I thought as legislators it was our job to improve upon the legislation. As other Members have, I took an oath with regard to the constituents whom I represent. Surely, in a free and open society when we rise to speak in this Chamber, we have to accept that sometimes there are suitable, concrete, good amendments and suggestions that can come from other corners of the House.

The Minister has left the unfortunate impression that there may have been a side deal, therefore they cannot agree to put their words in legislation in terms of the retrospectivity going back to June, 1986. Imagine, Mr. Speaker, it is November, 1987 and the Government wishes to have a Bill retroactive to June, 1986. That will not favour the generic companies in this country. It will not favour Canadian consumers. It will not favour the senior citizens who live on Minto Street in Glace Bay in my constituency. It will not favour the senior citizens in Dominion in my constituency. It will not favour the senior citizens in North Sydney and Cape Breton. It will favour one particular group, the multinational corporations.

While we are on the point of multinational corporations, let us review in summary fashion the financial health of those corporations. As they would say in some quarters of this country, if they were crawling along their way in terms of financial viability, one would have to scratch their head and look at this legislation in a different light. In looking at the track record of the multinational corporations, as was done by Dr. Eastman in his report from 1968 to 1983, there is conclusive evidence that that sector of the pharmaceutical industry did better than any other manufacturing sector on job creation, on profits, and on return of investment. So as they say in parts of this country, "They ain't no poor people there. There ain't no poor people running the multinational corporations".

Let it be clear, which we do not seem to get from our colleagues in the New Democratic Party, that we are not against businessmen or businesswomen reaping a reasonable profit, a return on their investment to their shareholders. We are not against that. We never have been against that, and hopefully we never will. Surely, as individuals who are elected to serve—and I underline the word serve—

Mr. McCurdy: Don't forget about honesty now.

Mr. Dingwall: The Hon. Member mentions honesty. Perhaps we can hear another flip-flop from the New Democratic Party. We have heard one today, perhaps we might hear another one.

Mr. Orlikow: Mr. Speaker, I rise on a point of order. I have listened to the Hon. Member for one hour and 15 minutes, and on a number of occasions he has implied that members of the New Democratic Party are flip-flopping, inferring that we are no longer opposed to this Bill.

I wish to make it very clear, and the Hon. Member knows that what I am going to say is correct, that we have opposed this Bill from the beginning. We will continue to oppose this Bill.

The question of the rights of the Senators is another question, which we can debate if the Hon. Member would give other Members a chance to speak, which he has not done so deliberately.

The Acting Speaker (Mr. Paproski): The Hon. Member, who has been here for many years, knows that that is not a point of order. It is a point of debate. The Hon. Member for Cape Breton—East Richmond has the floor.

Mr. Dingwall: Thank you, Mr. Speaker, for your kindness. The Bill and the position—

Mr. Nunziata: Of the NDP is hypocritical.

Mr. Dingwall: Well, I do not wish to get into that now. We can do that later, perhaps tomorrow or next week.

Mr. Orlikow: You have made sure that we cannot do it today. You have made very sure of that.

Mr. Nunziata: They are very self-righteous talking out of both sides of their mouth. Tell it the way it is, David.

Mr. Dingwall: I think that they have been very consistent in that they have been very inconsistent.

Mr. Clark (Yellowhead): Getting some help again, David? Can't you handle it on your own?

Mr. Dingwall: I invite the Hon. Member to participate and ask a question, if he so deems.

Mr. Clark (Yellowhead): Watch, John, he is behind your back.

Mr. Dingwall: You should know something about being behind your back.

Mr. Clark (Yellowhead): He's never behind mine.

The Acting Speaker (Mr. Paproski): Order, please. It has been a quiet afternoon. I have enjoyed the debate, and I would hope that the Hon. Member would carry on for the next minute or so.

Mr. Nunziata: Without interruption, please.

Mr. Dingwall: It has been very clear that, in this debate with regard to the thrust of Bill C-22, amendments have been put forward and rejected by the Government. Although some of those amendments may have come from the two different opposition Parties, the Senate of Canada, individual citizens and different groups across this country, the Government has refused to accept or entertain the bulk of those amendments, notwithstanding the sound advice, and the reasonable, articulate, objective suggestions that have been made by all of those individuals.

In conclusion, the amendments that have been put forward by the Senate in no way derogate from the over-all thrust of Bill C-22. It is a mere attempt to improve upon the Bill, to codify into law the statements and sentiments expressed by the Minister of Consumer and Corporate Affairs (Mr. Andre). That has been its thrust.

I now wish to call it five o'clock.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being 5 p.m., the House will now proceed to the consideratin of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

PARLIAMENT HILL

PROPOSED ERECTION OF STATUE OF QUEEN ELIZABETH II

The House resumed from Friday, October 2, consideration of the motion of Mr. Tupper:

> That, in the opinion of this House, the government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I count it an honour indeed to have the opportunity to speak on the motion introduced by my colleague, the Hon. Member for Nepean—Carleton (Mr. Tupper) and seconded by the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil). The motion reads:

> That, in the opinion of this House, the government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill, in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

I strongly support this motion, Mr. Speaker. Over the years in my public life I have had the opportunity of watching, seeing and speaking to Her Majesty the Queen. The first instance I had of meeting the Queen was before her ascension to the Throne when she was still a princess. She toured Canada and came to Edmonton. A reception was held in the Banff Springs Hotel and I remember the next day the Premier telling us that the Princess had a real sense of humour. He had his speech written on cards. While having dinner he was looking over these cards and the Princess said to him "What would happen if I took those cards and shuffled them? What kind of a speech would come out then?" The Premier remarked that it would have been a very odd speech if she had shuffled the cards. I was very impressed with her way of meeting people as though they were members of her family. She has a tremendous love for people.

I have met the Queen on other occasions. Every time I have had the opportunity of meeting her, seeing her or listening to her my affection and my loyalty has increased.

When I was in opposition I had the opportunity of spending a week or two in London with the Parliamentary Association. During the week Commonwealth Day occurred. There were 23 of us from various Commonwealth countries at the meeting. We were invited by Her Majesty the Queen to have tea with her and the Duke. People were there from China, Hong Kong and the various islands. We were a group of Commonwealth members of all colours, creeds and political Parties. I will never forget the tea we had with Her Majesty. She took the opportunity to speak to every one of the delegates. She asked people about their countries and how conditions were. When she spoke to the Liberal Member and myself, she told us she was interested in the Canadian youth. She seemed to be dedicated to doing something for youth, which made me very pleased.

A few days later we celebrated Commonwealth Day. We ceased our studies that day and went to Westminster Abbey where a beautiful service was held. It was a lovely tribute to Her Majesty. Representatives of every Commonwealth country were there with their flags. As the various people came in following Her Majesty into the Abbey she said how proud she was to be the Queen of such a tremendous group of people. I kept a copy of the speech Her Majesty gave that day.

I would like to refer to a few things she said about the people of the Commonwealth. Speaking about Commonwealth Day, she said:

> First and foremost, it is about people, and particularly about the young. In many countries they make up nearly half the population. At its most spectacular and exhilarating it is about athletes such as I saw last year competing brilliantly in the unique atmosphere of the Commonwealth Games; at its most enchanting it is about the children who gave me such a welcome on my first visits to some of the island nations in the Pacific Ocean; but fundamentally it is concerned with all those who in their early years have to learn how best to meet the challenges of living in the world today.

As I heard Her Majesty say that, I thought here is the head of a wonderful group of nations who is down to earth and knows how to express the feelings of the people over whom she reigns. She did not tell them what was good for them. She was trying to assist them in meeting their challenges. The Queen went on to say:

> This is why, through its youth program, its technical and professional programs, and its work in the field of health and education, the Commonwealth helps to tackle the problems of underemployment and undernourishment and to provide opportunities for millions of families to achieve the fulfilment in life which is their natural right.

As the Queen talked about undernourishment, I thought what a challenge it is that she is giving us to help those who do not get enough or the wrong kind of food and to help those who are not educated. I thought how often in Canada people reluctantly go to school wondering why they have to spend so much time there. Yet almost half of the boys and girls of the world today would give their right arms or anything they have of value just to know how to read.

It made me think of when I was a young Grade 12 student in the Drumheller Valley. A coal miner asked me to teach him how to read. He must have been a man of 50 or 60 years old. I said "Yes. Sure, I will be glad to". It was my first attempt at pedagogy. I had a little old primer which had "This is a flower. This flower is red. This flower is blue". I went over this book with him day after day. One day he was reading to me and said "This is a flower. This flower is black". It struck me funny when he spoke about a black flower. I guess there are

black flowers but I did not think there were in those days. I did not withhold my laugh. I looked at him and saw how I had hurt him. I told my mother about it when I got home and she asked me if I had apologized. She said that I should never say anything like that because he was learning how to read. I apologized all right. It was the first lesson I had which I have practised many times since, when teaching school. One should never do anything to hurt a youngster and stop him or her from developing in his or her own way. The coal miner eventually learned how to read and could read pretty well. I was very proud of that.

Here we had the Queen telling her subjects to help those who could not read and those who are undernourished. I admired that. The Queen concluded her address with:

> The Commonwealth cannot of itself solve all the problems of the human race but as a world-wide community it works for peace and for the elimination of poverty.
>
> Through the ready sharing of ideas, experience, skills and resources between governments and between people in all walks of life it seeks year by year to enrich the world in which its young people are growing up.

That was the Queen of Canada speaking. Yes, I think we should have a statue of Her Majesty the Queen. She has been a wonderful sovereign. She has set an example in living, in helping others, in sharing. I think we could do no better than to have a statue of Her Majesty the Queen on Parliament Hill here in Ottawa.

• (1710)

I see my time is up. There are many, many other things I would like to mention about Her Majesty but I have to stop now. I want to say that I count it an honour to be a subject of Her Majesty the Queen and I look forward to seeing, I hope before too long, a statue on this Hill put up to remember this wonderful woman for many, many years to come.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I listened with great interest to the speech made by my hon. colleague. I listened very intently and it occurred to me that it is more than appropriate that we take some time to consider the role of the Queen in respect to our nation and the Commonwealth to which this nation belongs.

A very interesting comparison can be made between this country and the United States. In contrast to Canada, they have in the United States in the same person the head of state and the head of Government. We know what great difficulties and confusion are caused by that state of affairs. That can be exemplified by the Watergate era. The then President of the United States, Richard Nixon, being both head of state and head of Government, caused a great deal of concern throughout the nation as to how to deal with the question of his actions as head of Government while at the same time he was symbolic of the American nation as a whole.

If we give a little thought to it, I am sure we would realize that there are a great many Canadians who would be very upset if our Prime Minister (Mr. Mulroney) were at the same time head of state and head of Government. It is convenient to have a clear separation.

Of course, in addition to being the head of our state represented by the Governor General, the Queen is also the symbolic head of the Commonwealth. The Commonwealth of Nations met in Vancouver not very long ago. At that time, I was pleased to have the occasion to meet the Queen under conditions in which we were able to exchange a few words as one person to another. I must say that I was quite impressed by her basic humanity and with the way she was able to converse with common people. In the final analysis, she has blood as red as ours flowing in her veins, and on that basis, with the exception of the symbol she constitutes, she is no different from the rest of us.

I think it is important to talk about the Queen's position with respect to the Commonwealth. The Commonwealth is a group which shares the legacy of the British Empire and has eschewed the chains of imperialism to constitute a collectivity of nations which are bound together by their common heritage across racial, religious and ethnic lines. It is a voluntary grouping of nations.

If there is any other characteristic that ought to exist in the Commonwealth of Nations, it is that there should be an absence of any element of racism. Its mission should be to ensure that in this world, and certainly among the Commonwealth nations, there be no truck with racism.

Being aware of the Queen's position on the Commonwealth's treatment of the issue of apartheid, I was very pleased to learn that she is very concerned about the refusal of the British Government led by Margaret Thatcher to join with the rest of the Commonwealth in dealing with the issue of apartheid by making it possible for this noble collection of nations to exert its power and influence upon that dreadful regime to ensure that racism be eliminated there as it must be eliminated throughout the world. We are left in a rather curious situation. The Queen, the symbol of our nation and of the Commonwealth, resides in a country whose Prime Minister refuses to act in accordance with the traditions and concerns shared by so many of this great group of nations.

Rather than constructing a stone statue of the Queen, I think the greatest monument would be a Commonwealth which has been successful in establishing unity on this very serious problem which concerns so many. If the Commonwealth can act as Canada would lead it to act, then of course the greatest monument to the Queen would be a Commonwealth that is characterized by having taken for the first time effective actions to ensure that this legacy of racism colonialism has been left behind and will be eliminated once and for all. That is the kind of monument to build to the Queen.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am indeed pleased, as are others, to have the opportunity to speak in this debate. I want to compliment my colleague from Nepean—Carleton who brought this private Member's motion to the floor for debate. I would like to put it on the record again:

That, in the opinion of this House, the government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

I was not known in my earlier years as a strong monarchist. I had neutral feelings on it, but I have to admit that the older I get and the more experience I have in this place, the more attached I am to the monarchy, recognizing its advantages and the good it does for us as a country, for the Commonwealth and for the world in general.

I must also say that in preparing for this short presentation this afternoon, I read through the record of *Hansard* for the last time this motion was debated on October 2, beginning on page 9623. I note something in the speech made by the Hon. Member for Nepean—Carleton (Mr. Tupper) when he introduced his motion. He answered a question that immediately came to my mind when I was first approached about speaking on this Bill this afternoon and that was, is it indeed appropriate to honour a living monarch. My assumption was that because we did not honour a living Prime Minister in such a way, we similarly would not honour a living monarch. The Hon. Member for Nepean—Carleton has put that problem to rest by explaining how protocol has been set forth by the Minister of Public Works (Mr. McInnes) in a recent statement. There is no problem as far as that goes at all.

I kept on reading *Hansard* and I came to the second speech made on that occasion by my own Member of Parliament here in Ottawa, the Hon. Member for Ottawa Centre (Mr. Cassidy). I was very disappointed by his speech, I have to say. If I could summarize his speech in a few words, I would have to say that he raised all the points he possibly could as to why it would not be appropriate to have a statue of Her Majesty at this time on Parliament Hill. He asked a number of rhetorical questions but did not answer them in discussing whether or not this was a good time to do this. He said, and I quote from page 9626:

But should we do this now? If we should do it now, on what basis should we make the decision?

The Hon. Member never did answer the question. He never did say whether or not he thought it was a good idea, he just raised all these questions that would put doubt in someone's mind. I was disappointed that he as the first speaker for the NDP would take such a nihilistic attitude toward having this statue on the Hill.

The third presentation the last time this motion was up for debate was made by the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins). Again I thought he at least would be more favourably disposed to the monarchy. However, when I go through his speech he never does say he is in favour of it. He says nice things about Her Majesty, but as he got on to the topic of the statue he, as did the NDP Member, raised the spectre of the partisan debate here about the statue for former Prime Minister Lester B. Pearson. To start talking about Prime Ministers is a partisan issue. Both the opposition Members chose that as a reason to be less than positive about the statue for Her Majesty. The very important point raised by the Hon. Member for Windsor—Walkerville (Mr. McCurdy) and many others is that the Queen is non-partisan. Yet for some reason we had to get into this partisan discussion and use it as an argument against a monument to the Queen.

• (1720)

I have to say that I am disappointed with the lead speakers from the other two Parties who were less than enthusiastic about the idea of having a monument to the Queen.

Other speakers, including my hon. friend from Bow River, gave excellent speeches. That Hon. Member was able to interject a lot of emotion into his presentation. He also made some personal comments which I want to have the privilege of doing as well.

I happen to be a little bit proud of the fact that the Queen is less than two months older than I am. She and I are contemporaries. I followed her career with some interest partly because of that.

There is a second reason. As a young boy I began collecting postage stamps. The first Canadian stamp she appeared on was issued in 1935 to honour the Silver Jubilee of King George the Fifth, her grandfather. If memory is correct, she appears on the one-cent green stamp. The interesting thing about that stamp is the fact that on one stamp out of a plate of 100 stamps, there is a tear in her eye. That particular stamp is known as the "weeping princess" stamp. That is just a little anecdote about her first appearance on a stamp of Canadian design and it is certainly of interest to those who collect stamps.

I have a couple of other personal attachments for Her Majesty which make me very much disposed to support this motion. When she was here a few years ago my first wife and I were able to meet her in the halls of the Centre Block. There was a great gang of people there but when she saw my wife, who was in a wheelchair, she quickly moved from one side of the corridor to the other side to shake her hand. She was that kind of person. As the Hon. Member for Bow River (Mr. Taylor) said, she has a warmth and feeling for people and she has shown it on many occasions.

Finally, I had the honour some years back to exchange honours with her husband, the Duke of Edinburgh, when I was a practising physician. He and I exchanged honours at a general practitioners' meeting in the United Kingdom. Again, that makes my attachment to her and the Royal Family that much closer.

When I have occasion to speak to children in high schools I like to raise five words with them. The first three are "representative parliamentary democracy" and I go on to explain those words. They have a very intense meaning for me as a

Member of Parliament. The other two words are "constitutional monarchy". I take great pride in explaining to those children the importance of the word "monarchy". It was alluded to by the Hon. Member for Windsor—Walkerville. Our monarch is the head of state, quite contrary to a republic or presidential system. I take great pride in explaining the advantages of a monarch who is not a partisan politician. Unfortunately, the Americans have a system where only approximately half the people have respect for the head of state. In a monarchy, 100 per cent of the people can have respect for the head of state because she is non-partisan. It is very much to her credit the way she has fulfilled that role during the last 35 years.

There are a lot of good things which have been said about the Queen and a lot of reasons why she should be honoured at this time. It is the thirty-fifth anniversary of her ascension to the throne. I was also interested to learn that she is now the longest reigning monarch we have had since Confederation. More important, since she became officially the Queen of Canada, she is the only Queen we have had as a country. That is another good reason to honour her in this way. She was the first Queen of Canada.

I see my time is coming to an end. We have a lot of buildings and hotels and other institutions which are honoured by having the Queen's name attached to them. It seems to me not unreasonable that we should consider that here on Parliament Hill. Surely there should be something on Parliament Hill to identify her in that way. I was interested to read an excerpt from the issue of *Monarchy Canada* of the spring of 1982. It said:

> A country, to have any kind of national feeling, must have a national memory.

Is there any better way of having that national memory of our present monarch than to erect an appropriate statue to her on Parliament Hill?

Mr. Sid Fraleigh (Lambton—Middlesex): Mr. Speaker, I am pleased to have the opportunity to rise and participate in this debate. It is very commendable that the Hon. Member for Nepean—Carleton (Mr. Tupper) saw fit to put this motion forward. I would like to take a few minutes to outline what I consider to be a very difficult job which has been handled very ably by a very classy lady.

The Queen is the head of state of a great collection of widely diverse countries with widely diverse systems of Government. As was so ably pointed out by the Hon. Member for Windsor—Walkerville (Mr. McCurdy), she handles the problem that the Commonwealth has with South Africa with a lot of class. There is a great variety of other Governments that she has to handle just as tactfully. The Commonwealth contains a large number of countries that do not practise the same kind of democracy that we do, and she handles herself well in that respect. If you examine the make-up of the Commonwealth I am sure you will agree with that.

The most important thing for us as Canadians, the reason we should be supporting this motion, concerns her relationship with us as our head of state. She also happens to be the Queen of England, Australia and New Zealand. By act of our own Parliament in 1953, by our own deliberate decision, she is officially and explicitly Queen of Canada, the first of many monarchs who have reigned over our territory to bear that title.

• (1730)

The monarchy itself is also ours by free and deliberate choice. When the Fathers of Confederation set about framing our Constitution they chose to make the new nation a constitutional monarchy. Indeed, they wanted to call it the Kingdom of Canada. The British Government was afraid that would upset the Americans and so asked the Fathers of Confederation for an alternative title. They replied with the old anglofrench word "dominion" which seemed to fit their creation like a glove. "He shall have dominion from sea to sea and from the river unto the ends of the earth".

The Fathers of Confederation did not choose constitutional monarchy only because they were used to it or because they were too stupid, too ignorant, or too much afraid of the British. They chose it in ample knowledge of the republican system which covered almost every country of the Americas. They did it deliberately and with their eyes focused not only on Canada and its position in the Commonwealth, but also taking into account the problems which it might raise with our neighbours.

I would like to relate to you, Mr. Speaker, what I see as the benefits which our nation derives from our relationship with the Queen and the Commonwealth. Our school system teaches our system of government and our relationship with the Queen. Most, if not all, Canadians treasure that system.

My relationship with the monarchy extends back to when I was a child and the Queen's mother and father first visited Canada. I will never forget the thrill of that first view of the Queen's mother and father. That was followed by several visits of the Queen to Canada. With each visit the thrill is not diminished but increased.

I certainly agree with the Member for Nepean—Carleton that rather than waiting until the Queen has passed on it would be a tremendous tribute to her while she is still alive for this House to authorize the erection of a statue in her honour. I fully support the motion of the Member for Nepean—Carleton.

• (1740)

[*Translation*]

Hon. Suzanne Blais-Grenier (Rosemont): Mr. Speaker, it gives me pleasure to rise today to speak on the motion introduced by the Hon. Member for Nepean—Carleton (Mr. Tupper). Naturally, as a French-Canadian from Quebec, I do not personnally identify with royalty as closely as my English-speaking colleagues. For us, the Queen of England was never considered the perfect incarnation of the French fact in Canada. She is certainly a gracious Queen and we would never question her grace and the important role the British Crown has played from one generation to the next. England was a great country, and historically, it certainly gave us one of the major cultures in the world today.

Simply put, the fact is that, in my own region, we are not as thrilled by the Queen of England as people in other regions. We are not quite on the same wavelength. Naturally, a few years ago, she suddenly became the Queen of Canada. This brought her a bit closer to us. We could feel a bit more than before that she belonged to us. However, I believe that to motivate our young people and incite them to develop this country, we should find personalities closer to us. Such personalities might not be able to claim that their ancestors go back to the *Magna Carta* as does the gracious Queen Elizabeth, but they should know about the realities of this country and have lived in this British colony which we had to make our own and develop in an admittedly very hostile continent.

Once more, we are not questioning the virtues of the Queen. She has personified the respect of individual rights for an entire nation. She has personified family values, the permanence of certain values of social solidarity, but I believe that she is already ever present in Canada. She is on our dollars. She is on our stamps. She is often here in person. Her children come to see us. So do her cousins, nephews and nieces, and I believe that we always welcome them very graciously, as we would welcome our own family members. We are always very happy that they are here, but if we want to have our own personality to delevop and to define what makes our country so special and so different from England, we have to be able to identify with values which are typically our own.

Moreover, I believe that, by erecting immediately a stone statue to a Queen who is very much alive, we would be freezing her in a state from which she could no longer move. Finally, I prefer to see her here once in a while as during her last trip when she went to Saskatchewan and to Rivière-du Loup, met with the public, kissed children and spoke with adults. This seems to me much more charming and human than a stone statue on Parliament Hill.

I prefer to see the Queen as a symbol of this Commonwealth, a group of nations helping each other to develop their most democratic and humane qualities, even though some of these nations might unfortunately lag behind the others. Canada plays a very positive role in that organization. I believe that the Queen is an important symbol of the Commonwealth but, because I represent Quebec in Ottawa, I would prefer to have in this House symbols that are more representative of the French culture, which is one of the two main cultures in a multicultural Canada. I would rather have monuments that represent all of that, and consider the Queen as the symbol and the head of the Commonwealth.

I do not think that a statue of Her Majesty would mean very much for those I know in our young generation, for people in their 20's and 30's. I would rather see Her Majesty enjoy a long and happy life and keep her international role as head of the Commonwealth. Quite honestly, I do not think that a statue made of stone can play a very positive role.

Mr. Speaker, I do not agree with this motion. I hope that we will find in our midst, within our borders, symbols that will help us promote respect for the individual and for our democratic rights. We do not need one more statue of Her Majesty. We prefer to know her as a living monarch and not as a stone statue on Parliament Hill.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am indeed pleased to take part in this debate on the motion which the Hon. Member for Nepean—Carleton (Mr. Tupper) moved this afternoon and which reads as follows:

> That, in the opinion of this House, the government should consider the advisability of commissioning the structure of a statue of Her Majesty, Queen Elizabeth II, to be placed on Parliament Hill in commemoration of the thirty-fifth anniversary of Her ascension to the Throne.

Mr. Speaker, being 35 years on the Throne of England is undeniably a quite uncommon achievement which deserves to be commemorated.

Mr. Speaker, Canada is a monarchy and while being an independent country, we honor and respect Her Majesty, Queen Elizabeth II, as our Sovereign because our own Parliament is modeled on the British Parliament and this is the way both Governments operate.

If we hold monarchy in high esteem, Mr. Speaker, it is because as Canadians and especially as French-speaking Quebecers, who have always been easy to indoctrinate, we have always shown respect to the various levels of authority, whether political or religious.

Normally, when one talks about commissioning the erection of a statue for someone to be placed on Parliament Hill, Mr. Speaker, it is for someone who has passed away, but such is not the case this time, as Her Majesty the Queen is still alive and well, as she clearly demonstrated during her last visit to Canada and especially to Quebec where she had not been for the past 23 years. Because of past and well publicized events, Her Majesty had not dared come to Quebec again. Thanks to the initiative of our Government, of our Prime Minister and the close ties between the Canadian and Quebec Governments, it has been quite easy this time to get together and plan—I repeat together—a visit of Her Majesty the Queen on Quebec territory.

Many Quebecers, many Canadian men and women, of course, heartily welcomed her wherever she went, but particularly, Mr. Speaker, Her Majesty emphasized herself the welcome she was given by Quebecers, by the people of Quebec City and of the area of *Rivière-du-Loup* and *Sainte-Anne-de-la-Pocatière*, which really surprised her. Of course, we should certainly not forget the impact of the personality of our Queen. Everybody will agree with that. It is of the utmost importance.

Mr. Prud'homme: She is a good mother.

Mr. Grisé: Mr. Speaker, I heard a few comments from the Hon. Member for Saint-Denis (Mr. Prud'homme) who, I am sure, is eloquent enough to rise and deliver them himself in this House, given his parliamentary experience. I, for one, would be quite satisfied if I could over the years acquire only half of his parliamentary knowledge. I think the Hon. Member for Saint-Denis has an unique understanding of our parliamentary system.

Speaking about important persons, Mr. Speaker, I apologize for making a digression, I was obviously referring to the Queen and I am now referring to the Hon. Member for Saint-Denis. We always refer to very important persons, Mr. Speaker, and I would be remiss, since I have the floor, if I did not say a few words about one of our great men who has just passed away a few days ago, the former Premier of Quebec, Mr. René Lévesque. Again, I think that all Canadians are deeply affected by the loss of that great politician, that distinguished builder of Canada and Quebec. Of course, Mr. Speaker, we do not have to endorse his political views or his vision of Canada, but we must respect his philosophy, the way he upheld democracy in Canada and Quebec and particularly his strong will and integrity when leading his political party.

I felt it was my duty, Mr. Speaker, under that motion to refer to the exceptional work of a great Quebecer and Canadian, Mr. René Lévesque. I join all others who have already extended their deepest sympathies to the aggrieved family.

Excuse me, Mr. Speaker, if I digressed somewhat, but to come back to the motion put forward by the Hon. Member for Nepean—Carleton (Mr. Tupper), it is a fact that we eagerly hope that the many personalities, the great men and women in Canadian history may some day be commemorated by a statue.

The Hon. Member mentioned that great efforts had been made in Canada to give public places the name of our distinguished Monarch. A special example comes to my mind, the Queen Elizabeth Hotel in Montreal. The Queen Elizabeth Hotel in Montreal was built at about the same time as our Queen came to the Throne of England, the Commonwealth Throne, and it was quite logical in my view to put up what was at that time the biggest hotel in the Montreal area. The Queen Elizabeth Hotel still has a reputation of being one of Montreal's great hotels. That is true. I am sure that this reputation of a great hotel in recognition of Our Majesty will never be tarnished in the years ahead.

Mr. Speaker, Montreal's great hotel always will keep that pride, that priviledge of bearing the name of Her Majesty the Queen of the Commonwealth.

Mr. Speaker, I think much remains to be said on the basic question, namely wether we should erect a statue to Her Majesty the Queen of Canada? Should we not at the same time, if we erect that statue while Her Majesty is quite alive, as a first step ask her permission to erect a statue of herself? I think that is absolutely essential and I do not know the answer, Mr. Speaker. And I think there should still be much discussion before a final decision is reached on that matter.

Mr. Speaker, I would think it quite premature to make a decision along that line, and I would invite all Members in this House—you are signalling, Mr. Speaker, that my time has already expired and I apologize for that. But I would invite Hon. Members in this House, before reaching a final decision on the matter, to seriously consider that possibility, that motion.

In my view, it is quite premature to come to a final decision, but I leave the floor to other Members.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I am almost in full agreement with what the Hon. Member who has just spoken has said concerning the advisability of commissioning the erection of a statue to Her Majesty Queen Elizabeth II, Queen of England and the Commonwealth.

First of all, it is clear that reigning for 35 years over a kingdom is something very significant and admirable; yet, because she has not yet passed away, I feel it is somewhat premature to think of placing a stone figure of her on Parliament Hill in front of the Parliament Buildings.

Needless to say, I feel that Her Majesty is far more the Queen of England and the Commonwealth, but has very little kinship with Canada, and not because of her person, for her generosity, dignity, grace, perfect command of both our official languages, and unconditional dedication to the advancement of the Commonwealth are universally recognized, not to mention her tremendous support for many humanitarian endeavours which she has often endorsed. It was pointed out, during her recent visit to Quebec, to what extent in her remarks she dealt with humanitarian issues, referring for instance to people confined to hospital beds. She has never refused to get involved when the time came to help the sick, or to do her utmost to help many Commonwealth countries progress as rapidly as other countries of the world. It goes without saying that she is universally admired and praised as a person. And I suggest that all Commonwealth countries pay tribute to her in an exemplary fashion whenever she pays them a visit.

We did so ourselves, as my honourable friend mentioned a while ago, when we welcomed her in Quebec and in Canada. People were delighted to come and greet her, and to see her, but because of her person and in part because of the tradition she is associated with.

Let us call a spade a spade: Hers is only an honorary position, without any decision making responsibility attached to it. It is not a position which contributes in any way to the advancement of our society. One even wonders whether occasionally, the reference to the Queen during Royal Assent has not been a disruptive instead of a unifying factor. When I was over in England, I happened to read an editorial in the paper, and this was about 15 years ago. The author said that since the Queen was more a factor of dissent than unity in Canada and we remember the burning issues that were creating problems at the time within Confederation well, our British editorial writer said, why not get rid of the symbol?

I think that was going a bit too far. We must keep the symbol because it means so much to one of the two founding peoples of this country. It represents a great deal, and I think that after the death of the monarch, a monument would have to be considered, since it would symbolize the links with Great Britain that presided over the birth of this nation and of all the countries of the Commonwealth.

However, a statue of the Queen is also a symbol of colonialism. We must decide whether this country's links with the Queen and with Great Britain and the monarchy have been so important we should erect a statue. Did these links make Canada the great country that it is today? Or do we owe that greatness to the two cultures and origins of two of the founding peoples of this country?

Before erecting a statue that could be seen as a symbol of colonialism, I would rather consider people like Diefenbaker, Stanfield, Trudeau or the present Prime Minister. It is to them, not to a symbol of colonialism, that Canada owes its greatness.

I think we should bear all this in mind when considering the appropriateness of erecting such a monument. I suggest we wait until Her Majesty is no longer with us, and that we consider erecting a statue as a symbol of the Commonwealth. For the time being I don't think this is particularly urgent, however, and I would invite Hon. Members to consider whether it would be appropriate to put this statue or monument in front in Parliament.

That is what I had to say, Mr. Speaker. My time has expired, and I hope my colleagues will agree with the point I tried to make.

• (1750)

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I rise in the minute or two left to join with those who have indicated in very eloquent terms their support for the proposal made by our colleague in the Chamber for the erection on Parliament Hill of a statue commemorating the most successful reign of our Queen, Her Majesty Queen Elizabeth II. I do so, of course, without any fear or trepidation whatsoever. I am and always have been an unabashed monarchist. I feel she has helped our country to greatness.

I see it is six o'clock.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2) the order of precedence on the Order Paper is dropped to the bottom of the list.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

FINANCIAL INSTITUTIONS—PRINCIPAL SAVINGS AND TRUST—REIMBURSEMENT OF INVESTORS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, early in August I rose in the House and asked a question of the Minister of State for Finance (Mr. Hockin). It pertained to the collapse and the bankruptcy of the Principal Group of companies in Edmonton.

The Minister responded that the Canada Deposit Insurance Corporation was already in the process of assessing matters, and hoped that the depositors would be reimbursed by the CDIC within three weeks of the date of the question. That covers the Principal Savings and Trust Company only of the Principal Group.

I wish to thank the CDIC, through the Minister, for all its efforts in assisting Albertans, and a large number of Edmontonians and constituents of mine from Edmonton East, to deal with the devastating conditions of the loss of their savings, and not of their own making.

I also wish to thank the Minister for the toll-free information line that he established to assist those who were affected. They could call and find out what was happening to their money, if they could get any money back, and what this was all about. People needed assurance, and our Government provided that assurance. I believe that the Prime Minister (Mr. Mulroney) showed great sensitivity to the needs of the people when there was a devastation of this magnitude on the financial scale.

The financial services sector in Alberta has been rocked by closures, bankruptcies, and otherwise poor performance within the past few years. Members will recall the closure of the Canadian Commercial Bank and the Northland Bank, both in Alberta.

At the present time some credit unions are under a very severe strain and have been restructured because they have also suffered a great deal from the lack of business, and also from the loss of a great deal of business.

The uninitiated may wonder out loud if we in the west really know how to handle our financial affairs. I say of course we do, yes. We do, we can, and we will continue to do that, but

this was an extraordinary set of circumstances which affected the regional banks, especially those in the West.

As you know, Mr. Speaker, coming from that great area of Edmonton, regional banks have filled a very important role in Alberta. Usually they are smaller institutions with a flair for serving the unique needs of a particular region.

It seems that recent history has not been kind to regional banks. For instance, the National Energy Program initiated by a federal Government completely devastated Alberta, the energy industry, and ancillary industries. In the construction industry men and women lost their jobs by the tens of thousands. Then there was a world-wide recession which also affected Alberta. Then in January, 1986, the declining world oil price caused a severe drop in the economy of Alberta, and it affected the price of land, buildings, high-rises, homes, and businesses. Alberta's economy, which was so energy dependent, and rightly so, was crushed and it has not been able to bounce back to its former level. Needless to say, many Albertans lost a lot of money. I would like to ensure that their losses were not in vain. I would support any federal initiatives that this Government may take to defend against any similar disasters in the future. It makes no difference whether they occur in Alberta, Saskatchewan, or Nova Scotia.

I feel that there is absolutely no reason why Principal's bankruptcy could not have been avoided. I am wondering whether the federal Government is considering putting in place a system of scrutinizing which would allow it to work with the provinces in order to strengthen regional banks to ensure their viability, and to preserve the very important service that they provide.

• (1805)

The large banks that we have, the Toronto-Dominion, Scotiabank and others with headquarters in eastern Canada have served their needs in the west exceptionally well. But there is one exception. They are not sensitive to the needs of Albertans. This is where the regional banks were able to provide excellent service and where the regional banks had the sensitivity to talk, saying "What can we do and how can we help you? We can give you money".

We in the west need the protection of the federal Government working together with the provincial Government to make sure that the people feel confident in the financial institutions so that the affected companies and the average Albertans will never have to go through this series of bankruptcies again.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I think it is fitting that you are in the chair tonight. Along with your colleague, the Hon. Member for Edmonton East (Mr. Lesick) many of your constituents have suffered because of this financial loss with Principal Savings and Trust Company. You have shown great concern toward those constituents. That, of course, is continuing in the House this evening.

As Hon. Members know, the Principal Savings and Trust Company, an Alberta supervised trust company within the Principal group was insured by the Canada Deposit Insurance Corporation. As a result, depositors in this trust company were protected up to the deposit insurance ceiling of $60,000.

The access of insured depositors to their funds has now been restored through an arrangement reached between the CDIC and Metropolitan Trust. Metropolitan Trust began operations on September 14 and has been acting as CDIC's agent in paying out the claims of insured depositors. This arrangement has helped to limit the disruption in financial services to the former depositors of Principal Savings and Trust who had the option of withdrawing their deposits or, if they wished, of redepositing them with Metropolitan Trust.

Though the CDIC is a federal Crown corporation, it should be remembered that there was no direct federal involvement in the Principal group situation since the parent company and all of its affiliates, except for an inactive federally incorporated insurance company, were under the supervision of the Alberta Government. However, the federal Government has placed a high priority on addressing the issues of investor protection and our financial regulation in general, particularly as they relate to federally regulated financial institutions.

The December 18, 1986 policy paper on *New Directions for the Financial Sector*, which was released by the Minister of State for Finance (Mr. Hockin) paved the way for a number of significant reforms of the regulatory and deposit insurance system. These measures include Bills C-42 and C-56, enacted in June, which increased the supervisory powers of federal regulators and provide the Canada Deposit Insurance Corporation with more flexibility in dealing with financially troubled member institutions.

In summary, I would note that the federal Government has seized the initiative in this important sector of the Canadian economy and introduced the comprehensive reform program. Key elements of the program include increasing the financial stability of our financial institutions, providing the regulatory authorities with expanded powers and improving inspection practices. I believe that the proposals represent an effective program that will enhance the soundness and competitiveness of the Canadian financial system. I share the hope with the Hon. Member for Edmonton East that this does not happen again.

FREE TRADE—SOFTWOOD LUMBER EXPORT TAX/EFFECT OF AGREEMENT ON PULP AND PAPER INDUSTRY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, let there be no misunderstanding. The trade deal which Canada has negotiated with the United States does nothing to assist the softwood lumber industry. So far as pulp and paper is concerned, there seems to be no assurances that that industry can breathe more easily without any fear that in the future the United States administration may impose upon it a countervail or at least begin countervail action against it.

My question on October 8 concerned why the Government locked in the 1986 softwood lumber memorandum of understanding in the new Canada-U.S. trade agreement. The Minister replied by saying that despite the export tax Canada imposed on the industry, the industry is doing well. She spoke of record production and record profits. She did not, however, tell the whole story.

• (1810)

Many sawmills did close down as a direct result of the 15 per cent export tax. They were producing studding, and they were, it is true, marginal operations. Nevertheless, jobs were lost and communities were affected. Some of those were in my constituency.

The 15 per cent export tax added about $600 million to the cost of Canadian softwood exports. In the first two months after the tax was imposed, the Canadian share of the U.S. softwood lumber market dropped to 28 per cent from 33 per cent. The Minister of State for Forestry and Mines (Mr. Merrithew) has said, as reported in an article that appeared recently in a journal on forestry, that the chances of rebuilding the Canadian share of the U.S. market on the basis of price competition are slim.

The industry has done well in some places, thanks to its efficiency, new technology, the availability of good resources, the low Canadian dollar *vis-à-vis* the U.S. dollar and the demand in the United States for a high quality product which we can provide here in Canada. Even if the industry is performing well in certain places now, it still is in a precarious position. What happens if the demand falls, and there are clear indications that housing demands in the United States may fall because of the stock market crash and cautious investment? What happens if at the same time the Canadian dollar, as a result of the Canada-U.S. trade deal, begins to rise to a par with the U.S. dollar?

The answer to the imposition of the 15 per cent tax was originally either to raise the stumpage fees where they were low in Canada or to introduce some sort of provincial levy to take the place of the export tax. In British Columbia, the stumpage fees were raised and they were raised very significantly. Hon. Members should know, however, that despite the fact that stumpage fees were raised, the 15 per cent tax is still there, albeit temporarily. The cost to the industry to produce 1,000 board feet of lumber has gone from $5 to somewhere between $80 and $90.

I said that the tax is still there temporarily. The Minister for International Trade (Miss Carney) was in British Columbia and met with the industry. They thought she would announce that the 15 per cent tax would be lifted immediately because the stumpage fees were going up. Such is not the case. The Minister made it clear that she had to have some discussions in Washington before that could be done and I want Hon. Members to note that.

Meanwhile, the Minister of State for Forestry is having discussions with the Council of Forest Ministers. They have a program designed to exchange the 15 per cent tax for some provincial levies. What has the Minister of State for Forestry said to the Council of Forest Ministers? He has said that on paper the plan looks feasible, it looks acceptable, but he is not sure whether the U.S. lumber industry will not prefer to keep things the way they are. Then he went on to say, however, that the details presented to him will be discussed with the United States of America in two weeks.

It looks to me as if we are beginning to have a new approach to economic decision making in Canada. It looks as if more and more questions about resource revenues will now be decided not in the provincial capitals of this nation, not here in Ottawa, but in Washington, D.C.

• (1815)

I am wondering, and I will put it in the form of a question and perhaps the Parliamentary Secretary will find some way to reassure me, if a new pattern is emerging in Canada whereby Canadian resource development policy is really going to have to be ratified in the U.S. If on top of everything else we have unrestricted U.S. investment in our resource economy, if we have decisions about price and marketing made in the U.S., it seems to me as an observer and participant at the very beginning of this important debate on Canada-U.S. trade, that at least a measure of sovereignty is sacrificed. It seems that some of our autonomy is being abandoned. It seems to me that our decisions about the well-being of our economy are going to be delivered into the hands of U.S. officials and politicians.

Nothing in this trade deal helps the softwood lumber industry. I asked in a supplementary question on the same day if the pulp and paper industry was safe. The Minister said I should have no fear, we now have a binational panel. What will it do for us? Will it protect us from unfair U.S. trade laws? Not at all. All it can do is see that the law is equally applied so that Canada does not suffer a greater disadvantage than someone else. Some experts have said we are no better off than we were before, and the Parliamentary Secretary will be interested in what Osler, Hoskin and Harcourt said in a preliminary analysis of the trade deal. Everything is preliminary because we do not have the details.

I conclude on this note. If these new rules had been in effect at the time of last year's U.S. subsidy case against the export of Canadian softwood lumber, the proposed mechanism would not have led to a different result for Canadian exporters than that which occurred. I say that the binational panel is not the answer to the problems of the industry as the Minister suggested in her reply to me.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is unfortunate that I have only three minutes to answer some very unsubstantiated allegations included in the Hon. Member's remarks.

Mr. Penner: You better name them.

Mr. McDermid: I will be happy to. First, there is not unfettered, wide-open investment in the resource industry in Canada because of this agreement. It is very obvious to me after listening to him that the Hon. Member has not read the agreement. He has a preliminary opinion from a law firm which says there would be no different decision on the softwood lumber matter. That might very well be true. However, it would be appealed to a bipartisan committee which makes a binding decision. The case is the same as it was in 1983 when the law was fairly applied, except for one thing. The political winds in the U.S. have changed rather dramatically. They have become extremely protectionist. That influenced the decision-making process in the U.S. Department of Commerce. There is no question about that. It was the same case and they did a 180-degree turn from 1983 to 1986. The only difference this time is that we can appeal to a bipartisan committee made up of two Canadians, two Americans and a neutral chairman with a binding decision-making power. If the law was applied wrongly, it can be overturned. It is binding and it is very important.

The pulp and paper industry in Canada has absolutely nothing to fear if it is a fair trader. One of the things that the Hon. Member does not talk about is that Canadian trade laws are basically identical to the American trade laws. It is how they are applied that we are concerned about. We want a fair panel to decide whether they are being applied properly or not. Canadian laws are still in place and they are exactly the same as the American laws. Where we have been having our problems is in the application and that is why this binding dispute settlement mechanism is going to be very important.

As far as softwood lumber is concerned, the stumpage fees and other arrangements being made by the provinces have now been negotiated with the federal Government. We have discussed it and now we are going to present our case to the U.S. The Memorandum of Understanding says very clearly that we must show that we have replaced the 15 per cent tax through provincial initiatives. That is what is going on now in addition to some other anomalies that were in the memorandum of understanding which we are presently trying to straighten out.

• (1820)

Although the tax is being collected at this time it is being placed in a trust fund and will be refunded to the people. The Hon. Member is absolutely right that stumpage fees have gone up and it looks as though a proper replacement has been made.

Therefore, the decision-making on this trade agreement is not in the United States at all. It is a co-operative thing. It is an excellent agreement. The agreement is 33 pages and may take a little time to absorb, but I suggest that the Hon. Member read it because it is very important. I think that when he has read it he will agree that it is a great deal for Canada.

ENVIRONMENTAL AFFAIRS—INTRODUCTION OF POLLUTION CONTROL LEGISLATION

Mr. Alan Redway (York East): Mr. Speaker, if you believe in public opinion polls you believe, as I do, that next to the economy and jobs the greatest concern of Canadians is with the environment. That is why the new Environmental Protection Act which the Government has introduced into Parliament, and which has received first and second reading and is finally before a legislative committee for consideration, is so important.

You know as well as I, Mr. Speaker, that that piece of legislation is only one of a good number of initiatives which the Government has undertaken in the last three years with regard to the environment. The initiatives taken include $40 million contributed by the federal Government and the provinces for the clean-up of the Windermere Basin in Hamilton Harbour as well as the Sydney tar ponds in Nova Scotia which is reputed to be the worst toxic chemical disposal site in eastern Canada.

In addition, the Government has entered into an agreement with the United States Government, Government of the State of New York, and the Government of the Province of Ontario to reduce the toxic chemicals which flow into the Niagara River by 50 per cent by 1996. The initiatives include as well a $2.3 million increase in the budget for pesticide controls and initiatives which have been taken on acid rain. The federal Government is contributing $335 million under agreements with the five eastern provinces to reduce acid rain emissions by one half by 1994.

In addition, new motor vehicle emission standards were introduced in September. An international agreement was reached at Montreal a short time ago on reducing damage to the ozone layer. As well, there will be $1.5 billion invested in the Canada-U.S. North American Waterfowl Management Plan. There is also the $1 million endangered species recovery fund.

Those are all initiatives which the Government has taken. In addition, five new national parks have been designated including the Pacific Rim Park at South Moresby in British Columbia, the Ellesmere Island Park in the Northwest Territories, the Bruce Peninsula Park in Ontario, and the Mingan Islands Park in Quebec. All of these initiatives have been undertaken in the last three years by the Government.

The Environmental Protection Act is another step. It, of course, deals with protecting the environment from new toxic pollution. That Bill is presently in committee and I am looking forward to seeing it passed so that it can help to protect Canadians from toxic chemicals in the future.

That is only one more step, Mr. Speaker. You, I, and the Parliamentary Secretary know that other things should be done as well to clean up the environmental problems which we have now.

• (1825)

What we really need on top of all these other things is a superfund like the one that was created in the United States, particularly for the purpose of cleaning up the problem areas in and around the Great Lakes.

There are some 45 industries in Canada that are polluting the Great Lakes. There are some 53 industries in the United States that are polluting the Great Lakes. There are some 10 hazardous waste sites in Canada that are leaking into the Great Lakes and 105 hazardous waste sites in the United States that are leaking into the Great Lakes. There are 32 municipalities in Canada that are polluting the Great Lakes and 81 municipalities in the United States that are polluting the Great Lakes.

We need a clean-up of all those industries, hazardous waste sites and the municipalities, especially the particularly hideous hazardous chemical dumps on the south side of the Niagara River in the United States. They include the Love Canal, High Park, 102nd Street and S Area dumps. All of them are causing enormous pollution.

There is much to be done. The Environmental Protection Bill which is now in committee is one more step in getting under way to solving the problems of the environment and cleaning up pollution. I hope tonight the Parliamentary Secretary will assure us that the Government will be pushing very hard to enact the Environmental Protection Bill into law and will then move on to these other major jobs of cleaning up the polluted areas that already exist in our environment.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, first let me say how pleased I am that the Hon. Member for York East (Mr. Redway) has outlined some of the excellent initiatives that this Government has put into place in the three short years we have been in office. I also want to compliment the Member himself for the work he has done in preserving the environment and for his work with the municipalities, having been the Mayor of East York, which is part of the great City of Metropolitan Toronto. I know of his concern and the work he has done.

At the time of the introduction in the House of the Canadian Environmental Protection Act on June 26, 1987, the Minister of the Environment (Mr. McMillan) also released an enforcement and compliance policy for the new legislation for public comment. The Minister of the Environment invited four non-governmental agencies which specialize in environmental law to critique the compliance policy.

Last month, the Canadian Environmental Law Research Foundation, the Alberta Environmental Law Centre, the West Coast Environmental Law Research Foundation and the Conservation Council of New Brunswick presented their assessments of the enforcement policy at two seminars. The seminars were held in Toronto and in Edmonton, and included participants from industry, provincial governments and public interest groups. These discussions along with the briefs submitted by individuals and industry will assist in finalizing the policy document.

The new Canadian Environmental Protection legislation is the fruit of extensive collaboration among the federal, provincial and territorial governments, as well as industry, organized labour, environmental groups, native and consumer groups. In the months between December, 1986, and March, 1987, Environment Canada officials participated in more than 30 multi-stakeholder meetings throughout the country. It was these consultations, plus 300 letters and briefs, that led to the refinement of the Bill about which the Member was speaking. It recognizes that the protection of the environment is essential to the well-being of Canadians.

We are the first federal Government in Canadian history to put in place comprehensive federal environmental protection legislation. Bill C-74 was debated in this Chamber at second reading for more than 10 hours, during which it was endorsed in principle by all Parties. It has now been passed to committee stage. The Chairman and the committee members have been appointed and I am very pleased that the Hon. Member for York East has been appointed as a member. We will begin our meetings and subsequent clause by clause study, with amendments being considered, and we will be doing that within the next few days.

I can assure this House that this Bill will receive a comprehensive study. The new Act, once passed, provides the basis for eliminating risks to the Canadian environment from toxic chemicals through the closing years of this century and well into the next. We are very pleased with this legislation. Indeed, I would agree with the Hon. Member for York East. We want to pass this legislation as quickly as possible.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, November 4, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—TELEVISING OF COMMITTEE HEARINGS URGED

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if you can believe it, the Government is so afraid to let the world know about its views on free trade that it does not even want to televise the hearings that are held in capitals across the country.

It is bad enough that we must hold the current hearings in Ottawa behind closed doors so that we will not hear, for example, directly, as we did last night in the committee, from members of the Steel Producers Association that, even though we have free trade, they do not intend to pursue American markets because they have enough customers in Canada. Furthermore, they do not have the capacity to sell more steel to the United States.

If the steel industry, which is supposed to be one of the so-called winners in this bad deal, does not intend to pursue expanding steel sales to the United States, what in heaven's name is the reason for pursuing a free trade agreement? The public should have the right to know these facts, Mr. Speaker.

• (1405)

The Government saw that the Meech Lake debates were serious enough to be exposed to the public in full committee televised hearings. Surely an agreement which speaks about the very future of our country is important enough to be televised across Canada both through the hearings in Ottawa as well as in capitals across the country.

Let the people decide. What is the Government afraid of? It knows that this is not a free trade deal, it is a bad Mulroney deal, and let the people see—

Mr. Speaker: The Member's time has expired. The Hon. Member for Fundy—Royal (Mr. Corbett).

VIA RAIL

ATLANTIC LIMITED SERVICE—THROUGH PASSENGERS' FREEDOM FROM BORDER-CROSSING INQUIRIES

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, the Government of Canada is to be commended for taking action to rectify a problem that could have seriously affected the popularity of VIA's passenger train, the Atlantic Limited.

As a result of representations and negotiations undertaken by the Government of Canada, a 90-day trial period agreement has been struck with the American authorities to amend the immigration practices that have deterred many Canadians from riding the Atlantic Limited between the Maritimes and central Canada.

For a 90 day period, beginning on December 1, only those Atlantic Limited passengers detraining in Maine will be subject to U.S. immigration inquiries. Other passengers will enjoy an undisturbed and comfortable ride.

This is good news for those who enjoy rail travel and want to see the Atlantic Limited remain one of the great rail services in Canada. We should be delighted that both Canadian and American authorities recognize the importance of the Atlantic Limited to Maritimers as a vital transportation link.

* * *

VETERANS AFFAIRS

TRIBUTE TO CONTRIBUTION OF NATIVE VETERANS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, tomorrow a group of 17 native veterans will be returning to Europe to pay tribute to their fallen brethren who served Canada in World Wars I and II. The memorial visit by the veterans to several Canadian war grave sites will include a traditional Indian ceremony to be conducted on this Remembrance Day at the Dieppe cemetery in France.

Many Canadians may not realize that, at the time of their enlistment into the Canadian Armed Forces, Canadian aboriginal people had no rights to vote nor could they be conscripted to defend our country. For many of these veterans it was their first experience away from their home communities surrounded by foreign languages and customs of their fellow soldiers.

On the home front, the loss of a provider and a companion meant greater responsibilities, loneliness, and hardship for

many Indian women. Upon their return from war, many of these volunteer veterans and their children were stripped of their Indian status and it is only now being returned to them 42 years later following the 1985 amendments to the Indian Act.

The sacrifices made by native veterans to serve their country were unselfish and should be a source of pride for all Canadians. The fact remains that their wartime contribution has yet to be fully appreciated. And so, Mr. Speaker, this Remembrance Day when we pay our respects to all Canadian veterans to whom we are indebted, let us remember in particular the contribution of Canada's aboriginal soldiers.

* * *

[*Translation*]

NATIONAL CRIME PREVENTION WEEK

BAD EFFECTS OF DRUGS

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, today is the fourth day of National Crime Prevention Week.

We are all aware of the damages caused by drugs. We must therefore make sure that our young people have the information they need to make their decisions in the full knowledge of what the consequences of their actions will be for themselves and those who love them.

Prevention starts at home, in school and in all other places where young people spend their time.

During this National Crime Prevention Week, certain communities will concentrate on the drug issue. A number of youth conferences will be held in such places as Vancouver, Edmonton and Summerside to examine the problems and find possible solutions. Tomorrow, Mr. Speaker, crime prevention will be one of the issues discussed at the Maisonneuve College, in Montreal.

Whatever means we take to prevent crime are restricted only by the limits of our imagination.

* * *

● (1410)

IMMIGRATION

IMMIGRANTS' DIFFICULTY IN INTEGRATING WITH FRANCOPHONE COLLECTIVITY

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, for the past several months, we have seen the Department of Employment and Immigration make various cutbacks to the staff of our Employment and Immigration Centres throughout Canada and to the budgets allocated to the various programs of the Department.

On the other hand, we have also seen how unimportant the Conservatives consider the integration of immigrants into Canadian society.

We would never have expected the budgetary cutbacks of this Department to affect such an important sector as the programs to give immigrants training in one of our two official languages. Believe it or not, Mr. Speaker, this is precisely what is now going on in the St. Maurice region.

In my constituency, fifteen people had registered for a French language training program offered by the Canada Employment Centre, which was to start on October 26.

Four days before that date, on October 22, these fifteen people were advised by the Employment Centres in the region that the French course had been cancelled because of budgetary cutbacks.

Is it not completely illogical, Mr. Speaker, to make cutbacks in programs aimed at giving some training in one of our two official languages to our immigrants so that they may function normally in Canadian society?

These immigrants are showing their will to join our society, but the Conservative Government puts obstacles in their way instead of providing them with the tools they need.

Is this not an unacceptable situation, Mr. Speaker?

* * *

[*English*]

NORTHERN AFFAIRS

MACKENZIE VALLEY PIPELINE—NATIVE PEOPLE'S TRIBUTE TO "CORPORATE CITIZEN OF THE DECADE"

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, recently Mr. Bill Pierce, long time oil man, pipeliner, and Vice-President of Interprovincial Pipeline Company, was declared "Corporate Citizen of the Decade" by Chief Gerry Antoine of the Fort Simpson Indian Band at a meeting of the Decho Regional Council.

Referring to the construction of the Mackenzie Valley pipeline, Chief Antoine told Mr. Pierce:

> We do not feel that native people were intentionally abused by your firm. Thank you for keeping most of your promises when the pipeline was under construction and continuing this approach through the operation stage.

Judge Thomas Berger, the southern socialist, was wrong. The people of the Mackenzie Valley were right. Oil and gas developments can take place in the North to everyone's mutual benefit. This has been proven by men like Bill Pierce and Gerry Antoine.

NATIVE PEOPLES

PLACEMENT OF CHILDREN IN WHITE FOSTER HOMES—CALL FOR INCREASED FUNDING FOR INDIAN BANDS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the most tragic consequence of the European influence on the native peoples of Canada has been the loss of their children. White child caring agencies using non-native standards have apprehended thousands of Indian children and placed them in white foster homes. Children who have lost their identity and have nowhere to go at age 17 end up on the streets.

Native people want to reclaim their children and are beginning to set up Indian child care agencies on reserves, with foster homes as well. The federal Government should be facilitating this positive development. Instead, it is starving bands for resources. It pays for the apprehension of children but provides no resources to strengthen natural families.

In Manitoba, Indian child caring agencies are expected to provide preventive support to families and train Indian workers on a budget 30 per cent less than that provided to provincial child care agencies. In Alberta, bands which want native children returned are being challenged by foster parents who are connected with the white association.

The Indian Association of Alberta has been refused Indian child welfare training programs. There are no funds for on-reserve community support services and family counselling. For native children, tomorrow is too late. I call upon the Government to provide Indian people with the resources required to make a success of both Indian self-government and Indian child welfare.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—SUPPORT FROM CANADIAN FEDERATION OF INDEPENDENT BUSINESS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, yesterday the Standing Committee on External Affairs and International Trade welcomed the Canadian Federation of Independent Business and its position on free trade with the United States. The President, Mr. Bulloch, said:

> The CFIB believes freer trade with the United States to be the best way to ensure access for Canadian exports . . . and welcomes the opportunity to compete for new business in an enriched and enlarged market-place.

He also said that it is expected to provide significant benefits to small business.

The CFIB is an established, credible organization that speaks for 80,000 businesses across Canada. My riding of Edmonton East has a high concentration of these entrepreneurs and I have heard from many of them. They feel that the agreement is good for Canada. It is good for Alberta, very good for Edmonton, and I urge all Hon. Members to solicit the views of their business communities. Yes, free trade is good for small business. Free trade is good for Canadians.

* * *

• (1415)

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—PROTEST BY ONTARIO FARMERS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Ontario farmers are ploughing into the Prime Minister's (Mr. Mulroney) free trade deal. More than 400 of them were at Queen's Park yesterday to protest the deal. The excellent Ontario Minister of Agriculture, Mr. Jack Riddell, echoed the feelings of the farmers when he said:

> This deal flies in the face of the long-term heritage of this country. Family farms are at risk here.

It is quite evident that Ontario farmers have been allowed to bleed to death so that the Prime Minister can leave his mark on history. We in the Liberal Party will not allow him to soil his hands with the blood and sweat of Ontario farmers. We intend to protect our supply management system. We intend to protect the farmers of this country.

* * *

[*Translation*]

DEATH OF FORMER PREMIER

TRIBUTE BY CITIZENS OF LONGUEUIL AND THEIR MEMBER OF PARLIAMENT TO MR. RENÉ LÉVESQUE

Mr. Nic Leblanc (Longueuil): Mr. Speaker, as the Member for Longueuil and as someone who for nine years had the privilege of having the ex-Premier of Quebec, Mr. René Lévesque, as his provincial Member, today I wish to pay tribute to René Lévesque who was a great Member of the National Assembly and a great Premier. He did much to make Quebecers proud to be what they are. He also made French Canadians prouder of being French Canadians, and Quebecers and French Canadians prouder of being Quebecers and Francophones.

He was also a great democrat. It was his decision to have his party supported by individual contributions, thus setting an example for other parties across this country.

Mr. Speaker, I therefore want to take this opportunity today to pay tribute, personally and on behalf of my constituents, to René Lévesque, the former Premier of Quebec.

[*English*]

Mr. Speaker: I wish to bring to the attention of Hon. Members that the Hon. Minister of Consumer and Corporate

Affairs has asked to make a very brief statement on a matter of privilege.

* * *

[*Translation*]

HOUSE OF COMMONS

EXPRESSION OF REGRET BY MINISTER OF CONSUMER AND CORPORATE AFFAIRS CONCERNING READING OF MOTION

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, yesterday in the House, I reacted to a lack of courtesy on the part of the Opposition and unfortunately, in so doing, I was discourteous to my Francophone colleagues.

I had asked that the long and complex motion I tabled in the House be deemed to have been read. When the Opposition refused its consent, I read the entire motion so quickly that the interpreters were unable to do their work. I sincerely regret any discourtesy I may have shown towards my Francophone colleagues and to all Francophones who were trying to follow the proceedings.

ORAL QUESTION PERIOD

[*Translation*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—FRUIT AND VEGETABLE PRODUCERS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister.

Canadians all know that our climate is severe and our geography problematic. Our growing season is much shorter than in the United States. That is why we have always given our farmers seasonal protection.

Canadians also realize that it is in the national interest to have food products, from soup to nuts, processed here in Canada.

So why did the Government sign a trade agreement with United States that destroys our fresh fruit and vegetable producers and is a threat to our food processing industry? Is the Government trying to wipe out our family farms here in Canada?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome this opportunity to respond to the opening question of the Right Hon. Leader of the Official Opposition. One has to deal with reality and facts. The bilateral trade arrangement between Canada and the United States as it relates to agriculture is a very good deal for Canadian agriculture.

• (1420)

Some Hon. Members: Hear, hear!

Mr. Wise: The right hon. gentleman must realize that 50 per cent of farm income comes from export sales. He must also realize the fact that, excluding grains and oil seeds, two-thirds of all farm income comes from commodities sold exclusively on the United States market.

The hon. gentleman must also realize the fact that there is no way we can continue to have a strong and viable agricultural industry in Canada by feeding a market of only 24 million Canadians. If we are to have growth and expansion, which is what we want in the agri-food industry, we must have access to the huge U.S. market of 235 million Americans.

SIGNING OF AGREEMENT—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of Agriculture kept assuring the House that agriculture would not be part of any trade deal with the United States.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Above all, the Minister of Agriculture ought to know that so-called free trade in agriculture between this country and the United States is not possible. Our farmers have a three to five-month growing season compared to a 12-month growing season in the south of the United States. He knows that that is not possible.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Minister appears to concede that.

The Minister and his colleagues keep telling us that it is too early to tell whether our Canadian system of two-price wheat will be eliminated under this agreement. The Government keeps telling us in the House that it is too early to tell which of our chicken producers, fruit producers, or vegetable producers will be destroyed. The Government keeps telling us that it is too early to tell whether our yoghurt manufacturers, food processing manufacturers, or cereal manufacturers will be run out of business by this deal.

I will direct my question to the Minister of Agriculture. How could the Government have signed a deal without caring about the long-term effects on the Canadian people, particularly on those who grow and process the food which Canadians eat every day?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the right hon. gentleman indicates that the Minister of Agriculture, that being myself, indicated to this House that agriculture would not be part of the bilateral trade arrangements. Indeed, that is absolutely false. We made our position very clear as we entered the bilateral trade arrangement with

the United States with reference to certain things which we were going to secure.

We have fulfilled each and every one of the commitments which we made to the country, and laid out in this House a motion on behalf of the Government put forward by my seatmate, the Minister for International Trade, on March 16.

We indicated that under a bilateral trade arrangement our agri-food marketing system would remain intact. We succeeded in that.

Mr. Boudria: No, that's not true either.

Mr. Wise: We said that we would maintain those underpinnings which were necessary for the day-to-day operation of supply management. We delivered on that commitment as well.

Some Hon. Members: No.

Mr. Wise: Yes we did, Mr. Speaker. They say that we did not and that is an indication to me that they do not understand the supply management system of this country.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Perhaps the right hon. gentleman could ask the next question.

EFFECT ON HORTICULTURAL INDUSTRY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, by withdrawing seasonal protection for our horticulture industry, that is, the growers of vegetables and fresh fruit, and our flower industry, the Minister has allowed Canadian agriculture to be thrown into a free market with the growers in the southern United States.

We have incessantly asked the Minister for International Trade and the Deputy Prime Minister for answers on the effect of this trade deal on our farmers and our food processors. We have received no concrete answers for the thousands of Canadian farmers.

Ms. Copps: Right on. We want answers.

• (1425)

Mr. Turner (Vancouver Quadra): We have received no answers for the 230,000 workers in our food processing industry in Canada. That is not just irresponsible, it is absolutely frightening.

Mr. Wilson (Etobicoke Centre): Come on, ask a specific question.

Mr. Turner (Vancouver Quadra): I suppose I should not be surprised because this is the first Government in Canadian history that contemplates putting a tax on food.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair is hesitant to interrupt on a lead question, but the preamble is long. Would the right hon. gentleman put his question, please?

Mr. Turner (Vancouver Quadra): Does the Government not care whether food for Canadians is grown and processed in Canada, and if it does care, why did it sign this agreement with the United States?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as a fifth generation dairy farmer I am disappointed in the right hon. gentleman because I really thought he had a greater in-depth knowledge of Canadian agriculture.

We indicated when we entered into the agreement that we would reserve the right in Canada of Canadian producers to decide what marketing system best suits their own needs. We also fulfilled that commitment.

The hon. gentleman raises the issue of horticulture. We have a better deal for the Canadian horticultural industry over the next 20 years under the bilateral trade arrangement than it has had in the last ten.

The hon. gentleman should know that the law officers of the Crown have ruled *ultra vires* our ability to impose and to utilize in the interests of Canadian fruit and vegetable growers regulations such as Sections 56 and 57, and Section 61(1).

This agreement will give us the authority to proceed with the appropriate amendments to the CAPS Act which will provide us with the required legislative framework to impose regulations such as Sections 56, 57, and 61(1), which, for the hon. gentleman's information, are in the interest of the Canadian fruit and vegetable growers in order to provide that seasonal protection during time of harvest. We have not had that in the past and we have suffered because of the inaction of that former Government in the many years it was in office. As a result of the trade arrangement, we can go forward.

In addition—

Some Hon. Members: Order!

Mr. Wise: —the horticultural industry in Canada will have that protection for 20 years.

Some Hon. Members: Hear, hear!

MACDONALD ROYAL COMMISSION RECOMMENDATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, may I say to the Minister that only a Tory Government could achieve the destruction of the family farm—

Some Hon. Members: Oh, oh!

Mr. Axworthy: —at the same time as totally jeopardizing a $40 billion food processing industry that provides employment for hundreds of thousands of Canadians. Only a Tory Government could accomplish so much at one time in the destruction of the Canadian economy.

Mr. Speaker: Perhaps the Hon. Member could contain his preamble to setting the facts of the question. The Hon. Member for Winnipeg—Fort Garry.

Mr. Axworthy: The Macdonald Royal Commission report explicitly states that agriculture should be exempted from any free trade agreement because of the complexity of merging the supply marketing and subsidy programs. We now have an example of the entire food processing and food development industry in Canada becoming subject to jeopardy. Why does the Government not follow the recommendation of that commission and exempt agriculture from this agreement?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, we did not want it exempt from this agreement because we are interested in growth, and productivity, and financial viability in the future of Canadian agriculture.

The Hon. Member mentions placing the future of the family farm in jeopardy. If anyone placed into jeopardy the well-being of the family farm in Canada it was that Member's Government when it was in office and allowed interest rates to go from 9 per cent to 24 per cent. That was the measure that placed them in jeopardy.

If those Members were that interested in some of the people and some of the farmers in this country who are in financial difficulty, if they really care enough to take a minute to look at them on a case-by-case basis, they would find that, almost without exception, their difficulties trace directly back to that interest rate increase from 9 per cent to 24 per cent when they were in office.

• (1430)

Mr. Speaker: Order. The Hon. Member for Winnipeg—Fort Garry.

Mr. Axworthy: Mr. Speaker, I only remind the House that this is a Minister of Agriculture who is presiding over the largest number of farm bankruptcies in the last 50 years.

EFFECT ON FOOD SUPPLIERS AND PROCESSORS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I want to ask the Minister a specific question. In a statement today the Grocery Products Manufacturers Association points out that both the suppliers and producers and the processors of breakfast cereals, yogurt, ice cream, pasta, bread, canned fruits, vegetables, baked goods, frozen meat pies, and soups will all be put in jeopardy because of the free trade deal.

Was the Government not listening to the farmers and processors of these particular ingredients when it signed the free trade agreement? Why was the Minister so deaf to the interests of a $40 billion industry that is now being put in jeopardy by this deal?

Hon. John Wise (Minister of Agriculture): It is very simple, Mr. Speaker. We were meeting with farmers and all the people in the agri-food industry, the processors and so on, while the hon. gentleman was reading newspapers.

Some Hon. Members: Oh, oh!

Mr. Wise: The hon. gentleman should realize that we have had the ITAC committee, the International Trade Advisory Committee, the SAGIT committee, the largest on food, agriculture and beverage, the largest SAGIT of all, and that the SAGIT committee voted unanimously to support exactly what we have achieved in this agreement. So we followed the instructions of the SAGIT committee.

The hon. gentleman should realize as well, as it relates to some of the questions in the minds of the processors, that if one looks at the supply management commodities, and one finds this quite often, if they change the label from three to four colours on their package, or from four to five colours, or from two to three colours, they have incurred a greater cost to the product than the entire contents of the can. The hon. gentleman is baffled. If he knew the industry he could follow me very well—

Some Hon. Members: Time.

Mr. Wise: —because it has been estimated that the additional cost—

Some Hon. Members: Order.

Mr. Wise: Well, they do not want to listen. It has been estimated by independent sources that the additional cost—

An Hon. Member: Come on!

Mr. Speaker: I think the Minister has gone on for quite some time.

EFFECT OF AGREEMENT ON ENERGY SECTOR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Today it was learned that some 62 per cent of Canadians believe that the Americans got much more in this deal than did Canada, a figure I am sure will grow the more Canadians learn about it. On October 8 in this House the Minister responsible for International Trade in replying to a question from myself said—and I want to ask the Minister if he, as Minister of Energy, agrees with it—and I quote from page 9820 of *Hansard*:

> I can also assure him that any rights the provinces had before this agreement concerning their own policies they will have after this agreement.

She was talking about rights in the energy sector. Does the Minister of Energy, Mines and Resources agree with what the Minister said on October 8?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I am convinced that when Canadians get to understand the free trade agreement with the United

States, particularly as it relates to the energy sector, they will realize just how much we need this agreement to guarantee supplies in our own country.

Second, Mr. Speaker, nothing whatsoever in the agreement leads the Canadian Government to believe that constitutional amendments will be required. Therefore the powers vested in the provinces under the Canadian Constitution are still the same.

[*English*]

EFFECT ON PROVINCIAL POWERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a set of questions and answers prepared by officials in the Minister's own Department—to whom they were sent I am not sure—dealing with the same question, and the answer is entirely different. The proposed question in the notes being distributed is:

> Can provinces continue to price their energy resources differentially intra-provincially versus extra—provincially (including exports)?

That is the question being asked. The wording of the suggested answer is interesting:

> The official answer to this—is:
>
> "It is our expectation that the provinces will not take actions incompatible with the spirit and intent of the free trade agreement".

It does not answer the question at all. It then goes on, interestingly, to say the following: "The question of provincial compliance with this agreement is a very sensitive issue which the Prime Minister wants to deal with himself".

Some Hon. Members: Oh!

Mr. Broadbent: I want to understand. Will the Minister tell us what is going on? He has just given us one answer today in the House that is at variance with what is being said by someone in his Department who is preparing notes, and the suggestion is that the Prime Minister is going to deal with it. Are provincial powers changed in energy or are they not? Answer it.

Mr. Shields: No. It is that simple.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the leader of the socialist party should realize that there are thousands of public servants in my Department and that I do not know the opinion of each and everyone of them. Second, since he was kind enough to refer to a document, I wish he would table it in the House. I am not personally familiar with it and I should like to study it.

[*English*]

PROVINCIAL COMPLIANCE WITH AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the question is not necessarily whether the Minister has read the text. What I am interested in is knowing what the truth is. Time after time the Prime Minister of Canada says one thing, the Minister says something else, and we find out the truth is somewhere else. That has got to change.

The clear assertion, which is in the Minister's document, not mine, is that the question of provincial compliance with the agreement is a very sensitive issue with which the Prime Minister wants to deal himself. That comes from the Minister's Department. I repeat, it is not mine.

Mr. Clark (Yellowhead): Why don't you table it?

Mr. Broadbent: Is the Minister telling us that his Department does not know the answer as to whether provincial powers are changing or not?

Some Hon. Members: Table it.

Mr. Broadbent: Or is he going to repeat that the powers remain the same? What we want is some consistency and we want some truth on this side of the House.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, not being familiar with the contents of the document to which the leader of the socialist party is referring, I can hardly respond. It is even difficult to vouch for its authenticity. I believe the best way to proceed would be to table it. I will examine it and tell him whether or not, first the document is authentic and, second what is the value of the suggestions.

[*English*]

PROVINCES' POWERS TO SET PRICES

Hon. Edward Broadbent (Oshawa): I would be happy to do so if there is agreement to table the document. It is normal that Ministers do that, but I would be happy to do that and send him a copy.

But, setting the document aside, I want the Minister to answer the question. Considering that in the elements of the document he has, the "Elements of the Agreement", it suggests that the Americans will have access to our energy at prices that cannot be at any variance with prices in Canada, considering that is what the Americans believe as well, and considering that that does change the provincial Governments' rights as they exist now, why is the Minister trying to pretend that these powers are not changing? And why is it left to the Prime Minister to deal with this "sensitive" matter?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, since the leader of the socialist party is again referring to a document in his preliminary remarks, a document I do not have, I cannot answer this question because I do not know on what the Hon. Member's question is based.

[*English*]

ROLE OF NATIONAL ENERGY BOARD—SURPLUS TEST

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is likewise directed to the Minister of Energy, Mines and Resources, and these documents he does have. In a speech in St. John's on October 8 the Minister of Energy, Mines and Resources said: "Those who do not understand think that the National Energy Board will be reduced to a monitoring function". If they do think that, they come by it honestly because in the document the Government handed out, in the preliminary transcript, it says:

> With respect to existing measures, Canada has agreed to (1) limit the application of its "surplus test" for energy exports to a monitoring function—

Does the Minister know what he is doing? Does he have any idea what the Government is giving away to the United States? If he does, will he come clean with the Canadian people?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, under the agreement, the National Energy Board will continue to receive export applications. The Board will still have the power to refuse an export permit or to reduce, under certain circumstances provided by the agreement, the quantities shipped abroad, in case of a shortage, for instance, or if it becomes necessary to implement an export reduction policy. This is exactly what the National Energy Board can do right now.

However, Mr. Speaker, this Government has provided de-regulation of the energy sector quite apart and independently from the free trade agreement. It is in the framework of this de-regulation that the discretionary powers, or rather the powers of intervention of the National Energy Board could be changed, amended or suspended according to the marketing policy of the Government.

• (1440)

[*English*]

DISTRIBUTION OF GOVERNMENT INFORMATION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the National Energy Board has no power to protect the energy requirements of the Canadian people. Because of the proportionality in the preliminary agreement, a certain percentage of energy has to go to the United States—

Mr. Shields: Not true!

Mr. MacLellan: Yes, it does. In relation to the percentage that was sent to the United States in the preceding three years, the United States has the right to that same percentage at that particular time. There is nothing the National Energy Board or the Government will be able to do after the agreement is signed.

Why are the Minister and the Government sending letters all over Canada with misinformation which is misleading the Canadian people, information that is directly contrary to what is set forth in the Government's own preliminary agreement?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I read this morning the article reporting the heated comments of my hon. colleague. I believe that if anyone lacks any credibility in his analysis, it is the Hon. Member sitting on the other side of the House.

I can assure the Hon. Member that the major concern of this Government is to provide security of supply for the Canadian public. In this context, the free trade agreement will allow greater and more dependable development of our natural resources. Canadians will enjoy better security of supply under this agreement than with the policies of the previous Government, which brought Alberta to the brink of bankruptcy.

[*English*]

PROVINCES' RIGHT TO DETERMINE PRICES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, that was a fascinating attempt to avoid the issue on the part of the Minister of Energy. I wish to ask the Minister this question. The fact is that right now the provinces have the right to sell to their own consumers energy at lower prices than if they export it. Will that right continue, yes or no?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, this is a clear and specific question and the answer is in the Canadian Constitution which confers certain powers to the provinces.

REQUEST FOR CLARIFICATION OF PROVINCES' POWERS TO SELL ENERGY AT LOWER PRICE TO LOCAL CONSUMERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, how very interesting that the Minister should choose not to answer in the House. So again I will ask the question, hoping to get an answer.

Can the Minister tell us what powers the provinces now have to sell energy at lower price to local consumers? Will such powers continue to exist?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, provincial powers and responsibilities with respect to natural resources stem from Canada's constitutional text. Nothing in the free trade agreement changes that or leads the Government to believe that it will be necessary to amend the Canadian Constitution.

DEATH OF FORMER PREMIER

INQUIRY WHETHER FLAGS WILL BE FLOWN AT HALF-MAST DURING STATE FUNERAL FOR MR. RENÉ LÉVESQUE

Mrs. Carole Jacques (Montreal—Mercier): Mr. Speaker, my question is directed to the Deputy Prime Minister. At a time when Quebec is mourning the sudden loss of a truly exceptional man, René Lévesque, the illustrious defender of the French language who has made us proud to be Quebecers, I would like to know whether he can give the House the assurance that flags will be flown at half-mast tomorrow during Mr. Lévesque's state funeral, as a last tribute?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, yes, I can give that assurance. The Prime Minister has personally requested that the flags on all federal government buildings throughout Canada be flown at half-mast tomorrow, the day of the funeral. The Hon. Member should know as well that, consistent with tradition, flags on federal government buildings in the Province of Quebec have been flying at half-mast.

Mr. Speaker, you will know that I contacted you early this morning and I asked that the appropriate moment of silence be observed tomorrow, the day of the late René Levesque's funeral, out of respect for him and the people of the Province of Quebec and Canada.

* * *

[*Translation*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—FARMERS' FUTURE—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I want to get back to the Minister of Agriculture. He asked us to look at reality, to look at the facts. I may remind him that on Monday, his official translator, the Minister of State, had a chance to do exactly that when he met with 1,800 farmers in Victoriaville, where they told him their future was in jeopardy.

I want to ask the Minister of Agriculture why he has been misleading farmers by telling them that agriculture would never be affected, and why it now takes three pages in his agreement to say that farming will not be affected.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, those statements attributed to me are absolutely and completely false. Let me respond in this way, and perhaps the Hon. Member might understand. If we did not have secure access to the U.S. market for Canadian hogs, a large percentage of which are produced in the Province of Quebec, then hog production in Canada would be reduced by about one-third. That would be completely and totally devastating, not only to Canadian agriculture but to Quebec agriculture as well. Incidentally, the spokespeople for the hog industry are extremely supportive of this agreement.

With respect to another commodity which is very important to Quebec and Canada, cattle, if the Canadian cattle industry did not have access to the U.S. market, then it would shrink by one-third. That would be very devastating to Quebec agriculture and to Canadian agriculture.

I am indicating to the Hon. Member that we want growth in the Canadian agri-food industry. We get growth by getting access to a large market ten times the size of Canada's.

[*Translation*]

PORK PRODUCERS—$10 SURTAX—MEASURES TAKEN BY GOVERNMENT

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Minister of Agriculture is trying to reinvent the wheel. Canadian hogs are already going to American markets, with the Canadian food products and animals that are sold over there. His agreement has done nothing.

I want to ask the Minister, who is talking about hog producers, what his agreement has done about the ten dollar surtax.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if anyone thinks that we will have the same trade environment with the United States in the next decade as we have had in the last 20 years, then they are just simply whistling in the dark.

What the hon. gentleman should be doing is standing up to applaud us for maintaining supply management. Some 74 per cent of agriculture in his province is supply managed.

Mr. Lapierre: And you are screwing it up!

Mr. Wise: He should be up commending us for maintaining the underpinnings in supply management. He should also be up complimenting us for maintaining the right in the future for Canadian farmers in his province and the other nine provinces to determine what marketing system best suits their own needs.

In case Members opposite do not know about underpinnings, let me tell them—

Some Hon. Members: Order!

Mr. Wise: —there are two sections in underpinnings. We will see how interested they are.

Some Hon. Members: Oh, oh!

Mr. Wise: They are not interested!

Some Hon. Members: Hear, hear!

[*Translation*]

SHIPBUILDING

INQUIRY WHEN SIX FRIGATES WILL BE BUILT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Minister of Supply and Services. The Minister knows full well that Government decisions concerning the award of contracts for ship building and maintenance contribute to exacerbate regional antagonisms. The fight over the second part of the frigate contract is proof positive of that. My question is this: When will the Government finally decide to make up its mind concerning the construction of those six frigates?

Hon. Michel Côté (Minister of Supply and Services): Of course, Mr. Speaker, the decision has yet to be made. A number of bids are now under review and an announcement will be made when Cabinet reaches a decision.

• (1450)

[*English*]

REQUEST THAT MINISTER OF FINANCE MEET REPRESENTATIVES OF SHIPBUILDING INDUSTRY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, in the absence of the Minister of Finance my supplementary question is directed to the Deputy Prime Minister. Undoubtedly the Deputy Prime Minister is aware that the Minister of Transport announced in the last few days the refit of Coast Guard vessels in his Province of Newfoundland at Marystown, which will keep men working there while the yards at Port Weller and Port Arthur are awaiting work and lying practically idle.

Can the Deputy Prime Minister assure us that the Minister of Finance will meet this year with representatives of the shipbuilding industry to accept their representations that the exemption from duty of large fishing vessels be lifted so that there will be work in the Atlantic yards on the construction of these boats and that the government work can be spread over other yards, including those in Ontario?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, this is another case of an Hon. Member who does not have his facts straight. He ought to know that when a ship like the *Simcoe* needs repairs costing over $5 million, obviously bids are invited from the various shipyards in this country. That is what happened in the case of the Simcoe, and the best bid was approved. That is the way to help fight regional disparity, by providing for healthy competition. That is what this Government has been doing since 1984, Mr. Speaker, and that is how we have been able to create over 900,000 jobs in Canada.

FUTURE OF VICKERS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the same Minister who was talking about awarding contracts. This morning, 300 workers from Vickers in Montreal came to express their disapproval of the Conservative Government's failure to act in this respect. Could the Minister inform the House—after all, this is the third time these people are here! Could the Government, and the Minister who was already making plans with the previous Minister of Supply and Services to close down a shipyard in Quebec—could the Minister inform the House, in the presence of the workers' representatives who are here today, whether the Vickers yards will continue to exist? If so, is the Government prepared to immediately announce it is awarding them a contract so that 500 workers at the Vickers yards can go to work?

Hon. Michel Côté (Minister of Supply and Services): First of all, Mr. Speaker, if the Hon. Member wants to be frank, we shall be frank. In 1984, when we inherited a disastrous economic situation, especially in Canada's shipyards, this Government was certainly not responsible for that situation. Seventy-four Members from Quebec had neglected to defend the interests of Quebec's shipyards.

Mr. Speaker, consider initiatives like Bill C-22, which they have the nerve to turn down, and all in the interests of Quebec taxpayers, Mr. Speaker!

REQUEST THAT GOVERNMENT PROVIDE WORK FOR SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, this morning Vickers employees and their representatives booed the Minister and the Hon. Member for Hochelaga—Maisonneuve for their inaction. Surely the Minister knows that a welder will never weld an aspirin. What they need is a ship contract, not pills. The Minister is the one who needs pills. What I and those people want to know is this: Seven ships are waiting to undergo repairs in 1988, so those people want to know why you wait until the year before the election to award patronage contracts? Why do you let them go hungry and force them to go on social welfare benefits, why not have these ships sent for immediate repairs in all Canadian shipyards so as to prevent these workers from going hungry?

Hon. Michel Côté (Minister of Supply and Services): First of all, Mr. Speaker, we did not wait for my colleague's representations before meeting with the workers. I met with them the first time they asked, at 11.30 this morning. I did not really need the intervention of my colleague.

Second, Mr. Speaker, when making reference to the Government's concern over the future of Canadian shipyards people should know—as my colleague does—that we are in a position to award various contracts from coast to coast precisely because our Government assumes its responsibilities. We will continue to defend the interests not only of Quebecers but of all Canadians as well.

[*English*]

AUDITOR GENERAL'S REPORT

SALE OF BANK OF BRITISH COLUMBIA—TAX-FREE PAYMENT TO HONGKONG BANK

Mr. Simon de Jong (Regina East): Mr. Speaker, thank you very much for the opportunity to be able to direct a question to the Minister of State for Finance, in the absence of the Minister of Finance.

Last night the Deputy Minister of Finance confirmed that the Finance Department arranged a series of meetings between the Hongkong Bank and Revenue Canada prior to a deal which the Auditor General says was structured to allow the bank to avoid $100 million in taxes.

Why did the Government play such an active role in a foreign bank's attempt to avoid paying taxes? Surely the Minister must recognize that in these matters Revenue Canada and Finance must remain neutral.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am glad the Hon. Member read his question because the convoluted reasoning, even from the reading, is beyond description.

First, the Hon. Member knows that any citizen of Canada can go to Revenue Canada for a conversation about taxes. There is nothing strange about that.

Second, the Department of Finance indicated last night through the Deputy Minister that Revenue Canada's telephone number was given to the bank and it pursued the advice it sought.

Third, and most important, what is incoherent about the premise of the Hon. Member's question is that he would have liked us to have structured the deal artificially in order to create taxes. Why in the world would the Government of Canada or CDIC pay someone who is not giving a guarantee for a guarantee? The payment went to the offshore owner who was giving the guarantee. The Canadian subsidiary was not giving the guarantee, therefore the funds were not forwarded to it.

Mr. de Jong: Mr. Speaker, the House must commend the Minister of State for Finance for his clarity in answering questions regarding the Hongkong Bank! I think he has had to clarify three different clarifications since he started to speak on this particular topic.

ROLE OF DEPARTMENT OF FINANCE

Mr. Simon de Jong (Regina East): Mr. Speaker, the point is that $200 million was given to the head office of the Hongkong Bank in such a way that it did not have to pay tax, while the costs associated with the takeover will be tax deductible. Therefore we have $200 million going in as non-taxable income, yet all the costs associated with it are now deductible for tax purposes.

My question is basic and simple. It deals with the integrity of the Finance Department and the Government. Surely the Finance Department must not even appear to be involved in setting up a tax avoidance scheme. Surely it is like the cops running their own drug ring. The Finance Department is there to protect the integrity of the tax system—

Mr. Speaker: The Hon. Minister.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the integrity of the tax system was totally protected in this particular case. The Hon. Member knows that any Canadian citizen is allowed to have the advice which Revenue Canada gave. The subsidiary was not in a position, as the Hon. Member knows, to provide the guarantees we were seeking. It was to the party from whom we were asking for the guarantee that we sent the money.

What we must remember is that as a result of this deal we ended up saving CDIC $400 million. If there had been a liquidation, the Hon. Member must remember, $600 million would have disappeared, plus 1,500 jobs, plus all the branches, plus a regional banking institution.

* * *

• (1500)

SHIPBUILDING

FRIGATE CONSTRUCTION PROGRAM—AWARDING OF CONTRACT

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is really supplementary to the questions put by the Hon. Member for Thunder Bay—Nipigon and the Hon. Member for Montreal—Sainte—Marie, except mine is a voice for Atlantic Canadians.

My question is directed to the Deputy Prime Minister. It deals with what some of us have known for weeks and what is now public, namely, there seems to be some tinkering going on concerning the award of the contract for the second batch of frigates.

Will the Deputy Prime Minister assure Atlantic Canadians and every taxpayer of this country that millions of dollars will not be squandered on a political fancy and that the contract will be awarded on the basis of merit, value, performance, schedule, and industrial benefits? Everyone knows this is the Saint John Shipbuilding Company.

Some Hon. Members: Oh, ch!

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, I want to thank the Hon. Member for his question. As I said earlier, there has been no decision at the present time. Several proposals are under evaluation. We take into consideration certain factors like the best price, best quality,

best technology and time of delivery. I can assure the Hon. Member that these factors will prevail in the decision.

Mr. Gauthier: And the best number of votes!

CHOICE OF SOLE SOURCE NEGOTIATOR—STATEMENT ATTRIBUTED TO MINISTER

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I have a supplementary question for the same Minister. A few days ago the Minister for Forestry in New Brunswick said on television that the Saint John shipyard had been chosen as the sole source negotiator. What does that mean?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, as I indicated, a number of proposals are now being assessed and considered by Cabinet. When a decision is reached, as to the contractor and sub-contractor, as the case may be, such decision will be announced.

* * *

[*English*]

AUDITOR GENERAL'S REPORT

SALE OF BANK OF BRITISH COLUMBIA—ROLE OF DEPARTMENT OF FINANCE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Minister of State for Finance. It concerns his tax deal given to the Hongkong Bank. In light of Mr. Stanley Hartt's testimony of yesterday, can the Minister tell the House why it is that the Deputy Minister of Finance took an active part in organizing a meeting between the officials of the Hongkong Bank and the Revenue Department whose sole purpose had to be known to everyone, namely, tax avoidance?

Why did the Finance Department take on that role if it was not to give a tax break of $200 million, courtesy of the taxpayers of Canada? I would like clarification, not circumlocution, this time.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the only circumlocution this House has heard on this issue is the accusation of tax avoidance. Any Canadian, I repeat, unless the Hon. Member wants to change this, any Canadian can go to Revenue Canada for a ruling. The Deputy Minister of Finance gave the phone number, he did not attend the meeting and, as a result we saved 1,500 jobs and kept a regional financial institution.

Mr. Speaker: I have to advise that the time for Question Period has expired. The Hon. Member, for Cowichan—Malahat—The Island on a question of privilege.

PRIVILEGE

AVAILABILITY TO ALL MEMBERS OF STUDY ON FISHING VESSEL SAFETY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I want to bring an issue before you which affects my privileges as a Member of this House and my ability to serve my constituents.

Coming from a coastal community, I have a great deal of concern for the safety of fishermen and their families as do other Members of my Party, including the Hon. Member for Comox—Powell River (Mr. Skelly), the Hon. Member for Skeena (Mr. Fulton) and the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), all of whom have raised the issue of fishing vessel safety in this House and have urged action.

On Monday, November 2, the Minister of Transport (Mr. Crosbie) wrote to Progressive Conservative Members of Parliament with ridings affected by marine transportation policy. He indicated in the letter that the main thrust of a coastguard study into fishing vessel safety would be released yesterday, November 3. The letter signed by the Minister was inadvertently sent to the Hon. Member for Comox—Powell River and was attached to an information kit for Members of Parliament set up by the coastguard. It has not been received by other Members of coastal communities, including the Hon. Member for Skeena and myself who are on the same floor of the same building as the Hon. Member for Comox—Powell River.

This letter formed the basis for the question that was asked of the Minister of Transport yesterday by the Hon. Member for Fraser Valley East (Mr. Belsher). I find that the Minister of Transport is playing cheap partisan politics with the safety of fishermen.

I ask you to look into this matter, Mr. Speaker, to inspect the letter, and if there is a *prima facie* case of breach of privilege, I am prepared to move the necessary motion for referral to the proper committee.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I think the Hon. Member in all good conscience should withdraw the charge that the Minister of Transport (Mr. Crosbie) would play cheap politics with the safety of fishermen.

Some Hon. Members: Oh, oh!

Mr. Thacker: He should withdraw that comment. It is a totally inappropriate comment and it is most undeserved.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, concerning the insinuation left by the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) that I have received material ahead of time, I can assure the Hon. Member that the material arrived in my office in this

morning's mail. I was interested about what material was coming but I did not see the material until this morning.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, let me clarify the point made by my hon. colleague. The memo was addressed to the Progressive Conservative Members of the House of Commons only. In other words, regardless of when it might have arrived on the Member's desk, it was destined to a select group of Members of the House of Commons. That was the point my hon. colleague was attempting to make.

It is obvious that this is favouritism, and when the Minister of Transport (Mr. Crosbie) directs mail on a very critical item only to certain political Members of the House of Commons, we obviously find that our privileges have been breached.

Mr. Speaker: The Chair has listened carefully to the intervention of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) and others Members. I will consider the matter and report back to the House.

ALLEGED MISUSE OF THE WORD PARLIAMENTARY—RULING OF MR. SPEAKER

Mr. Speaker: I want to draw the attention of the House to the fact that I am now prepared to report on two questions of privilege, the first brought some days ago by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), and the second is a matter of privilege brought by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus). I shall deal first with the question of privilege of the Hon. Member for Glengarry—Prescott—Russell who rose on September 22, 1987.

The issue he raised concerned what he alleged was a misuse of the word "parliamentary" by the service known as the Parliamentary New Service.

In presenting his argument, the Hon. Member for Glengarry—Prescott—Russell cited the case from May 6, 1985, where the words "Member of Parliament" were used by other than the currently elected Member for that riding, and the Speaker ruled that a breach of privilege had occurred because the Member could be impeded in fulfilling his duties if confusion existed in the minds of his constituents as to who the Member really was. That particular ruling is of interest, but I have to advise the Hon. Member regretfully that I did not find it of assistance in the present case.

[*Translation*]

Also, the 1983 incident referred to by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) had to do with a newspaper advertisement which the public could have seen as a quote from Hansard, which it was not . The sacred nature of Hansard has always been protected, and while the press is at liberty to quote from it, they must do it truthfully rather than try to mislead the public by altering or falsifying the record as published in the *House of Commons Debates*.

• (1510)

[*English*]

A similar case occurred in 1960 when the Sperry and Hutchinson Company reproduced the *Debates* of the House and the Speaker ruled that anything that relates to control by the House, present or future, over its own reports, having the possibility of abuse of such publications in mind—which is easily imaginable—required the Speaker to allow to go forward by finding at least *prima facie* grounds for complaint. This is found in the *Journals* of the House, February 16, 1960, at pages 157 and 158.

In 1965, the Steelworkers Hamilton Council-PAC News used the cover of the *Debates* in its newsletter. The Speaker ruled that there was a *prima facie* case of privilege and based his ruling on the 1960 case.

[*Translation*]

However, in none of those matters do I find any parallel with the point raised by the Hon. Member for Glengarry—Prescott—Russell. All the cases referred to involved deliberate attempts at misleading the public by falsely depicting a document as a quote from Hansard. Truly, such is not the case in this instance.

[*English*]

There are a number of previous rulings which dealt with incidents concerning "parliamentary task forces" composed of members from only one Party caucus. In the "Parliamentary Task Force" case of December 10, 1979, the issue revolved around the question of the use of public funds for examinations conducted by members of one political Party. In the 1980 case, the issue concerned the use of the term "parliamentary task force" for what was essentially a special committee. In the first case, Speaker Jerome stated:

> —in my opinion the greater wisdom would be to ensure that in every case—where public funds are used to support such a committee—such a committee consist of Members of more than one Party in the House.

As can be seen, these two cases do not directly apply here. There has been no allegation that public funds are involved in the Parliamentary News Service.

The most direct pronouncement on the use of an expression relating to Parliament is found in Statutes. The Act respecting the use of the expression "Parliament Hill" was given Royal Assent on May 19, 1972. The purpose of this Act was to prevent the commercial use of the words "Parliament Hill".

In the case being raised by the Hon. Member for Glengarry—Prescott—Russell, however, the question at issue is whether or not the use of the word "parliamentary" by itself should be restricted in any way by the House.

As the Hon. Member for Kamloops—Shuswap (Mr. Riis) pointed out to the House, the dictionary defines "parliamentary" as "of or relating to Parliament", and of course "Parliament" is defined as "the Council forming with the Sovereign the supreme legislature consisting of the House of Commons

and the Senate". Therefore, anything describing or relating to either Chamber or the two Chambers together in conjunction with the Queen could be termed "parliamentary".

Does the use of the word "parliamentary" in the Parliamentary News Service not describe the fact that the news covered by the service relates to or concerns Parliament? I think that is true. The news it provides may be, in fact probably is, selected with a view to enhancing a particular perspective. Does this alter the fact that it relates to Parliament? Any newspaper or broadcaster in the country always has been and continues to be free to select those items emanating from Parliament which they believe to be of interest to the public. Because this place is an institution composed of partisan, political people, there are often opposing viewpoints reflecting in its proceedings. I would think there are few Canadians who are not aware of that fact.

[*Translation*]

The question before me is whether the use of the term "parliamentary", in this instance, is a breach of privilege or some sort of contempt of the House.

[*English*]

Hon. Members all know that privilege is a narrowly defined procedural expression. To quote from Erskin May's *Parliamentary Practice*, it is:

> —the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals.

[*Translation*]

Having examined the recorded precedents and studied the substance of the matter raised, I am not convinced that the rights or privileges of any Member have been breached. I have not been convinced either that the dignity of Parliament or the integrity of its proceedings have been compromised by the use of the term "parliamentarian" in this case. I cannot therefore conclude that this is a genuine question of privilege.

[*English*]

I do feel, however, that a legitimate concern has been raised by the Hon. Member for Glengarry—Prescott—Russell. Both the Chair and indeed all Hon. Members of the House should be conscious of the need to protect and enhance the reputation of Parliament and of this House and be vigilant in their duty in this regard.

I might say to the Hon. Member for Glengarry—Prescott—Russell that sometimes the line between the position he is taking and that which is permissible can indeed be very fine. I would say that to the degree possible, when others are using the word "parliamentary", they might take into account that very fine distinction.

I thank the Hon. Member for Glengarry—Prescott—Russell for raising the matter and I also thank all those who participated in the discussion. There is not, however, in the Chair's view, a breach of privilege in this instance.

I might say to the Hon. Member for Glengarry—Prescott—Russell that he has probably done the House and the public some service in bringing the matter to the attention of the Chair.

I now turn to another matter of privilege.

ALLEGED IMPROPER ACQUISITION OF LETTER—RULING OF MR. SPEAKER

Mr. Speaker: On October 28, 1987, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) rose on a question of privilege. The issue he raised related to a letter referred to by the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) during Statements by Members earlier that day.

I asked the officials responsible for providing printing services to investigate the matter concerning the printing of the letter in question. The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) submitted a two-page letter and an attached petition to the printing unit in the Wellington Building on Friday, October 23. These two documents were reproduced in 2,700 copies according to the Hon. Member's request and they were returned to the Member's office on Monday, October 26.

The employees involved in printing, folding and handling of this request have provided assurances that they did not retain or distribute copies of this material to anyone other than the Hon. Member for Thunder Bay—Nipigon. I should further note that in submitting this request to the printing unit, neither the Hon. Member nor his staff gave any indication that the material was either confidential or sensitive.

It may well be that the Hon. Member or his staff did not feel that that was necessary. However, had the Hon. Member indicated that the material was sensitive or confidential, the procedure that would have been taken is that it would have been produced under tight supervision and returned to the Hon. Member in a sealed package, which would have included any waste or damaged copies that resulted from the printing and folding operation.

I cannot find that any irregularity occurred in this instance, nor can I find that that any Hon. Members' privileges have been breached in any way. However I thank the Hon. Member for bringing the matter to the attention of the House. It may well be that again that this matter having been brought to the attention of the House, the same problem will not happen again.

I would say to all Hon. Members that if there is any difficulty with security in the printing of material on behalf of any Hon. Member, it would be helpful if any such instances were brought to the attention of the Chair. Hon. Members will realize, having seen the facilities where printing is done, that it does take some extra special effort to have absolute security. I hope that this report back to the House is of some satisfaction to the Hon. Member and I thank him for raising the matter.

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF THIRTHY-EIGHTH AND THIRTY-NINTH REPORTS OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the thirty-eighth and thirty-ninth reports of the Striking Committee.

Mr. Speaker, if the House so agrees, I intend to move concurrence in the thirty-eighth report later today.

[*Editor's note: for text above reports, see today's Votes and Proceedings.*]

• (1520)

[*English*]

Mr. Speaker: Does the Hon. Member have unanimous consent to move the motion?

Some Hon. Members: Agreed.

[*Translation*]

CONCURRENCE IN THIRTY-EIGHTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, if the House so agrees, I move, seconded by the Hon. Member for Quebec East (Mr. Tremblay):

That the thirty-eighth report of the Striking Committee, tabled earlier in this House, be concurred in.

Mr. Speaker: Does the Hon. Member have unanimous consent to move this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*English*]

BUSINESS OF THE HOUSE

JUSTICE AND SOLICITOR GENERAL—AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I have four motions which have been discussed with the other House Leaders and I would like to present them now. The first is:

Business of the House

That the Standing Committee on Justice and Solicitor General be authorized to travel to Kingston, Ontario from Sunday, November 22 to Wednesday, November 25, 1987, inclusive, for the purpose of holding hearings, visiting correctional facilities and observing panel hearings of the National Parole Board in relation to the Committee's study on sentencing and conditional release, and that the necessary staff do accompany the Committee.

I think you will find unanimous consent for that motion to be put immediately.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

BILL C-77—NULLIFICATION OF MOTION FOR SECOND READING OF BILL AND REFERENCE TO LEGISLATIVE COMMITTEE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the next motion is with respect to Bill C-77. I move:

That, notwithstanding any Standing Order of this House, the proceedings on Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, which took place in the House on Monday, November 2, 1987, be nullified, and that, the entry on the Order Paper and Notices under Government Bills (Commons) be changed to indicate that the motion for second reading and reference to a legislative committee of the Bill had not been duly moved, seconded and proposed.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there have been consultations and we are prepared to support this motion.

I simply want to take this opportunity to thank the Government. There is no requirement that we start over in a more appropriate way, and we simply want to say we appreciate this initiative.

Hon. Herb Gray (Windsor West): Mr. Speaker, this order reflects the discussions held among House Leaders and represents a constructive way to have this Bill considered in the normal fashion. Therefore, I think it is the right thing to do.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Petitions

FINANCE AND ECONOMIC AFFAIRS—PRESENTATION BY STANDING COMMITTEE OF REPORT ON TAX REFORM

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the next motion deals with the proposed presentation of the report on tax reform from the Standing Committee on Finance and Economic Affairs. I move:

That, notwithstanding any Standing Order of this House, on Monday, November 16, 1987, at 12.30 o'clock p.m., the House shall revert to "Presenting Reports from Committees" for the sole purpose of enabling the Chairman of the Standing Committee on Finance and Economic Affairs to present the Committee's report on tax reform; and

That, immediately following the presentation of the said report, the House shall revert to the business which was interrupted.

[*Translation*]

Mr. Speaker: Does the Hon. Minister of State and Minister of State (Treasury Board) (Mr. Lewis) have unanimous consent to move this motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*English*]

STANDING ORDERS—AMENDMENTS TO S. O. 89(2) AND 96(3)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the House Leaders at the request of the Subcommittee on the Disabled and the Handicapped, and the following motion takes into account those discussions and the request of the committee. I move:

That Standing Order 89(2) be amended by deleting paragraph "(e)" and by adding the following new paragraph:

"(y) Status of Disabled Persons;"

and that the paragraphs be relettered accordingly;

That Standing Order 96(3) be amended by adding the following new paragraph:

(g) Status of Disabled Persons shall include, among other matters, the proposing, promoting, monitoring and assessing of initiatives aimed at the integration and equality of disabled persons in all sectors of Canadian Society."

and;

That all the business of the Subcommittee on the Disabled and the Handicapped be transferred to the Standing Committee on Status of Disabled Persons.

Mr. Speaker: Does the Hon. Minister of State (Mr. Lewis) have unanimous consent to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

EXTERNAL AFFAIRS AND INTERNATIONAL TRADE—REQUEST THAT STANDING COMMITTEE BE AUTHORIZED TO TRAVEL TO THE YUKON AND THE NORTHWEST TERRITORIES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I realize time is getting short and presumably before the week is out we will be considering other orders permitting the Standing Committee on External Affairs and International Trade to travel and hear witnesses on the free trade proposal. I would simply like to suggest to the Minister that he use his good offices to ensure that as the committee determines places in which to hold hearings, consideration be given to travelling to the Yukon as well as the Northwest Territories.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I am pleased to advise my hon. friend that as a result of what happened in the House yesterday, I took the initiative to mention to the committee Chairman that there was a feeling that the committee should include the Yukon in its travel plans. He advised me that they were being welcomed by witnesses in all provinces because of great acceptance of the free trade agreement and he thought he could fit the Yukon into those proceedings.

Hon. Herb Gray (Windsor West): Mr. Speaker, I understand that members of that committee are meeting tonight to work out, if they can, some consensus on travel. I hope the committee will accept the position that our Party is taking that the committee travel to both the Yukon and Northwest Territories, but I think we should await the results of those discussions.

* * *

[*Translation*]

PETITIONS

REQUEST FOR BROADCASTING OF WINTER OLYMPICS ACROSS CANADA IN THE FRENCH LANGUAGE

Mr. Carlo Rossi (Bourassa): Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has asked me to present this petition and I also want to present it on my own behalf.

The petitioners humbly sheweth that nearly one million francophones outside Quebec will not be able to watch the Calgary Winter Olympics in French on television; that the compromise suggested by the CRTC of offering the French television broadcast to cable distributors is unacceptable as not all francophones communities outside Quebec have cable television; and that French-speaking Canadians will pay their share of the $200 million allocated by the Conservative Government for the organization of the Calgary Winter Olympics;

Wherefore the undersigned humbly pray and call upon Parliament to urge the Conservative Government to keep its commitments to linguistic minorities in Canada by making available in both official languages and in all communities throughout Canada the televised broadcast of The 1988 Winter Olympics, which will be an international event.

And your petitioners will ever pray, Mr. Speaker.

OPPOSITION TO TAX ON FOOD

Hon. André Ouellet (Papineau): Mr. Speaker, I too should like to present several petitions signed by taxpayers in my riding who object to the Conservative Government proposal aimed at taxing food. Whereas food constitutes a vital element in day-to-day life and the imposition of this tax would have the effect of further penalizing the elderly, low income families and, of course, the unemployed and younger people in our society;

Wherefore these constituents object to this Conservative Government proposal and urge it not to levy a sales tax on food products.

* * *

• (1530)

[*English*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all the questions on the Order Paper be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all notices of motion for the production of papers be allowed to stand.

Mr. Deputy Speaker: Shall the notices of motion for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed, from Tuesday, November 3, consideration of amendments made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto; And the motion of Mr. Andre:

That a Message be sent to the Senate to acquaint Their Honours that this House agrees with amendment 18(b) made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, but disagrees with all other amendments except amendment 13(a), (b), (c), and (d), 14(a), (b), (c) and (d) and amendment 16(a) because this House believes that amendments 4(b), 11, 12, 15(a), (b), and (c), 16(b), (c), (d) and (e), 17(a) and (b) and 18(a) are in contradiction to the fundamental principles of the Bill and undermine the objectives of the policy.

More specifically:

Amendments 4(b), 11 and 12 change the coming into force of the sections thereby jeopardizing all of the research and development commitment of the industry, and are therefore not acceptable;

Amendments 15(b), (c) and 18(a) remove flexibility from the Patented Medicines Prices Review Board inconsistent with the design of such regulatory agencies and are therefore inconsistent and not acceptable;

Amendment 15(a) arises out of Senate amendments 13 and 14 and is therefore inappropriate;

Amendment 16(b), (c), (d) and (e) and 17(a) and (b) arise out of amendments 13, 14, and 16(a) which are proposed for further amendment by this House in this Message. Therefore the Senate amendments are inappropriate.

And that Senate amendments 13(a), (b), (c), (d), and 14(a), (b), (c) and (d) be amended to read as follows:

That Clause 15 of Bill C-22 be amended,

(a) by adding, immediately after line 36 on page 13, the following:

"(1.1) Where, in the opinion of the Board, a patentee of an invention pertaining to a medicine has, within such period as is prescribed, increased the price at which the medicine is sold in any market in Canada by a percentage in excess of the percentage increase in the Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for that period, the Board may, by notice in writing, require the patentee to provide the Board with such information and documents concerning the costs of making and marketing the medicine as the Board may specify and as is available to the patentee in Canada or is within the knowledge or control of the patentee, and on the receipt of any such notice, the patentee shall comply therewith within such time as the Board may specify."

(b) by striking out line 45 on page 13 and substituting the following:

"tion (1) or (1.1),"

(c) by adding, immediately after line 33 on page 17, the following:

"(5.1) Where, in the opinion of the Board, a patentee of an invention that is a medicine has, within such period as is prescribed, increased the price at which the medicine is sold in any market in Canada by a percentage in excess of the percentage increase in the Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for that period, the Board may, by notice in writing, require the patentee to provide the Board with such information and documents concerning the costs of making and marketing the medicine as the Board may specify and as is available to the patentee in Canada or is within the knowledge or control of the patentee, and on the receipt of any such notice, the patentee shall comply therewith within such time as the Board may specify."

Patent Act

(d) by striking out line 42 on page 17 and substituting the following:

"accordance with subsection (5) or (5.1),"

(e) by striking out line 17 on page 20 and substituting the following:

"purpose of the report referred to in"

(f) by striking out lines 2 and 3 on page 23 and substituting the following:

"shall contain

(a) a summary of pricing trends in the pharmaceutical industry; and

(b) the name of each patentee to whom a notice under subsection 41.15(1.1) or 41.16(5.1) was sent during the year and a statement as to the status of the matter in respect of which the notice was sent."

(g) by striking out lines 4 and 5 on page 23 and substituting the following:

"(2) The summary referred to in paragraph (1)(a) may be based on information and".

And that Senate amendment 16(a) be amended to read as follows:

That Clause 15 of Bill C-22 be amended by adding, immediately after line 17 on page 19, the following:

"(12) Where an order is made under paragraph 6(d) in respect of a medicine, the prohibitions set out in subsections 41.11(1) and 41.14(1) cease to apply in respect of the medicine effective on the date of the order."

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to continue this debate on an important piece of legislation affecting all Canadians and to make particular reference to the reasonableness of opposition Members, opposition Parties, and the other Chamber with regard to suggesting amendments to Bill C-22. As I indicated yesterday, the Government had the opportunity to accept reasonable amendments which in no way derogate from the over-all thrust of Bill C-22, which merely codify in law the statements which the Minister of Consumer and Corporate Affairs (Mr. Andre) made across the country, in this House, and before the various committees of Parliament.

Unfortunately, the Minister responsible has seen fit to reject those suggested amendments notwithstanding their reasonableness. Canadians must very seriously question the truthfulness of the statements which the Government is making.

I attempted yesterday to provide an analogy to Members in the House. When an individual goes to buy a car, stove, microwave, fridge, or whatever, and is told by the salesperson that the product has all sorts of guarantees and can perform in particular ways but learns, upon going to pay for the item, that the salesperson is not prepared to put in writing the guarantees of which he or she had spoken, the consumer will be very suspicious of the intent and truthfulness of the remarks.

Mr. Nunziata: They wouldn't buy.

Mr. Dingwall: As my colleague has said, they would not buy. We cannot buy the response which the Government has made to the reasonable amendments proposed to it. I ask again and again what the Government has to hide. Why can the Government not believe in its own words? Why can it not insert in the legislation the things which it has promised? After all, the amendments which we are seeking, which I am sure would be supported by most reasonable men and women, would never be triggered if the commitments which we have heard from the multinational corporations were kept.

Our reservation, suspicion, and questioning of the truthfulness of the statements of the Government and the Minister are very real. We had hoped that we could codify the suggestions into law, thereby assuring all Canadians that the word of the Minister of Consumer and Corporate Affairs means something. The Minister talks to people in Quebec about job guarantees, additional expenditures to be made on research and development, and the maintenance of reasonable prices for prescription drugs. I would have thought that he would have seized this opportunity to show that he is really committed to what he has said.

It is with great regret that Members in this Party will continue to doubt and to question aloud the veracity of the statements of the Minister and, more particularly, the Prime Minister (Mr. Mulroney) because, in the end result, it is the Prime Minister, as the Leader of the Party and the Leader of the Government, who must bear the ultimate responsibility for the actions or lack of action of the Minister he has appointed to serve in his Cabinet.

I have said repeatedly in this Chamber that this Minister, who has been given the twofold responsibility of corporate interests and consumer interests, has chosen to represent only one, that is, the corporate interests of the country. As evidenced since 1984, consumers will have to continue to wage their battle to obtain fairness, equality, and objectivity from the Government. We will continue that fight on their behalf, not only on this Bill but on other measures which are lacking in the Government's agenda for supporting and enhancing the rights and economic viability of consumers from coast to coast.

The Prime Minister had an option to stand up for Canadian consumers. I regret most sincerely that he has chosen rather to stand up for and support foreign-based companies.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, Canada had developed a system for the research, production, and sale of prescription drugs. After a period of time, generic companies were permitted to pay a royalty and get a licence to produce drugs used with great frequency and to sell them to Canadians at half the price charged by the company which originally developed the drug. This system, which was developed and made operational by legislation that was passed in the late 1960s by a Liberal Government, after a great deal of study was working well. It saved Canadians hundreds of millions of dollars.

• (1540)

Yesterday, the Member for Cape Breton—East Richmond (Mr. Dingwall) implied that members of the New Democratic Party were waffling in our opposition to the Bill before us now. Nothing could be further from the truth. We have opposed the Bill from the beginning and we continue to oppose it.

The question of what power a non-elected Senate should have in dealing with this or any other Bill is a separate question that needs to be debated on other occasions. The fact is that we have a non elected Senate which has virtually all the powers of an elected House of Commons. That is an issue which neither the Liberal Party nor the Conservative Party has wanted to address. Obviously, they still do not want to deal with it.

The fact is that this whole question surrounding Bill C-22 was not opened by the present Conservative Government but by the former Liberal Government when the then Minister of Consumer and Corporate Affairs, the Hon. Member for Papineau (Mr. Ouellet), yielded to pressure from the multinational drug companies, agreed that a study had to be made, and appointed Professor Eastman to make the study. By the time Professor Eastman made his report to Parliament, there was a change in government. The Liberal Government was gone and the Conservative Government came to power.

Professor's Eastman's study stated that the system which was in place since 1969 had worked well and saved Canadians hundreds of millions of dollars. It stated that the multinational drug companies that were campaigning for changes, pleading an inability to fund and finance research, were among the most profitable companies in Canada. The prescription drug industry in Canada, as in the United States and other countries, is among the most profitable.

Professor Eastman told us that the licensing system which permitted generic companies to manufacture prescription drugs, after receiving the licence and paying a royalty to the multinational companies, was working well. However, he suggested some improvements that could be made, including the proposal that royalty fees be increased.

It is evident from this Bill and the discussions that have taken place since its introduction that the Government has rejected virtually every important recommendation made by Professor Eastman. One can only come to the conclusion that if this Bill were not written in the offices of the Pharmaceutical Manufacturers Association, the organization representing multinational companies, it could have been written there because the Bill gives those corporations virtually everything they want.

Despite all of the debate we have had in the House, the Government adamantly refused to accept or even consider any of the serious amendments and recommendations that were brought forward. The same happened when the committee which dealt with this Bill held its hearings.

I do not recall when I have seen such unanimous opposition to any proposal as I saw in the committee which dealt with this Bill. We heard from labour groups, consumer groups, seniors, and organizations representing nurses. A number of provinces indicated that their citizens would not only pay tens of millions of dollars directly in drug costs, there would be an additional cost of tens of millions of dollars for the various pharma-care and insurance programs that cover part of the prescription costs of those who are ill. The Government ignored all the submissions and recommendations. The only support for the Government's proposals was from some of the medical researchers who told us that this Bill was important in order to provide funding for medical research.

The reason that medical research in this country is in a crisis situation is not that this Bill has not been passed, but that the Government has ignored all the promises it made before it was elected. It said that a Conservative Government would stop the underfunding of medical research and scientific research in every aspect of Canadian life. The Conservatives knew before they became the Government that Canada had one of the worst records of any of the industrialized countries in the world with respect to support for and funding of medical and scientific research.

We are not opposed to the amendments which were made by the Senate and sent back to the House of Commons. These amendments we are discussing today are very moderate and very much a retreat from the version of the Bill which the Senate returned to the House of Commons last August. These amendments, if adopted, would require each company to invest the $1.5 billion they said they were prepared to invest in medical and drug research. The Bill in its present form does not include this intent and, if passed in its present form, would not require the companies to live up to those promises.

The Minister repeatedly argued that we opposed this Bill for politically partisan reasons. During the committee hearings, dozens of groups representing almost every segment of society expressed their opposition to this Bill and made reasonable, sensible, and valid suggestions to improve it. All those proposals and recommendations were rejected. The Minister keeps on lecturing Members of Parliament and groups which oppose what the Minister insists on doing in this Bill, saying their criticisms are not based on partisan political reasons but on a lack of information and lack of understanding of what this Bill sets out to do.

• (1550)

I want to put on the record in the few moments I have some of the views expressed by business groups and media people who are not very far-out radicals. In fact, they usually speak up on behalf of the business community. On October 26, the *Financial Post* carried an editorial entitled "Drugs and Trade". I would like to read a few sentences from that editorial which talks about the brusque dismissal of all the proposals received by the Minister of Consumer and Corporate Affairs (Mr. Andre). I quote in part:

> The Senate Banking, Trade and Commerce Committee's recommendations only sharpen the Bill's purpose, that it might at least achieve what it intends. One sets explicit guidelines for the new Drug Price Review Board. A second establishes R&D commitments in law, on a company-by-company basis, rather than industry-wide. And a third merely cancels the Bill's retroactivity, in accord with natural justice.

The article ends by saying:

Meantime, the Government should surely be able to accept the Senate amendments and spare us a constitutional showdown.

On Monday of this week the *Globe and Mail* carried an article written by its national political editor, Hugh Winsor. It is entitled: "If Cabinet is serious about C-22, Andre should be put on leash". I do not believe any Member of Parliament has been tougher on the Minister than Mr. Winsor. The article states in part:

The Senate committee has shown how that could be done while maintaining the basic thrust that so engages the international drug companies and their backers in Washington—increased patent protection. When the Bill comes back to the Commons this week, Mr. Andre can continue barking. He can watch the Bill die and then attempt to use its death as a way to mobilize public outrage about an organization which, until recently, was at No. 101 on a list of 100 public concerns (unless, of course, somebody was in line to be appointed.)

But attempting to further raise the profile of the Senate and C-22 has its risks. Instead of worrying about the Senate, people might start looking beyond the Government's rhetoric and begin weighing the substantive issues of drug pricing, of lobbying, and on the puny performance of the drug industry with or without patent protection. In that balance, Mr. Andre and his preferred Bill come off as lightweights.

Mr. Winsor is right on because the fact is that when the system was put in place, according to the multinational companies, we deprived them of the financial ability to do the research necessary. In the years prior to 1968-1969 when there were no restrictions on the drug companies, when they were able to do whatever they wanted and whatever their parent companies did in other countries, there was very little research with the exception of insulin, which was researched and discovered not by any of the multinational companies but by the medical department of the University of Toronto. There was not a single major drug developed by the multinational companies when they were not hindered by the legislation which they claim was so inimical to their ability to make profit.

We heard about the unanimous support for the Government's Bill which comes from the Province of Quebec. In the *Montreal Gazette* on October 30, just a few days ago, Peter Hadekel wrote an article entitled: "Drug companies should consider compromise". He says in part:

The Bill was tied up in the Senate for months, leading to Conservative charges of obstruction and resulting in demands for Senate reform.

The Liberal Senators justify their actions by claiming that Canada has been burned before.

They cite the broken promises from companies such as Bell Helicopter, Textron Inc. and McDonnell, Douglas Corp., which won Government contracts and aid by promising the moon on job creation.

Now, the Senators say: "We want it in writing."

The ball is in the Government's court.

That is simply the fact, Mr. Speaker. The Senate amendments simply prove that even an institution which is really superfluous to a democratic system can sometimes come up with some good ideas.

The Senate amendments, if accepted by the Government, simply spell out in some detail the requirements the companies would have to follow. They would actually have to invest money in research if they are to receive the benefits this Bill will give them. They have said that if this Bill is passed they will spend $1.5 billion on research. The Senate amendments would require them actually to do that. They would require each company actually to do research before it could benefit from the clauses in the Bill which give them the kind of protection they have not had until now.

I say in closing that we have argued from the beginning that there was no need for a major change in the system of patents as they impinge on the development of prescription drugs. However, if we must have this Bill, then we want it to do as much as it can to protect the rights of ordinary Canadians. We believe that the Senate amendments move in that direction and so we are sympathetic to them. However, I have no real hope that the Government will listen to reason at this late date when it has not done so up to now.

Mr. Heap: Mr. Speaker, I listened with interest to the Hon. Member for Winnipeg North (Mr. Orlikow), particularly to his comments on the Senate amendments which, as he said, move in what we consider a constructive direction. I believe that he also said that the Senate amendments fall far short of what we in the New Democratic Party consider would be an adequate Bill, that they fall far short of correcting all of the problems we saw in the Bill. I wonder if the Hon. Member would care to enlarge further on what he thinks are the deficiencies of the Bill even as amended by the Senate?

• (1600)

Mr. Orlikow: The system we have had until now led to the situation in which generic drug companies, which are almost entirely Canadian-owned, after a period of time, which in fact worked out to about seven years, developed research and the prescription drug. They had the exclusive right to produce, market and sell that drug at whatever price level they believed necessary or possible. The system we have had until now permitted, allowed for, generic drug companies to apply for and to obtain a licence to produce that drug and, while producing that drug, pay a royalty to the original company. But they were able to produce many of the drugs which are most commonly used, drugs that are used for people who are depressed, drugs such as Valium, the barbiturates, or any of the other drugs which are very widely used. They were able to produce those drugs, and by the time the drugs were dispensed to the consumer, the person who had a prescription from his doctor, they could be purchased for half, or less, the price charged by the multinational company which held the original patent.

We say that that system worked quite well. We were prepared to accept the suggestion, the proposal of Dr. Eastman, that the system would be fairer if the period of exclusivity were more clearly defined and if the royalty paid to the company which originally developed the drug were increased from the present 4 per cent to some higher figure. Aside from that, we believed that the system was working well and did not

need the kind of major changes that in fact this Bill will lead to.

Mr. Heap: Mr. Speaker, since there has been so much evidence, as the Hon. Member has reminded us, that the Bill was not needed or, if it was partly needed, that it goes far beyond what was needed in order to maintain for Canadians the advantages of the drug industry that are available in Canada, would the Hon. Member care to comment on what he thinks is the reason that the Government has, as he put it, almost apparently allowed the Bill to be written in the offices of the multinational drug corporations? What is the reason for the Government's surrender to these corporations?

Mr. Orlikow: Mr. Speaker, let me give the Hon. Member two reasons. First, as I indicated during the course of my speech, the multinational drug companies are tremendously profitable companies in Canada, in the United States, and in the western European countries in which their head offices are sometimes established. They are able to mount very powerful lobbies in all of these countries, including Canada. They are able to make major financial contributions to political Parties who will listen to them and try to accommodate them. That is one reason.

The other reason is that we believe, and I think there is substantial evidence to substantiate it, that in the discussions between President Reagan and our Prime Minister (Mr. Mulroney) leading up to the free trade proposal it was made very clear to our Prime Minister by President Reagan, on the advice and the urging of the multinational corporations whose head offices are in the United States, that if we wanted a free trade agreement, this legislation, which would change the system we have, would be necessary. This system demonstrated to Americans and to American Senators and Congressmen that, if introduced and implemented in the United States, American citizens could save hundreds of millions of dollars a year. Thus they wanted this Bill out.

So I believe that part of the reason that the Government is so determined to enact this Bill and is so obstinate in its refusal to consider even the most mildly limiting amendment to it is that there was a commitment made by the Government to the President of the United States that we we would pass this Bill as proposed and fostered by the multinational drug companies.

We believe that this was part of the agreement to get the so-called free trade deal between Canada and the United States. Of course, there is no reference to the events which occurred when the Government assumed office and began hearings in the United States that its number one trade irritant was the drug patent law and the concessions that were made at the Shamrock Summit on intellectual property. Of course, the Government has never admitted that that is why it brought in this Bill. But there has been more than enough testimony in Senate hearings and in hearings before the House of Representatives, as well as that given by representatives of the multinational corporations in the United States, that this was part of the price that Canada would have to pay if we wanted a free trade deal.

Mr. Dan Heap (Spadina): Mr. Speaker, I have always thought that this Bill was a bad Bill. I heard about it several years ago, that is to say when it was at the committee stage. Everything that was told to me about it by people who were studying it perhaps four years ago seems to be well supported by what has come out during the debate in Parliament. This is now the third time that we have debated it in Parliament.

I was surprised a while back to see an editorial in *The Toronto Sun* in which I find that *The Toronto Sun* agrees with me.

Mr. Boudria: You should reconsider your position.

Mr. Heap: The Hon. Member says that I should reconsider my position. I did. I read the editorial very carefully. The only other time I can remember an editorial in *The Toronto Sun* agreeing with me—in fact it even alarmed me by naming me and stating its agreement with me—was when I spoke in favour of the abolition of the Senate a year or two ago. When *The Toronto Sun* said it agreed with me I had to read that editorial very carefully. It turned out that its reasoning was not entirely the same as mine, although it did overlap mine somewhat. I consulted with some of my colleagues and my constituents and they confirmed my view that I was on the right track in spite of the fact that *The Toronto Sun* agreed with me. I have had a great deal of experience with *The Toronto Sun* over the past decade or so as a resident of Toronto and as a member of Toronto City Council. I always thought that it was a good, reliably far right-wing example of the conservative point of view.

Mr. McCurdy: Are you talking about *The Toronto Sun*?

Mr. Heap: *The Toronto Sun*, that is right. I was startled again to see this editorial on October 23, 1987, entitled "Upper downer". The opening line states, "Harvey Andre's outrage with the Senate rings more than a little false in our ears".

The whole editorial is in disagreement with the Minister of Consumer and Corporate Affairs (Mr. Andre). It contains statements such as, "I would sooner lose this Bill . . . than acquiesce to the principle that we have a bunch of unelected Liberals exercising veto power over the elected government of Canada are pure rhetoric". The editor of *The Toronto Sun* then says bluntly that, "Such bluster does not deal with the fact that the drug patent Bill is a bad Bill and the changes are reasonable". He is referring to the changes proposed by the Senate. He says that the changes are reasonable because it is a bad Bill. That is very plain language. *The Toronto Sun* always uses plain language. Whether or not one likes what it says, it does not leave much doubt about what it is saying. It says that this is a bad Bill for both business and the consumer.

• (1610)

Sometimes we have the Government undertaking to protect consumers in Canada from producers, particularly protecting them perhaps from the high wages that an employer has to pay to his workers and protecting them by bringing in goods from some country with a police state Government which keeps the wages down. In those cases the Government undertakes to help consumers. According to *The Toronto Sun* the Government is not helping the consumer here. It also says that it is not helping business.

They claim that the committee proposes 10 years of monopoly protection for new drugs to apply to drugs marketed after the Bill becomes law. The Conservative Bill would start the meter running as of June 27 of last year. In other words, on good conservative grounds, *The Toronto Sun* objects to having the Bill made retroactive. That is a very strong principle in the country, the principle that law should not be made retroactive. *The Toronto Sun* is taking a well-established position there and on that basis is opposing the Bill.

It goes on to point out further that, "Research and development commitments would be written into the Bill as they should be", referring again to the Senate amendments. It continues: "Standards would have to be met by each brand name company rather than by the industry as a whole. Individual companies that didn't measure up could lose all their patent protection".

We have heard many heart-rending pleas from the Minister over in that corner about how we must have this Bill because the poor, starving owners of drug companies cannot manufacture drugs in Canada without the extra profits that his Bill would guarantee them. However, he does not want them to guarantee the production in Canada that he says would be had by the profits from us from the higher drug prices. He wants to guarantee the higher drug prices that would come as a result of the Bill, but he does not want to require them to guarantee the production in Canada or the thousands of jobs which he says they would bring.

In fact the editorial goes on to say: "Annual increases in drug prices would have to be less than the increase in the Consumer Price Index", that is to say, if the Senate amendments were accepted.

The Minister has often assured us that we do not have to fear increases. Of course everybody knows that there will be some increase with inflation. All the Senate asked was—make it a firm part of the law that the annual increases in drug prices will have to be kept down below the general level of inflation. No, the Minister will not consider that at all.

It is very interesting that the Bill is being opposed by such a wide range of people in Canada. We have had expert opinions. Experts have studied the matter which admittedly is complex. The great weight of the expert opinions has been against the Government's Bill on the ground that it gives far too much to the multinational corporations and that what it gives them is far more than necessary to enable them to do fairly the production in Canada that they claim to do. Experts such as Roy Davidson, a former senior economic adviser to the Government; William Watson, a McGill University economist; John Hill, a Brantford pharmacist; and so on.

Other sectors of the public have communicated with us in letters to their Members and in their appearances before the committee. In agriculture we have heard from veterinarians and Keystone Agricultural Producers. Of course there have been groups of many thousands of senior citizens among those who, under our present state of medicine, are very dependent on prescription drugs. Most of them are of a fairly conservative point of view and probably would have normally voted for a conservative candidate whether of the Conservative Party or of the Liberal Party; there is not that much difference. However, in spite of that general point of view, we know well about many thousands of senior citizens who have not only signed petitions against the Bill but have appeared before caucuses of Parliament and in front of the Parliament Buildings to ask us not to adopt the Bill. There have also been the Manitoba Coalition on Health and Higher Education, the National Federation of Nurses Unions, and the Consumers' Association of Canada.

Aside from these citizens' organizations we have had a great many newspaper editorials and columns such as the editorial which I read from *The Toronto Sun*. I will refer to more of them later.

We have also had reactions from provincial Governments. It is not every time that a provincial Government, let alone several provincial Governments, undertakes to make its views known on a Bill going through Parliament. Some Bills concern them, and some do not. Evidently this Bill concerns not only the producers of drugs, including producers of generic drugs in Canada as well as multinational corporations, and not only consumers. It also concerns provincial Governments.

We have had representations from the Government of Manitoba. Hon. Members on the other side may wish to assume that that is only because it happens to be a New Democratic Government. However, Saskatchewan is a rootin'-tootin' Conservative Government and it is unhappy with the Bill, as are the Saskatoon City Council, the Government of Ontario, the Government of Prince Edward Island, and the Government of Newfoundland. Good heavens, the Government of British Columbia is lined up against the Bill. If there were ever an enthusiastic backer of wide-open, wild-eyed, absolutely no holds barred, *laissez-faire* free enterprise, it is the Government of British Columbia, but it is against the Bill.

The reason is plain enough. Under our public health insurance system the Governments of the provinces are responsible for managing the costs of public health insurance, and prescription drugs are a very significant part of those costs. The Governments of the provinces know, whether they are New Democrat, Liberal, or Conservative, that the costs of prescription drugs are going to go up and that the Governments of the provinces will be stuck with paying those costs.

There is a very wide section of public opinion in Canada—consumers, producers of generic drugs who have been very beneficial to Canada for many years now, provincial Governments, and even municipal Governments in some cases—that is against the Bill which the Government insists on driving through. The Senate tried once to amend this Bill. It was turned back. It tried again with a much more modest set of amendments, and the Government wants to turn back most of those too.

• (1620)

It is clear that the Government stands very much alone in Canada without the support of the general population, without the support of the other Governments in Canada, without the support even of the Senate. It is well known that the Senate is never tainted by the presence of any New Democrat or former Member of the CCF.

Mr. Boudria: Oh, yes, it is.

Mr. Heap: They are all good solid members of the Liberal or Conservative Parties or Independents.

Mr. Duguay: Forsey was a CCFer all his life.

Mr. Heap: Senator Forsey was a CCF member but not all his life. He left the NDP a good while before he became a Senator.

Mr. Boudria: What about Hazen Argue?

Mr. Heap: The Government stands almost alone in Canada. It has a few allies, but they are not really in Canada. The Government has its allies in the multinational corporations which are producing the drugs, the expensive drugs, and they want to produce more expensive drugs. Local branches of multinational corporations are the nearest thing inside Canada, leaving out President Reagan, that the Government has for supporters on the Bill.

Since Bill C-22 has not been moving through Parliament at the speed wanted, the companies have gone on "strike". For people on the other side of this House the word strike is usually a dirty word. The Government is accustomed to opposing strikes whether it is strikes of railway workers, inside postal workers, letter carriers or grain handlers. It takes measures to try to get rid of unions by making changes in corporate ownership. Yet the biggest corporations have a long and, they might think, honourable, and others may think dishonourable, record of going on strike when it suits them.

At the beginning of World War II when Canada declared war on Germany because our allies in Europe were threatened, most notably Britain and France, we needed munitions, tanks, airplanes, guns et cetera, and the Government went to the large corporations asking them to manufacture the necessary tools of war, and a contract was offered. It said, "We will give you a cost plus 5 per cent contract. Just tell us how much you paid for materials, plant and labour, add 5 per cent and we will sign the cheque". That was the deal. "You can put your brother-in-law on the payroll. He can sleep all through the shift and we will pay for it and add 5 per cent as well". The corporations went on strike. They would not accept that. They said "No, it has to be cost plus 10 per cent". Canada was at war. Canada needed the guns, the airplanes and so on. The Government signed for cost plus 10 per cent. That is when some of the corporations in Canada became as fat as they became then and have remained so since.

What we have now is the same sort of thing. We have a class system. If somebody working for wages says, "I won't work unless you give me more money, and all my friends in the union likewise won't work unless you give us more money or unless you improve our working conditions", whatever it is that is in dispute, "We won't work. We will withhold our labour unless you give us our demands", that is considered by Members on the government side to be not in the public interest. In fact, the Government is willing to put people in jail who do that. The Government has put people in jail—

An Hon. Member: Not us.

Mr. Heap: Your predecessors have, and they have done so in the provinces. Certainly their counterparts in Ontario put people in jail during the nurses' strike simply because they said, "We won't work".

Mr. Belsher: What about breaking the law?

Mr. Heap: But when corporations do that, they make sure they have friends on the government side of the House who write a law which makes them heroes for doing the very same thing as nurses or postal workers or others are made into criminals for. A strike is considered a noble thing when done by the rich and a bad thing when it is done by those who are not rich.

What we have here is a capital strike in which the company simply said, "We are not going to expand our production in Canada unless you give us this guarantee, this Bill, this licence to print money, by extending our patent rights into Canada for many more years".

Those are the kinds of friends which the Government has and those are the kinds of friends who rely on the Government. *The Financial Post* for October 26 had a story entitled "Drugmakers put plans on hold". It reads:

> Multinational drugmakers in Canada have responded to the stalling of the Government's new patent law with one voice. Until the Bill goes through, the industry's new research and development plans are on the back burner.

That is a strike, just like the postal strike, the letter carriers' strike and the railway workers' strike. Those people went on strike when it was legal. The Government passed laws in some of those cases to make a legal strike illegal. The Government does not have the law to make this strike of the drug makers illegal. The Government has never done that in any other capital strike either. This article in *The Financial Post* quotes

Mr. John Zabriski, President of Merck Frosst Canada Inc. as follows:

> The expansion is dependent on Bill C-22. We made that perfectly clear when we announced the research plans. We won't go ahead until the Bill is passed.

There it is, Mr. Speaker. That is the guarantee that drug makers are demanding and their friends in the Government have guaranteed to get for them. Will they give a return guarantee? Will that be written into the same law? No, Sir, not when it is done by the present Government, even though the Senate would have asked for it.

This is typical of the morality of the Government that we have now. It will do everything to legitimize the power and the wealth of the largest corporations and will use whatever force or law is considered necessary to limit the power and the income of people who have to earn their living by working for others, whether it be the railway workers, the postal workers, the grain handlers or whoever.

What we have is a very clear example of the power of the great corporations in this country. I think it is very unfortunate that the Government is so adamant. There was, according to rumours in the press, some consideration of a possible compromise. Apparently the Government not only has friends in the multinational corporations and the multinational friends in the Government, but there is one other even bigger ally behind them, namely the Government of the United States. There has been a long standing agreement between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States to put through Bill C-22 without amendment. That was rumoured, suggested and hinted at over the past year during the debate. It was always furiously denied by whatever Minister was answering questions, including the Prime Minister. No, no, no, a thousand times no. The Tories would not think of making the drug Bill part of the free trade deal. But it was.

• (1630)

That came out a month ago at the time the free trade deal was being shown to the press. There was a hurried change and people were asked to give back their copies of the press release. Most of them gave it back. One journalist said there was one copy that was not given back, so we have a clear comparison between the first version that includes the drug patent Bill as part of free trade and the second version which has the page reprinted with that paragraph missing.

The combined power of the multinational corporations and the Government of the United States has insisted that this Bill go through Parliament unchanged. It is fairly clear, as the Hon. Member for Winnipeg North (Mr. Orlikow) said, that one of the reasons for that is that these same multinational drug companies charge much higher prices in the United States, but Americans can read, Americans can travel and Americans can learn that the same drugs are cheaper in Canada. In fact, this is one cause of the difference in health costs.

The per capita cost of health is higher in the United States than it is in Canada, even though medical records show that the rates of mortality and morbidity are lower in Canada than in the United States. With less money per capita, we get better health care in Canada than Americans get in the United States. Part of the reason for that is the extortionate price of prescription drugs, freely charged by these same corporations in the United States.

Even though Canada comprises only 10 per cent of the industry's market, its population being only one tenth the size of the population of the United States, the corporations find the situation in Canada to be a dangerous example. Because Canadians have found it possible for some years to provide necessary drugs at lower prices, there is a danger that the people of the United States might demand the same thing. Therefore, the corporations have to force Canada to take this legislative step that will force the price of drugs up for Canadians and protect the profits of the multinationals not only in Canada but also in the United States.

It is a sad day when this Government lines itself up against the people of Canada, represented by thousands of seniors, against the medical experts of Canada, against the provincial Governments of Canada and against the Senate of Canada and and lines itself up with the multinational drug corporations whose head offices are elsewhere, and with the President of the United States. It shows clearly the principle of "Where your treasure is, there will your heart be also". That is where the Government's treasure is, with the wealthy.

Mr. Manly: Mr. Speaker, I would like to thank the Hon. Member for Spadina (Mr. Heap) for the way in which he outlined the situation. A Montreal *Gazette* article of August 20 of this year refers to a letter the U.S. consumer advocate, Ralph Nader, wrote to the Prime Minister (Mr. Mulroney). According to the article, Mr. Nader said:

> —your Government is close to making a very serious mistake by choosing corporate wealth over the Canadian public's health and welfare.

In response to that, the Minister of Consumer and Corporate Affairs (Mr. Andre) told the Commons on August 19, according to the same article:

> "What Mr. Nader fails to realize is, this is Canada not the U.S. We have medicare. We have a social safety net. We have 85 per cent of our population covered by drug plans, and virtually 100 per cent of our senior citizens. No one on welfare goes without drugs in this country."

What effect will Bill C-22 have on this great distinction that the Minister of Consumer and Corporate Affairs has described? What effect will the Bill have on our medicare plan and on pharma-care programs in different provinces and what effect will it have on individual consumers who are not able to take advantage of those pharma-care programs?

Mr. Heap: Mr. Speaker, I thank my hon. colleague for drawing that letter to my attention and for reminding me of Ralph Nader's intervention. It is comical that the Government, which likes to buddy up to the Government of the United States, likes also to scorn one of the most intelligent and

courageous critics the American population has produced in our time, Ralph Nader, a man who has devoted his life to exposing corporate rip-offs, a man who has often visited Canada and probably knows a great deal about Canada. On a point like this, perhaps he knows better than the Minister does.

Certainly it seems as if the Minister does not know what he is talking about when he says that Ralph Nader is wrong because he does not know that we have health insurance in Canada. It appears that the Minister thinks that the cost of health care in Canada is paid somehow or other by manna from heaven, that it does not have to be paid for by the people, and that the corporations can inflate the cost of prescription drugs and get away with it. The Minister seems to be saying it is okay because it will be charged against provincial Governments. If the Minister really does not know where the money comes from, he ought to learn, but I think he probably does know. I think he is hoping that the people of the country do not know where it comes from.

In fact, drug plans and health plans will be priced higher than Governments are willing to pay and Governments like the one in British Columbia will advocate setting up a two tier system of health, a poor system for most people and a rich system for the rich people. That will be one of the results of this drug legislation.

Mr. Manly: Mr. Speaker, last night there were committee hearings looking at the free trade deal between Canada and the United States, this deal the present Government is trying to sell to the Canadian people as a pig-in-a-poke. The committee itself does not even have the full text of the agreement. Nevertheless, the committee heard from Mitchell Sharp, who is well known to the Canadian people as someone who himself has advocated free trade. He looked at the details that are available on this agreement and said that he cannot support it because he sees this as being an unconscionable loss of Canadian sovereignty to the United States. He says that it will result in—

Mr. Siddon: Is not he a Liberal?

Mr. Manly: He says it will result in a great—

Mr. Siddon: The Liberals all say the same thing.

Mr. Manly: He is a Liberal. Sometimes the Liberals are not quite sure what they are saying, whether they are in favour of something or not. It is something like the Progressive Conservative Party. We recall that just before the last election, during the leadership campaign, Progressive Conservatives were all saying, "Oh, no, we would not want to have free trade because if the Canadian mouse got into bed with the American elephant and it rolled over, what kind of a pizza would that make?"

The Liberals have the same problem as the Conservatives sometimes. They do not always say the same things from one time to the next. Nevertheless, what Mitchell Sharp said, and I would like to have the opinion of my hon. colleague on this, was that this free trade deal would put a great deal of pressure on Canada to ensure that our laws are brought into conformity with the laws of the United States and that our social policies and practices will be brought into conformity with those of the United States. Is this not already happening with Bill C-22?

Here in Canada, there has been legislation that has been beneficial to the Canadian people as a whole, but now, in order to curry favour with the United States and to ensure that this free trade agreement will be accepted, we have gone ahead and accepted changes to our drug patent legislation that are inimical to the interests of the Canadian people. I would like my hon. colleague to comment on this statement by Mitchell Sharp.

• (1640)

Mr. Heap: Mr. Speaker, apparently what Mitchell Sharp was referring to was the fact that the main attack by the U.S. on the Canadian economy is around the question of subsidies. They want to interpret as subsidies what Canadians have struggled for and produced as social legislation, things such as health care, unemployment insurance, regional equalization and so on. The Americans want to accuse us of using those things as subsidies for anything we may export, whether it be softwood lumber, fish, or steel. They will use the same argument against the health care system if we even try to increase benefits in order to pay for the extortionate drug charges the Government will force on people. The U.S. will say that is a subsidy and your products will be excluded from the U.S. because the Government is paying for the health care costs forced on Canadians by this legislation.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: On debate, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Manly: Mr. Speaker, I am surprised that we would be considering putting the question on this important issue at the present time. Just on a point of order, I certainly do not think the House was ready for the question. The Hon. Member for Vancouver East—

Mr. McDermid: She was not even in the House when he called the question.

Mr. Manly: —is prepared to speak, and just on a point of order, I do not think we are ready for the question.

Some Hon. Members: Question!

Mr. Deputy Speaker: The Hon. Member for Vancouver East (Ms. Mitchell) on debate.

Ms. Margaret Mitchell (Vancouver East): Thank you very much, Mr. Speaker. The bus was a wee bit slow. I apologize.

I am somewhat ambivalent about having this opportunity to speak to Bill C-22 which has now returned to the House of Commons for the third time.

An Hon. Member: Do you have a new speech?

Ms. Mitchell: Despite the fact we do not agree with the Senate action, and I think it is unfortunate that we did not take some of those steps proposed a couple of years ago to control the Senate in this regard, we must say that we continue to oppose the Bill.

As everyone knows, the Bill will give 10 years of exclusive monopoly to the manufacturer of new, innovative brand name drugs. What do we get in exchange? The companies say they will put $1.4 billion into research and development, creating an estimated 3,000 jobs. They also say this will encourage new discoveries and act as an incentive for manufacturing drugs in Canada. The Bill also provides for an independent drug prices review board. It sounds good when you hear it, but it has no teeth so it is not really that meaningful.

The Bill also provides for a review by the Government after four years and by a parliamentary committee in the tenth year. By then, of course, consumers will have paid a considerable amount of money that they would not have had to pay under current legislation. The opponents of the Bill estimate this kind of monopoly will prevent consumers from obtaining lower cost generic labelled drugs which, in many instances in the past, have been about half the cost of brand name drugs. It is no wonder that people right across Canada are concerned about this Bill. It is not just opposition Parties, or the Liberal Senators who to some degree are playing games. I have heard from senior citizens in my riding, health organizations such as the B.C. Health Coalition, and petition after petition after petition has been presented from people opposed to this Bill for very legitimate reasons. They feel it is a life and death matter. If they have to use prescription drugs, they want to be able to afford the cost. That cost will probably double under this legislation.

I know many people on this side of the House have mentioned these points before, but we are concerned that drug prices will increase at a time when the strain on health care budgets is also increasing. In British Columbia we hear all the time about the escalating costs of health care. Unfortunately, the Government of that province sees a solution to that problem in establishing a two-tier medicare system. We find that completely intolerable. They want to have private hospitals for the rich where people will not have to wait and will have all kinds of luxuries. Then they would have a poorly financed ordinary system for everyone else.

Realistically, we do have a real problem with the cost of health care across Canada. The results of this Bill will mean that hospitals are going to have to pay a considerable amount more for drugs they are giving to their patients. It also means that Governments with pharma-care programs will have to pay a lot more. Certainly I hope most provinces have some coverage for low-income people and our seniors at least. It is too bad that it is not a universal program. Of course, the cost of drugs will also go up for consumers.

I feel particularly concerned about the people with chronic medical problems who require prescription drugs on an ongoing basis. I do not know how people on limited incomes and who suffer from diabetes, epilepsy or arthritis and who require regular prescription drugs, can afford those drugs right now. In fact, many of them cannot. Yet under this new plan it will be a terribly worrisome problem for many such people. As a result, many may not have their prescriptions filled. If they do not have pharma-care or some other coverage, it is quite possible that some will do without. That of course means a risk to their health.

The other criticism we have, and I will document this a bit more in a minute, is that there is real skepticism across the country about the great promises of lots of jobs and lots of research and development. It sounds like a real case of bribery so that the pharmaceutical companies will have a monopoly here as they have in the U.S.

We hear from the Minister of Consumer and Corporate Affairs (Mr. Andre) that he thinks this is just great. Those of us opposing this Bill are opposing job creation and research and development. It is no wonder that we on this side, and I think a great many people outside, particularly our viewers, wonder if this is not another scam of the Conservative Government. We have heard statement after statement contradicted later and it is very hard to have any trust in what the Government is saying. We know, of course, that the pharmaceutical companies have a vested interest in this matter. Their spokesperson is Judy Erola, the former Minister of Consumer and Corporate Affairs under the Liberals. It is no wonder the Liberals are not speaking very strongly against this Bill tonight.

• (1650)

People are also opposed to this Bill as it relates to the so-called free trade deal. We call it the "Mulroney free trade deal". We have heard many statements in the House and have seen statements in the American documents about the free trade deal which make us very skeptical about what was happening behind our backs, about the footsie which was being played with the Americans. The documents which we saw certainly seemed to indicate that this had been discussed as part of the free trade negotiations. If you believe completely in an open border, it is understandable that you would expect multinationals to come into Canada and take over in the same way as they do in the United States. That, of course, is what the Government wants.

Some people make the argument that generic drugs may not be as safe or effective as brand name drugs. This point has been refuted and I will document that in my subsequent remarks.

As I understand it, the most recent Senate amendments to the drug patent legislation are quite modest. They only attempt to put into the legislation that which the Minister has promised verbally would be accomplished by Bill C-22. He said that $1.4 billion worth of research and development would be done by the multinational drug companies and that 3,000 high technology career opportunities would be created. If this is a fact and has been clearly documented, why not put it in the Bill? The Minister also said that we needed consumer protection on prices and a much tougher drug prices review board. That is what is provided for in the other amendment of the Senate. The amendments before us also abolish the retroactivity to June 27, 1986.

Leaving aside for the moment the fact that the Senate is not an elected body and should not be telling the House what to do, as we on this side firmly believe, and leaving aside the fact that the Government supports the idea of a Senate and only wishes that it had had the opportunity to make more patronage appointments in order to have more power over the Liberal Senators, why will the Minister not compromise? I would like to quote from an article in *The Ottawa Citizen* of October 27 of this year. It reads:

> Perhaps he doesn't want to disappoint the Bill's most vocal supporters, the people who work in the pharmaceutical industry. But surely they would not object to measures that strengthen the prospect of new jobs in their industry?
>
> Perhaps, as cynics have claimed all along, the drug Bill was really devised as a favour to the Reagan administration, and has nothing to do with Canada. That may be unfair. But why would the Government abandon the existing system, one that delivers affordable drugs in a competitive environment? The new legislation limits competition, threatens price stability, and opens the door for government intervention in the industry. It doesn't make sense. It never has.

I would like to deal with the cost of health care which will definitely increase under this Bill. Prices will go up for consumers. The generic competition stimulated by the 1969 amendment has saved Canadian consumers and taxpayers hundreds of millions of dollars, some $211 million in 1983 alone. That is a lot of money. Provincial treasuries, which together spent over $800 million on drugs in 1983, have also saved enormous sums. Why are the provinces not knocking on the door and sending lobbyists to get the Government to rescind this Bill? I hope they have been doing that behind the scenes.

While insisting that the new policy will not cause drug prices to rise, the Minister has acknowledged that it may result in a delay of the price reduction associated with the introduction of new generic drugs. In fact, Canadian consumers can expect substantially higher costs during the 10 year delay in the introduction of each new generic drug as patent holding companies set prices at monopoly levels.

Despite its claims about drug prices, the federal Government will pay the provincial governments $100 million in transitional payments by 1991. The Government is admitting how much this will cost. That is the proof right there. It will come as scant consolation to Canadian taxpayers that at least until 1991 they will subsidize increased drug company profits through their federal taxes instead of their provincial taxes.

The B.C. Health Coalition had the following to say about the probable effects of increased costs in the Province of B.C.:

> The information kit provided by Consumer and Corporate Affairs Canada to promote Bill C-22 explains that there may be some impact on provincial pharmacare plans which were devised without detailed knowledge of the legislation. Accordingly, we propose a transitional payment to the provinces of $25 million per year for four years of this policy, leading up to its first full review.
>
> The B.C. pharmacare program is budgeted at $160 million for 1987-88. That is after increased deductibles were introduced to affect savings of $15.4 million and user fees for seniors were introduced to affect savings of $22 million. If the entire $25 million budgeted to compensate provincial pharmacare programs for the ill effects of Bill C-22 were given to B.C., it would be inadequate to restore this year's cutbacks. If B.C. gets only 10% of the $25 million compensation, then it would equal a mere 1.5% of the pharmacare budget for B.C.

One of the Ministers from B.C. is here. I hope he will take this back to his friends in the B.C. government. The B.C. Health Coalition continued:

> The higher prices that result from Bill C-22 will produce pressure for further cuts to provincial pharmacare programs. As was found in studies of patients in both London, Ontario, and Halifax, prices will deter some patients from filling prescriptions for essential medications.

Indeed, as the editorial in *The Ottawa Citizen* states, it does not make sense and it never has. Where is the logic in increasing costs at a time when all provinces are complaining about the strain of increasing health care budgets? We know what some of the motivations of the Government were. I refer to some of the backroom deals which were going on in the free trade negotiations.

With regard to research and development and the spin-off jobs which we are told will be created in order to bribe us to support this Bill, the Pharmaceutical Manufacturers Association of Canada claims that Bill C-22 will result in $1.4 billion in new research and development and in 3,000 high-tech career opportunities. According to the 1985 commission of inquiry on the pharmaceutical industry by Supply and Services Canada, expenditures on research and development in 1967 represented 3.5 per cent of the value of factory shipments while in 1982 this figure increased to 3.8 per cent.

• (1700)

Why would anyone believe that R and D activity will double under Bill C-22? Canada had no less pharmaceutical R and D after allowing generic competition than it did before 1969. The only evidence we have to support increased research and development are the promises of the pharmaceutical association members and, of course, the Minister.

We can contrast the threats and promises of the PMAC with the recent experience in the United States. The United States Consumers Report in August, 1987, stated that in early 1987 the U.S. House subcommittee on health and environment investigated recent hikes in prescription drug prices. They found in the United States that a 12.2 per cent increase in

drug prices between July, 1985, and April, 1987, compared to only a 2.7 per cent increase in the Consumer Price Index during that time. Therefore, it is evident that the enormous amount of money generated by the multinationals through this kind of monopoly does not go primarily to R and D funding. There is no question that the revenue gains of some $4.2 billion, which is a considerable difference, goes to profits for the same multinational corporations as those that operate here in Canada.

There has been some question about the quality of generic drugs versus brand name drugs. There has been evidence to substantiate the fact that the active ingredients are the same as those in brand name drugs. The only difference is in the fillers, the shape and the colours.

I want to refer to Health and Welfare Canada and the Auditor General's report which stated that one of the big concerns is that Health and Welfare Canada is not looking carefully enough at the processing of drugs, and is not requiring enough evaluation by drug companies themselves.

Why should we change something that is working? The present system allows new drugs into the market but also allows no name drugs to be available at a reasonable price to consumers, hospitals and other medical plans. The drug patent legislation worked well since it was introduced in 1969. Canada has gone from having some of the highest cost drugs to the lowest cost drugs. This difference in cost and revenues has contributed a great deal to allowing us to develop and pay for one of the best, if not the best, medicare systems in the world.

I agree with my colleagues on this side of the House who ask the Government to withdraw this Bill. Let us think of the people of Canada rather than free trade deals under the table and pharmaceutical companies that want huge profits.

Mr. McCurdy: Mr. Speaker, was my colleague in the House yesterday when the Member from the Official Opposition talked about how inconsistent New Democrats have been on the issue of Bill C-22? When one looks around the Chamber now, one wonders if a comparison can be made between the New Democrats and the Liberals with respect to their commitment on this Bill, as manifest at this moment.

Mr. Siddon: There were only two of you 10 minutes ago.

Mr. McCurdy: Perhaps my colleague saw *Canada AM* on CTV this morning where there was another example of Liberal consistency.

The Hon. Member is aware of the active response to this Bill on the part of the two Opposition Parties as well as the general population. Would she care to comment on the consistency of the Official Opposition with respect to this legislation? I think we could have a very interesting discourse on that topic and I am anxious to hear what she says. I am sure my colleague, the Member for Spadina (Mr. Heap) would be interested as well. There is one other person here who might be interested in this kind of self examination, and perhaps you, Mr. Speaker, might be interested in hearing an examination of Liberal consistency on the issue of Bill C-22.

Ms. Mitchell: Mr. Speaker, I thank my colleague for his question. I was in committee yesterday afternoon and unfortunately was not privileged to hear all of the comments made by the Liberal Member. I will certainly read *Hansard* carefully.

It was most interesting to watch *Canada AM* this morning, on which there was a Liberal panel of two persons, each one taking opposite positions. One Member of the panel was the former Minister of Consumer and Corporate Affairs under the Trudeau administration, who was also the Minister for the Status of Women at that time. At that time, she was supposedly speaking on behalf of consumers. This morning, she was not speaking for consumers, but for the multinational pharmaceutical companies which are anti-consumer, if anything.

The other member of the panel, the critic in the present Liberal caucus, disagreed with everything this former Liberal Minister was saying. I might say that he spoke quite eloquently and I certainly agree with his position against the Bill.

Furthermore, the position of the Liberal Senators does not seem to be in co-operation with the Liberal caucus in the House, and certainly not with the Leader of the Liberal Party, who takes no responsibility for the shenanigans that are quite questionable from a traditional and parliamentary point of view.

I am sure the Hon. Member sitting to my right today will have many positive things to say. I know that he would not agree with the former Minister of Consumer and Corporate Affairs because he is very much committed to consumers, particularly to the voters in his own riding. I hope I have answered the Hon. Member sufficiently.

Mr. Orlikow: Mr. Speaker, a number of provinces, including my Province of Manitoba and the Hon. Member's Province of British Columbia, if I understand correctly, have developed pharma-care plans as part of their package for delivering high quality health care. A substantial part, if not all of the cost of prescription drugs is paid for by those plans which are funded through the tax system.

The Manitoba Government made representations to the parliamentary committee and pointed out that this Bill would have a very detrimental effect on its program. The Province of Manitoba has a substantial deficit in its funding. Therefore, it would either have to pay for this through the tax system or through an increase in the deterrent fees that Manitobans pay before they collect part of the cost from that pharma-care program. I wonder if the Hon. Member could explain to me how the system works in her Province of British Columbia?

• (1710)

Ms. Mitchell: Mr. Speaker, I think that is a most important point. As I mentioned several times in my remarks, we do have a pharma-care program in British Columbia and I am very

proud to say that this was instigated by a New Democratic Government, and the same thing has happened in Manitoba. It is very interesting that the Social Credit Government, an ultra-conservative Government, has been in power in British Columbia for many years, but one thing it dared not take away is the pharma-care program. That is because it is so important to elderly people who rely so heavily on this plan to help cover the costs of their medical expenses.

As my colleague said, the big concern of, I am sure, even Social Credit Governments, as well as the Government of Manitoba, is that with the price of drugs going up, which would be a result of this legislation if it ever passes, there will be a tremendous burden on the provinces. I would think the provinces are going to have trouble covering their costs. In fact, the federal Government has even acknowledged this by offering compensation to the provinces, not nearly as much as they would have to pay out, but a token compensation, so even the Government admits that it is a real problem.

Another worry I have is that provincial Governments may not be able to maintain the pharma-care programs. In conservative areas it could be an excuse to do away with these programs. That would be a great worry. I think senior citizen groups across the country must surely feel very badly that the Government, which has appointed a Minister for seniors—and I note he has not been up on his feet speaking on this Bill—has failed to recognize this. These groups believe strongly in the pharma-care program and want to keep the costs of drugs down.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would love to join in this debate and point out how it is a debate for the future of this country, for the future of our young scientists and researchers who will be able to take meaningful jobs so that this country can get onto the cutting edge of high technology. Of course, we know the position of the New Democratic Party. It wants to keep everyone in poverty, as does every socialist government around the world.

I recently went through a list of 160 countries and the socialist countries are the ones which have the poorest people because they are denied any ability to get out and create jobs.

With those temperate words, I move:

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of the motion standing on the Order Paper in the name of the Minister of Consumer and Corporate Affairs in relation to the amendments made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto.

Mr. Deputy Speaker: All those who object to this motion will please rise.

And fewer than 15 Members having risen:

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, just moments ago we were talking about honesty. We heard the Hon. Member, who just successfully introduced a motion for extension of the debate, give us another display of the consistent devotion to dishonesty and hypocrisy of the Conservative Government.

Some Hon. Members: Order.

Mr. McCurdy: I will repeat myself, Mr. Speaker. We have had another manifestation of the consistent devotion to dishonesty and hypocrisy of the present Government.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I believe the language that is being used is unparliamentary. In fact, the motion that was put before the House and passed is within our rules. It is allowing us to debate a very important Bill. What it is doing is putting us to work in the hours after six o'clock tonight, and Members of the New Democratic Party are objecting to working. That is their objection. Because we are following the rules of the House, and we had a motion pass, the Hon. Member is calling the Government dishonest. I think that language is excessive and he should be called to account for using that type of language in this Chamber.

Mr. Orlikow: Point of order.

Mr. Deputy Speaker: There is no need for me to hear the Hon. Member for Winnipeg North (Mr. Orlikow) on that point of order. There are two things; first, the motion obviously was in order and decided to be so by the Speaker. I do not think there is a problem there.

With regard to the words mentioned by the Hon. Member for Windsor—Walkerville (Mr. McCurdy), the Member knows the rules and I am sure he did not aim his remarks at any particular Member, at least that is the way I understood them. Therefore, if they were not aimed at a particular Member, the remarks are not unparliamentary. The Hon. Member has the floor on debate.

Mr. McCurdy: Thank you, Mr. Speaker, for exhibiting the keenness of hearing and intelligence so lacking on the other side. And in respect—

Mr. McDermid: Now look at the arrogance coming from over there.

Mr. Siddon: What a hypocrite. Now who is being dishonest?

Mr. McCurdy: On a point of order, Mr. Speaker, the Hon. Minister of Fisheries and Oceans (Mr. Siddon) called me a hypocrite. That was heard. It was directed specifically at me.

Mr. McDermid: He said: "Listen to the hypocrisy".

Mr. Deputy Speaker: Order, please. I did not hear the word. I will look at the "blues" and report back to the House.

Mr. McCurdy: Let us see if we cannot explain a couple of things to the Hon. Member. I did not object one whit to the extension of debate. I am perfectly willing to work here all night, and I chose my words very carefully, and I repeat again, that this Government is dishonest and hypocritical, and that is in order because it is the truth. On the other hand, distinctly heard on this side of the House was the specific epithet of "hypocrite" directed to me by the Minister of Fisheries and Oceans. That was clear. That person is, I guess, unfamiliar with courtesy and parliamentary language. However, we will not belabour the point because there are other more important things to address.

I think the most important thing to address within the context of dishonesty and hypocrisy are the statements made a moment ago by the Hon. Parliamentary Secretary when he said that virtually every socialist and social democratic country in the world was condemned to poverty.

Mr. McDermid: He did not say that. There you go again.

• (1720)

Mr. McCurdy: That is foolishness. If those Hon. Members opposite, bleating like the hypocritical lambs they are, cannot accept that truth, then that is unfortunate. That just reflects how ill informed and how little they understand, as they little understand the notion of science and research.

I heard the Parliamentary Secretary talk about how many jobs will be created as a result of Bill C-22. What dishonesty, what hypocrisy from a Government that is about to reject an amendment from the Senate that would make it a requirement that the pharmaceutical manufacturers guarantee that 10 per cent of their receipts be devoted to just that. The Minister of Consumer and Corporate Affairs (Mr. Andre) has said over and over again that the purpose of the Bill is to produce research in Canada on drugs and pharmaceuticals. He has said repeatedly that he has the promise of the pharmaceutical industry, not just for campaign contributions in the future, but for a significant contribution to research in Canada as a result of being relieved from the existence of generic drugs.

If Members of the Government were honest, if they were honest with the Canadian people, if they were being honest with all those young scientists on behalf of whom they purport to act, then they would have accepted this amendment. But we know that it is not the motivation of this legislation to create research in this country. It has always been transparently clear that even when they manage to understand what research and development is about they have not acted in order to encourage it with respect to this legislation or any other.

But with all of the bleating from the other side and the dishonesty from the Official Opposition, it is possible that the electors have forgotten what this is all about. What it is all about very briefly is this. There existed in Canada a situation up until the late 1960s in which the pharmaceutical companies which have fought for and obtained this legislation literally robbed the Canadian people, the sick and the maimed of their money at exorbitant rates by setting extraordinarily high costs for drugs in Canada, among the highest prices in the world. They made great profits. They made great profits under circumstances which are going to be recreated in Bill C-22. Even while they were making those great profits at the expense of the maimed, the sick and the ill they did not spend a significant penny on research in Canada.

As a matter of fact, while the present legislation has existed, legislation which created generic competition for patented drugs, the rate of research in Canada increased just as did the rate of employment in the pharmaceutical industry generally and which in the latter area exceeded the rate of employment creation in the United States, the home country of the pharmaceutical companies that this Government thinks it was elected to serve.

We have established as a result of the legislation of the 1960s generic licensing which has made it possible for Canadians to get drugs at cheaper costs than in the United States by a significant degree. Not only have we produced less expensive generic drugs but the patented products themselves have been available more cheaply. There can be no question whatsoever that the Government is in the process of legislating a situation in which not only will there not be generic competition, and therefore a situation in which new drugs will cost much more, 100 per cent more—perhaps 200 per cent more—but inevitably the generic drugs will cost more as time goes on.

This results from the fact that instead of the immediate prospect of licensing after a drug has been approved, that is after four or five years, these companies will now have in total 15 years to 17 years. Let me repeat that. Pharmaceutical Manufacturers Association companies will have 15 years to 17 years of exclusivity. That means it will be in the year 2004—let me repeat that, the year 2004—by which time generic competitive drugs will be available to the Canadian people in lieu of the patent drugs which will be more expensive on their introduction than they presently are.

We heard yesterday the Liberal spokesman talk about honesty and consistency, and there has only been one spokesman. The Liberals with their tremendous consistency and their tremendous honesty on this issue have shown their true colours. They have quit fighting Bill C-22. Not another word will be heard from them, unless they change their minds. But, of course, they have not been able to get their stories straight. The fact of the matter is that it was a White Paper introduced by Members of the Liberal Government that started the process of this Bill in the beginning. It was they who established the Eastman report. It was the former Minister of Consumer and Corporate Affairs who was the initiator of the changes which have been produced through Bill C-22. It was a former Liberal Minister of Consumer and Corporate Affairs who appeared on CTV this morning and argued with her former Liberal colleague about whether there should or should not be a Bill C-22. It is a Liberal Senate that is sending the Bill back while it has had a firm notion of what it should do for a long, long time.

While the Liberals have been having a heck of a time making up their minds what to do, the New Democrats got in touch and worked with the senior citizens of the country and produced petition after petition against Bill C-22 which we tabled in the House while the Liberals still play around trying to figure out what to do. Consistency and honesty from the Liberal Party, well, that would represent a severe change in character, one that would come to us all in an unexpected fashion.

The New Democrats have been clear about where they stand. They are opposed to Bill C-22. What is before us now are the amendments from the Senate. The amendments from the Senate are very simple. One says that written into the legislation should be something which I am sure the Government will regard as very, very offensive, something that will certainly be in contradiction to promises made to the pharmaceutical industry that the Government serves, that is, that there should be—absolutely should be—research done by the pharmaceutical manufacturers if they are to retain their patents.

In other words, the Senate would implement the promises of the Minister of Consumer and Corporate Affairs. We know he does not regard that as desirable because there was never any intention on the part of the Government to ensure that that research would be done. That is their dishonesty, that is their hypocrisy. They said they would ensure that prices would not rise beyond the rate of the Consumer Price Index. One of the other amendments suggested by the Senate is that that should be in the legislation, too. We could not have that in the Bill. That would mean that the Government would, by legislation, keep a promise.

We know that that would be honest and that it would eliminate hypocrisy to live up to a promise. This Government, by practice, by habit, does not live up to its promises. That is the record of the Government which has put it at 24 per cent in popularity. That is the record of the Government that will have it condemned by the electorate. It will justifiably be condemned because legislation such as Bill C-22 is not in the interests of the Canadian people. It is in the interests of its controllers down in Washington.

I issue a challenge to this Government. It is very simple. Accept the amendments that would require it to fulfil its promises and we will go along with it.

• (1730)

Let us do this instead of the silly nonsense of that unleashed pit terrier running around condemning the Senate for doing what the people want. Let us all join together and do what the people want and take care of the Senate under other circumstances.

Mr. McDermid: Mr. Speaker, I find it rather interesting that we have a new position now from the New Democratic Party. It has just been announced. I am sure the Liberals will be interested in this—that if they accept the amendments they will support the Bill. They will support the Bill. That is what he said. It is a new policy. His critic is paling down here in the front.

Mr. Orlikow: Not at all.

Mr. McDermid: I am not sure that he will make it through the sitting tonight. However, they said that they are going to support it, if they accept the amendments. It is another new position from the New Democratic Party.

I want to ask the Hon. Member a question. He was bragging about Italy, that great socialist country. He was mentioning it earlier. The last country in the western world to have a law like the one we have in Canada which we are trying to change was Italy. Does he know when Italy removed it? It was when it joined the European Common Market, because as part of the membership it had to provide patent protection for those people who made discoveries. Does he know who brought in that law in Italy?

Mr. Rodriguez: Who?

Mr. McDermid: Mussolini. Mussolini brought that law in. It was the only other country in the world that had it.

I ask him, if he is bragging about all these socialist Governments over there, why do they not have a Bill which throws the thing wide open and does not offer patent protection for those people who invest millions, millions, and millions of dollars and do not get a decent return on their investment?

Why do those great socialist Governments about which he is talking not have the type of legislation that we have here in Canada and that we are trying to change so that it is the same in all countries of the modern world?

It is not just the United States. The NDP keeps trying to say that this is a deal from the United States. What poppycock! Italy, Germany, Switzerland, and Britain are all countries that have said: "Look, bring your law into line with the laws around the world on patent protection", and that is what we are doing.

He is bragging about socialist Governments over there; why do they not have a law like that?

Mr. McCurdy: Mr. Speaker, it is a solid record that they are establishing. I said earlier that the Government was characterized by dishonesty and hypocrisy. I also suggested before that it may be even, indeed in some instances, characterized by a lack of keenness in hearing if not in intelligence.

I will repeat what I actually said. I said that we will support these amendments, and the consequence of our supporting—

Some Hon. Members: Oh, oh!

Mr. McCurdy: Oh, yes—

Mr. McDermid: We will check the "blues" on that one.

Mr. McCurdy: We will check the "blues", and if there has been an inadvertent injection of a word that seems to change the intent of what I said, let me make it clear. We will support the amendments, and then I suspect we can all go home.

I find it curious but characteristic that a Government that would refuse to reject the attribution of Nazism to those who oppose its actions would revert to Fascist Italy to find examples for an additional attack.

Mr. McDermid: The Government did not say that.

Mr. McCurdy: I guess it is just a search for identification with those who, in many respects, have a closer identification with their philosophy than with ours.

However, I must say that I am not entirely clear on what it is that Italy under Mussolini was supposed to have done or not to have done. I am not entirely clear what socialist Governments are supposed to have done or not to have done. However, let us just say this: Canadians were proud of the fact that we had a unique regime in respect of patented drugs and generic drugs, which had as its function some measure of control of intellectual property but the balance of which was on the side of serving the people of this country rather than foreign-owned pharmaceutical companies that would exploit the poor and the sick.

Perhaps they have forgotten how this piece of legislation originated. This is how it originated. The President of the United States came to Quebec City. He was sitting there talking with the Prime Minister (Mr. Mulroney), and the President said: "Look, Brian, you have got to do something about it. You are giving drugs to sick people cheap and it has got to stop".

We have had a lot of bleating and complaining that none of this had anything to do with the free trade agreement. However, we know, they know, and Canadians know that this is a Government which has not been able to identify for whom it is supposed to work. I will tell him for whom it is supposed to work. It is for the Canadian people.

If they say that this Bill is going to produce research, then they ought to accept that there should be guarantees that that research will be done. If they say that they are going to control prices, then they ought to accept amendments which would ensure that that will be the case.

If the Hon. Parliamentary Secretary has difficulty understanding that or understanding our intent, let me repeat it for him one more time. We have a couple of minor amendments which make a lot of sense from the Government's point of view. We still do not like this legislation, but if we accept those amendments—and we will vote for them—then I suspect that we will all be able to go home, on this particular matter, with some degree of satisfaction that at least the Government has tried to live up to its promises.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is always a pleasure to join, with limited time to anticipate the experience, in a debate in the House. It is not that this is a Bill about which we do not know anything. After all, Bill C-22 has been troubling the Parliament of Canada and the people of Canada for many months, since the Conservative Government came into office in 1984 and began breaking election promises and began damaging the interests of the Canadian people.

I want to take a few moments to consider the unseemly history of the particular Bill by way of taking a position. I see before me a most unlikely—

Mr. McDermid: Well, you look so lonely over here all by yourself.

Mr. Epp (Thunder Bay—Nipigon): My friend from the other side has crossed over to sit in our area. It leaves me a little uneasy, but I am never troubled by being alone. New Democrats have had a long history of small numbers, but of course things look different these days partly because of legislation of the sort at which we are looking in Bill C-22.

The history of this Bill has been a very, very strange one. We have a Bill which the Government claims it brought forward because of its own understanding of it being in the national interest. On the other side, we have made charges that the Bill exists for one reason alone, that is, to satisfy the demands of American interests, multinational pharmaceutical companies that have resented the fact that the Parliament of Canada decided in 1969 to protect the interests of Canadians by ensuring that drugs could be made available in generic copies to Canadians at lower prices than pharmaceutical manufacturers which had developed the drugs were continuing to sell them, long after they had recouped development costs and should have in fact been reducing the prices in order to save consumers money.

In 1969 Canadians found themselves, and I would submit that they continue to do so, in a situation in which pharmaceutical companies will continue doing their research and all important work far from our shores. It will be done near the headquarters of the various companies.

We have had a promise held out, the only possible element in the proposal which could be in the national interest, that there will be research done in Canada that will create jobs. Of course we have dealt with the particular suggestion in the past that this will be important employment. I see the Minister, who has had involvement with science and technology before, and I see others from various provinces of Canada on the other side. They know that there is a great desire in the Montreal area to have some of this employment. We have the strongest suspicions that the kind of work that will be done will be in the way of consumer testing to satisfy the licensing authorities that the drugs are safe and so on. The basic research required in pharmaceutical development will not take place in Canada.

• (1740)

The question of where the Bill fits in involves far more than the question of what its importance will be to employment in

Canada or what its immediate consequence will be, leading to higher prices for pharmaceuticals. The Canadian consumer will lose money, most of which we are sure will be transferred out of Canada to enrich the shareholders and owners of the pharmaceutical companies. It will do nothing for Canadians. That conviction is one about which we are absolutely convinced.

The question of where this Bill fits in as it pertains to dealing with the United States has produced some of the strangest contradictions. It has left us, the Canadian people and commentators in the media convinced that we are getting far less than the truth. I recognize that describing this situation precisely would be unparliamentary. It is one of those situations that faces us when we are told things that tempt us to unparliamentary description of what a Minister is insisting on when he says that this Bill has nothing to do with the free trade negotiations and the Mulroney trade deal. This is quite apart from pressure from the multinational corporations. Those particular assertions simply stretch the credulity of the entire Canadian population. I doubt if anyone believes those particular protestations.

Mr. McDermid: John Bulloch.

Mr. Epp (Thunder Bay—Nipigon): The pharmaceutical manufacturers protested the original legislation of 1969. They have been seeking the kind of change which Bill C-22 involves. They have been seeking it for a long time. They found a Government that could be suckered into accepting it. To suggest that the Bill has nothing to do with the free trade negotiations may represent just that element of truth of which this Government should be thoroughly ashamed.

Mr. McDermid: It has absolutely nothing to do with it.

Mr. Epp (Thunder Bay—Nipigon): Instead of coming to the table with the Americans and approaching the U.S. Government with a proposal that we want to look at the possibility of better relations between the two countries and consider the various elements objectionable in Canada—listing items, laws, the administration of trade laws and so on—something else was done. We should decide what should be changed, and that in a more leisurely way, and then when we come to agreement come to Parliament and change the law. But we all know perfectly well that that is not what the Government did. Instead of approaching the U.S. administration in 1985 with the whole panoply of Canadian legislation relating to all sorts of things such as the way in which we governed our energy resources, the way in which we endeavoured to control foreign investment and the way in which we were ensured that pharmaceutical manufacturers did not exploit Canadian consumers indefinitely—instead of recognizing that there were various items in Canada which the Americans might well want to say something about—what did the Government begin to do? It proposed laws weakening the Foreign Investment Review Agency grievously and destroying attempts to ensure that energy resources would be in the control of the Canadian people for their own interest. It should have ensured that the pharmaceutical manufacturers, as I have said, would not be able to go on exploiting indefinitely. But the Government put these proposals forward.

Under the rules of this House there were limits on how long we could resist measures, given the Government's majority. We sometimes face the action that we have tonight in the extension of hours. The Government has taken advantage of its majority and rammed things through. It has used the kind of power that if the Conservatives had been in Opposition, they would have screamed all over the country and would have been prepared to storm the Speaker's chair the way they did in the last Parliament. They were capable of any kind of parliamentary measure. Many of these items which should have been very, very large bargaining chips to balance those items which the Americans were determined to keep on their side, which the U.S. negotiators would not concede, were given away here in Parliament long before the negotiations went to the table. The assertion that Bill C-22 has nothing to do with the talks with the United States is not, in my opinion, true.

Mr. McDermid: It is true.

Mr. Epp (Thunder Bay—Nipigon): If it were true, the Government should be ashamed of making the assertion because this measure is one the Government should have had at the table in order to extract concessions from the Americans.

Mr. McDermid: It was a campaign promise and the people supported it.

Mr. Epp (Thunder Bay—Nipigon): Given the way in which this bunch has run the affairs of Canada, given the way in which it has been prepared to sell out the national interest, given its readiness, as the summary of the agreement with the Reagan administration now indicates, to give up control of energy resources, given its readiness to abandon almost completely any significant way for the middle range and smaller companies in Canada to any real review on foreign investment, given its readiness in one area after another to sacrifice the national interest in the trade deal, we are here again tonight considering how to deal with Bill C-22.

We have a Bill that does pose difficulties. We have another mess of things in the way in which the Conservative dominated Commons has exploited its power. It faces a Liberal dominated other place in which Senators are able to take advantage of the dominance they have in opposition to this measure. We recognize in our caucus that that poses some very real difficulties for us.

We have a Prime Minister (Mr. Mulroney) and Ministers who have damned the other place. It was completely unseemly the way the Conservatives have taken advantage of the patronage trough, the Senate and other places, as much as they have. The Prime Minister conceded just days ago in Halifax that he completely underestimated the desire of the

Canadian people to chuck the whole system and to have a real recognition of merit in the appointment of people. These people have taken every advantage of every Senate opening. The Prime Minister has dumped friend after friend into the Senate. We have people upset by what those who still have the majority have done in the way of trying, from their perspective, to improve the Bill. If I were to go into this matter and consider what we have before us which my good friend, the Hon. Member from Windsor—Walkerville (Mr. McCurdy), was dealing with a few minutes ago, we have a very nice question of how to regard what has come before us in this second return of the Bill from the other other place.

Editorial writers, commentators of various sorts in *The Globe and Mail* and other periodicals have written article after article. Now I do not have any particular sympathy with the New Democratic Party, no sense, I presume, of our conviction that the other place should have been got rid of a long time ago.

We have the other place sending the Bill back this time with amendments which do not weaken the Bill from the Government's perspective. I want to be very clear about the distinction I am drawing here. I am talking about Bill C-22 as the Government has put it forward, has defended it in the House, has defended it in committee and to the Canadian people. The Bill is designed to ensure that there is more research in Canada. We are told the Bill is designed to allow some increase in prices but not any exorbitant price increases. We are told by the Government that gouging of the Canadian consumer by pharmaceutical manufacturers will not happen.

• (1750)

The people in the other place have been very canny this time. They said: "There is no point in destroying the Bill with amendments, let us take the Government at its word and bring amendments forward to deal particularly with those two items". The amendments will ensure that there really will be research done in Canada. The guarantees would be provided in the Bill so that Members of both Houses and Canadian consumers can be sure that there will be some real return on this particular weakening of our licensing provisions.

There is much concern across the country about higher costs. As a matter of fact, the Minister of National Health and Welfare (Mr. Epp) has conceded that prices will go up. He offered provincial Governments a certain increase in funding to cover the increased costs they would incur in administering provincial drug plans for senior citizens and others. That concession surely was an honest admission that there would be an increase in costs about which the Canadian people had previously not had to worry.

Senators gave us amendments which provide that the Government's declarations be written into the Bill. Ultimately, as we all recognize, when votes take place to determine what will happen, the majority rules. Senators have asked the majority, the governing caucus, to ensure that the guarantees are there for the Canadian people.

Those assurances, both on the side of research and on the side of limited price increases, are ones that we think are right. We recognize, of course, that they were offered by the Government in a desperate attempt to sell a Bill that has never been popular with the Canadian people and is not now popular.

I suppose one of the reasons the people in the other place continue to hold this Bill back is that they realize that the closer we come to the next election, the more difficult it will be for the Conservative Government, which sees itself at about 25 per cent in the public opinion polls, going down to a defeat just about as sure as the one suffered by Richard Hatfield and his colleagues, to sell this Bill. The Government will become more and more uncomfortable about what it is dumping on the Canadian people.

These proposals from the other place take the Government at its word and ask the Government to put into the law of the land that which has been promised. They ask the Government to ensure that the promises are engraved in stone in a way that will allow future Governments to work with them and in a way that will allow the people of Canada to have assurances of what they will receive in return for this particular weakening of Canadian licensing laws.

What have we been given? We have been given the Government's refusal. That brings us back to the question of why Bill C-22 was put forward in the first place. Why should promises made in the House and outside not be put into the Bill where they might actually acquire some real force?

Whether the Bill was part of the negotiations on trade or not is a nice question. If it was not, it should have been. If it was not, then why do we want to avoid confining those who will be the beneficiaries of this Bill, the pharmaceutical manufacturers? Is the Government so weak-kneed, so much in the pocket of big interests which have been pressing for this for years, is the Government so much the lackey of those interests that it cannot accept proposals that would provide some real guarantee to the Canadian people?

Of course, for this Conservative Government, those are purely rhetorical questions. It is completely the prisoner of these interests and if it did not do this because of the trade negotiations, it clearly made promises somewhere along the line. There were sacred trusts for the Canadian people uttered on the airwaves and in public meetings, but behind closed doors, the rich have done very well for a long time with the tax laws and the other laws. They continue to do well whatever the Minister of Finance (Mr. Wilson) may say, because behind those closed doors, Conservatives were making promises. They are now acting on those promises.

The other place is the place where many of the friends of Conservative Members have been appointed and are expecting to enjoy a long life on the dole. It is a system of indoor relief for the lucky people in the Canadian patronage system. Even

when suggestions are made by those from from that place, the Government does not take them at their word. It refuses them and remains completely the lackey of the pharmaceutical manufacturers it so obviously has been.

If government Members had the kind of honour that one expects of Members of Parliament and if they acted on that kind of honour, they would accept these amendments and put them into the law. Nothing is lost to the Canadian people. If there is nothing to be sacrificed by Canadians, I guess there might be something to be lost by the pharmaceutical manufacturers who will do their darndest to make up for 18 years of facing competition from generic producers. They will do their share of milking the Canadian public now that they will have their chance after this Bill is passed.

Presumably, at some later hour today, we will see that bunch on the other side of the House pass this Bill in a form other than that which the Senate sent to us, and we will see this particular unseemly struggle go on. So be it. With every month that passes, we get closer to the next election. Bill C-22 will be one more reason to turf them all out.

Mr. Caccia: Mr. Speaker, listening to the fine speech of the Hon. Member for Thunder Bay—Nipigon (Mr. Epp), I would be inclined to ask him to give us the benefit of his thoughts on the retroactivity clause that is being proposed in this Bill.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, that a Bill take effect only after it has been passed expresses a principle that should govern the legislation of this country generally if not always. We have far too much done by ministerial edict.

Tax changes and Ways and Means Motions are passed many months down the road, sometimes so embarrassingly late that the people in Department of National Revenue have trouble getting tax forms reflecting changes ready for the people. Those are nice expressions of the ineffectiveness of the Government's ability to achieve its goals as fast as it wants to, although I should not throw that particular charge at this particular Conservative majority.

The proposition that a measure should receive full debate, be properly considered, be proclaimed and then go into effect at a future date is the correct proposition. To work instead in this way with an earlier date, no matter what happens to the Bill, is surely a perversion of the parliamentary system. It is to be thoroughly rejected as I have rejected it.

Mr. Orlikow: Mr. Speaker, I would like to ask my hon. friend a question. He was a professor at a Canadian university before he came here as a Member of Parliament and I think he can answer this question. The Parliamentary Secretary who moved the motion extending the hours of debate made the claim that more than 100 countries with socialist Governments are among the poorest countries in the world.

I do not have a complete list in front of me, but it is my understanding that Norway, Sweden, Spain, Greece, Australia and New Zealand now have democratic socialist Governments. Among the countries which have had, and will have again, democratic socialist Governments are Denmark, Holland, Belgium, France, West Germany, Portugal, and Great Britain. That is by no means a complete list.

• (1800)

If I understand correctly, those countries have among the highest standards of living in the world. They also have the most well-developed systems of social security, including old age pension, health care, and unemployment programs. Can the Hon. Member put on his history professor hat and comment on the ignorance or otherwise of the Parliamentary Secretary who made that charge?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I thank my good friend for that question. It allows me at the outset to make one particular distinction which the Canadian people want made. It is people on the other side, who are so given to perversion of the truth, that want to gloss over a distinction. That distinction is between the democratic socialists of the European countries my good friend has referred to, and those other countries, often calling themselves socialists, which, in one form or another, live under a dictatorship. In those countries the attempt to achieve reform occurs with the greatest of difficulty. My good friend was talking about the democratic socialist countries, and it is the traditions of those countries in which we live.

Our rivals on the left, if you will, always know what we are doing when we say we are democratic socialists. We are drawing just that kind of distinction. We are in association, if you will, with our friends in the Scandinavian countries. We are in sympathy with our friends in the British Labour Party, the Socialist Party of France, and the Social Democratic Party of the Federal Republic of Germany. We are also in sympathy with those Mediterranean countries which have in the last 10 years or so, thank God, achieved freedom from right-wing military Governments—

Mr. McCurdy: Conservative Governments.

Mr. Epp (Thunder Bay—Nipigon): —conservative Governments and worse, and now live again under democratic Governments. They have elected socialists, as in the case of Prime Minister Papandreou in Greece.

What we have among those countries, as we know, is not the world's poorest countries. We can choose only one example because it is the most senior of them all and looked to for that reason. That country is Sweden. It entered the 1930s facing many economic challenges, as so many countries did. We know what happened on Wall Street in 1929, and the ramifications that had for other economies of the western world. We have been reminded of that in the events of the last few days when one stock exchange after another crashed.

In Canada, the U.S. and other countries we saw reactionary legislation. We saw protectionist policies which dragged other countries down. We saw clashes between the rich and poor

become more and more intense. We saw Governments appearing which might be ready to experiment, as in the case of the American administration under Franklin Delano Roosevelt. That Government had no clear sense of how to get out of that situation and it remains a good historical question whether all the New Deal measures in the U.S. did get them out of the Depression in any significant way throughout the 1930s.

What did we see in Sweden? We saw a social democratic Party that was prepared to bring labour and capital together. We saw a Government sensitive to that kind of social harmony. It recognized the need for social programs and a government role in the economy. Through the 1930s it succeeded in avoiding the depths of the Depression which hit so many other countries. I need not remind you that those years produced Nazism which forged its way toward the horrors of World War II. Its racist policies were written across the face of Europe. We suffered the destruction of millions of people. That is what the failure of liberal constitutionalism in Germany produced.

Compare that with Sweden where we saw a Government which endeavoured to bring the classes together, avoid the great disparities which existed in other countries, and through sound economic and social policies make Sweden an envied country in Europe. Whatever we North Americans think in our happy days of our situation here, that is what democratic socialism represents. As my good friend suggested, the ignorance of Members and Parliamentary Secretaries and so on is never better revealed when they suggest that socialist countries are the poorest countries on earth.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in his rather pathetic speech yesterday in the House the Minister of Consumer and Corporate Affairs (Mr. Andre) made two points that I would like to argue with because they are a flagrant demonstration of either ignorance or impotence.

First, as you will find at page 10665 of yesterday's *Hansard*, the Minister talks about a commitment from industry to spend 10 per cent of sales on research, and about writing it into the law and making it specific. As you may recall, that was the Senate recommendation. After all, it is an important commitment and should find its way into the legislation. Yesterday the Minister took the position that that cannot be done. He went on for a considerable length of time attempting to prove why that cannot be done. Time is too valuable to examine each of the examples given. All I can say is that they are unconvincing and shallow, if not empty. The commitment to put at least 10 per cent of sales into research and development here in Canada is one of the main points of this agreement.

The Minister went on to say in his intervention that it is unacceptable that the Senate should exercise a veto over the House of Commons on Bill C-22. Let me remind him that he still does not understand what is going on in Parliament. The Senate has not vetoed anything. The Senate has performed within the constitutional mandate given to it. There is no evidence anywhere—and it is astounding that the Minister would raise this red herring—that the Senate has used a veto power on Bill C-22. The Government has been shadow boxing in an attempt to create an impression that the Senate has gone beyond its constitutional boundaries. I have looked into this matter because it is important that Canadians know in detail what is going on. It is alleged that the Senate is flouting constitutional convention in the debate on the drug patent Bill and I would like to place on the record clearly what is happening.

• (1810)

The Senate is not rejecting the Bill nor vetoing it. It is only proposing amendments. Surely no one in this Chamber, including the Government, and particularly the Minister, would deny the right of the Senate to do that. It is constitutional. It has been done in the past and as long as the Senate exists in its present form it will continue to do so.

The next question is whether the amendments would be fatal to the Bill, whether they take away the proposed 10 year monopoly of the multinationals. They do not. Do they prevent or discourage the companies' proposed investments? They do not.

The next question which arises is what they do. They strengthen the Bill by doing four things. One, they strike out the retroactive feature of it. That is very important because the inclusion of that provision would penalize products already on the market. Second, they make the companies' promises of investment part of the law. In other words, they make them legally binding. Third, they provide for the withdrawal of benefits to companies which do not live up to their promises. Fourth, they strengthen the safeguards against excessive price increases both when a new drug is introduced and during its monopoly period.

What is wrong with all of that, Mr. Speaker? The Government says the Bill is perfectly acceptable. It is certainly acceptable to the multinationals, to the Government, and to certain people and organizations. However, I submit that it is manifestly unacceptable to the generic drug companies, the Consumers' Association of Canada, the opposition Parties in the House of Commons, and the Senate.

Let us tackle for a moment the alleged constitutional convention. Some university professors have pointed out that the Senate, as an appointed body, has no political mandate to obstruct the elected House of Commons. They go on to say that it is accepted by opposition as well as government Senators that the appointive nature of the Senate must necessarily make its rule subordinate—and I emphasize "subordinate"—to the elected House.

The question is how subordinate it must be. It would be hard to find an authority for the view that the Senate can never reject a Bill passed by the House of Commons. Certainly the Senate would never throw out a Bill for which the electors had given the House of Commons a clear mandate. The question is

whether the drug patent Bill was part of the election platform of the Progressive Conservative Party during the last election campaign. The answer is clearly that it was not.

We can then move on to the next question, namely, whether there is any convention which says that the Senate is bound to pass a Bill on which the electors have never been consulted and which might be passed by the Commons only in its dying moments. Is there any convention which says that the Senate must pass a Bill to which the majority of the provinces object? As you know, six provinces object to this Bill. After all, the Senate was created partly to protect the interests of the provinces in matters under federal jurisdiction.

Is there any convention which says that the Senate cannot, in a matter which it considers sufficiently grave, insist that the Government submit that matter to the test of the general election? It did precisely that with Borden's naval aid Bill in 1913 and it passed the first old age pension Bill only after the Government which proposed it had been returned in the election of 1926.

I am not one to quote readily, but I thought that Sir John A. Macdonald summed it up well when he said: "It is only valuable as being a regulating body calmly considering the legislation initiated by the popular branch and preventing any hasty or ill-considered legislation which may come from that body, but it will never set itself against the deliberate and understood wishes of the people".

These are the words of a Prime Minister who cannot be accused of being a wide-eyed radical, a member of the political left. Everyone knows to which Party Sir John A. Macdonald belonged.

We know that the Fathers of Confederation wanted the Senate to bring sober second thought to bear on radical legislation passed by the House of Commons. The phrase "sober second thought" is often used. The Fathers of Confederation feared radical legislation of the left. However, why should the principle not apply equally to radical legislation of the right? I invite any Member on the government side to answer the question.

I will now deal with the issue which must be of particular interest to most Canadians, that is, the cost of this legislation to them. I am told that in 1983, according to the studies carried out by the Eastman commission, the savings to Canadians resulting from the direct substitution of generic products was $211 million. It is estimated that in today's figures that would be worth over $500 million. This does not include the savings derived from lower brand name prices because of competition. The proposed change in Bill C-22 would eliminate those savings for all new products for a period of 10 years. This could cost provincial drug plans and individual consumers hundreds of millions, in fact billions, of dollars over the years ahead.

• (1820)

It is also important to remember that the protection of the public interest is deeply entrenched in our philosophy and the reason which motivates the participation in the debate on this Bill. The public interest is protected by means of a compulsory licensing system that engages early enough in the process so as to moderate prices through competition. That is why we object to the time period being proposed to multinational companies for new products that they will bring on the market.

The interesting point in this debate is that the Senate, in its second round of amendments, has given the House of Commons a set of proposals which reflect, virtually word for word, the commitments made by the Minister of Consumer and Corporate Affairs in his appearance as a witness and in his speeches on Bill C-22. The amendments are nothing more and nothing less than that.

In other words, the Senate has taken to task this invisible Minister. It has challenged the Minister to put into the legislation what he has claimed that this Bill will do, so that we can protect Canadians and also protect the jobs and ensure that the investment being promised to the workers in Quebec, Ontario and other parts of Canada will materialize.

There is nothing in the Bill to ensure that these commitments will be fulfilled and, in that sense, I submit that the Senate has performed a phenomenal service to Canadians from coast to coast by taking the painstaking trouble to set into precise language a commitment on reinvestment matters which was made by the Minister, in a manner that will ensure that these commitments become part of the law and legally binding. This is the matter that is before us today.

I cannot understand for the life of me why the Government and the Minister of Consumer and Corporate Affairs in particular would say that he cannot accept the totality of the amendments. The reasons he gives for not being able to do so are so weak, shallow and superficial that they make him a laughing stock. Furthermore, he said that the Senate is exerting veto powers on the House of Commons.

We want this matter to be resolved soon. We know that there are a number of companies whose workers have been promised future jobs and expanded jobs. We understand their concern very well. At the same time, we know that the Canadian consumer has benefited greatly by virtue of the generic prices of drugs. Everyone who goes to the drugstore counter knows the difference between $6 for a generic drug and $18 for a drug that is not available generically. It hurts the pocket-book and it hurts Canadians of all incomes.

So far, we have had a good system. We want to build on that system rather than change it drastically and in a manner such that we do not know whether the Minister's promises will become a reality. We believe the Senate has performed a fine role and its amendments are extremely sensible and desirable. I still hope the Government will reconsider its stand and accept the amendments that have come from the Senate at this time

because they certainly call for support on the part of the Canadian public which I am sure understands the role of the Senate in this particular instance.

Mr. Heap: Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) has given a very thorough account of the legislative concerns in this Bill, particularly of the detailed work that was done by the Senate in its recent amendments. The rationale he has given for those amendments is that the Senate tried to incorporate into the Bill the Government's stated goals.

The Government has stated today and on other occasions that Canadian laws are far out of line with laws of countries in western Europe. Would the Hon. Member compare this Bill as it would be amended by the Senate with laws in countries in western Europe of which he is aware, particularly the principle of requiring a performance by the companies that receive the benefit of increased prices and so on?

Mr. Caccia: Mr. Speaker, forgive me if I detect in the question by the Hon. Member for Spadina (Mr. Heap) an implied support for the role of the Senate in its amendments, which I welcome. If I misread him, then I will withdraw that.

I feel that it is important in the evolution of our own laws to consider what is being done in other jurisdictions in the evolution of our own laws, but not to the extent of copying what we feel may not be advantageous to Canadians at large. In that sense, I understand we have been the envy of the world because of our legislation on intellectual property, particularly in the case of drugs.

Of course, it becomes a debate on ideology, but I am sure the Member for Spadina shares my view that when it comes to matters of health, I do not see why the intellectual properties of a drug should be extended for an unreasonable length of time. In the end, we are talking about human health and it is human health that needs to be protected. The almighty dollar has no role to play in that question.

In a perfect world, I would like to think that once a discovery is made it belongs to the whole world and not just to a few who want to make a fortune on that discovery. Unfortunately, the world does not function in such clear-cut patterns and therefore we must draw the line somewhere.

In my judgment, the legislation we have had since 1969, and the proposals of the Eastman report draw a sensible balance between the requirements of maintaining a certain degree of incentives for multinationals and implementing within a reasonable time the requirement to open that intellectual property to the public so as to permit the production of generic drugs at a much lower cost. That seems to me to be a very fine Canadian, small "l" liberal compromise.

• (1830)

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I sort of got provoked into saying a few words about this Bill for the umpteenth time. I want to say that I detect very clearly in this Bill that what has happened since the mid-1970s is that federal and provincial Governments have become anti-consumer. I recall the days when Ron Basford and the present Hon. Member for Windsor West (Mr. Gray) were Ministers of Consumer and Corporate Affairs and attempted to bring in competition policies. It took a long time. There was a corporate resilience that fought—

Mr. Caccia: Resistance.

Mr. Rodriguez: No, resilience. They used every trick in the book to fight any changes to the consumer laws of this country so as to prevent fair treatment of consumers. Eventually, because there was a mood in the country of consumers and consumer groups, competition policy was brought in. We are now into a cycle. What we have now is an anti-consumer Government.

Bill C-22 is further evidence of the anti-consumer mentality of government Members. I am not one who comes here to praise the other place. God knows, I would never stand in my place and praise the other place. However, I want to say that what I have been reading is tantamount to treason coming from the Minister of Consumer and Corporate Affairs (Mr. Andre) when he speaks about the crustaceous denizens of the other place. It is tantamount to treason.

Mr. Nickerson: Mr. Speaker, I rise on a point of order. When things are described as being tantamount to treason, surely nothing could be more unparliamentary than accusing Members of this House or the other House of anything even approximating a treasonable nature. I would ask if the Hon. Member might reconsider those remarks.

Mr. Rodriguez: I think that Hon. Member ought to sit down and put his head under the desk.

Mr. McCurdy: He doesn't know which end is up.

Mr. Rodriguez: I have the evidence. This is what the Minister of Consumer and Corporate Affairs said about the other place:

> I would sooner lose this Bill and any one of a number of Bills than acquiesce to the principle that we have a bunch of unelected Liberals exercising veto power over the elected Government of Canada. That principle ought to offend anyone.

He goes on to say:

> If we were starting with a clean slate and putting a government together in Canada and someone suggested we should have an appointed body that has the same powers as the elected body that is answerable to no one, the members of which stay till 75, I mean, you'd be laughed at, you'd be ridiculed.

That was not said by Stanley Knowles. That was said by the Minister of Consumer and Corporate Affairs. In a radio interview the Minister said: "You know General Pinochet would not suggest that for Chile". That is the Minister of Consumer and Corporate Affairs criticizing those who sit in the other place. I have no question of the criticism. It just seems to me that it is phoney because on the other hand, the Prime Minister has been appointing Tories to that place like he

is expecting to be out of power shortly. He keeps putting more of these unelected persons in there to stay there until they are 75 years of age. He appointed Staff Barootes, Finlay MacDonald, Brenda Robertson, a former Minister in the "Hashfield" government. He appointed Richard Doyle, former *Globe and Mail* editor, a staunch supporter of Bill C-22. He appointed Paul David, Jean-Maurice Simard and Michel Cogger. Yes, Michel Cogger is in there, and right from the late and lamented blue machine comes Norm Atkins, and there is Myra Spivak, the wife of former Manitoba P.C. Leader, and Jean Bazin. Hot dog! And all of them are going to stay until they are 75 years of age. And when the New Democratic Party forms the Government after the next election, they will be trying to put the boots to good socialist legislation.

Ms. Mitchell: Do you think the Tories would do that?

Mr. Rodriguez: They are criticizing the Liberals for doing it to Bill C-22 while at the same time they are appointing their own hench people. The Minister called them "hacks and flacks". Would I dare to show such disrespect? Absolutely not. I would not call them such names.

I did not come here to praise the other place. I am not here to do that. I would not dare to presume to do such a thing about such worthies. But why would some of those people oppose Bill C-22? For example, I have a question in mind. Why would Ian Sinclair do that? If ever there was a person who knows the corporate world and is part of it, it is he. In fact, he is an extension of all his buddies over at the Rideau Club. Why would he oppose something that his corporate brethren all want? Would those worthies oppose it unless they really felt that Bill C-22 was going a little too far? Surely, they cannot be accused of putting politics before self-interest. So we have to ask ourselves if they are sincerely responding with fair criticisms about Bill C-22.

Before I ask myself that question I should look at some of those criticisms. It is not just the other place and it is not just New Democrats. There was an editorial in *The Financial Post* entitled "Drugs and Trade" which stated:

> The Senate Banking, Trade and Commerce Committee's recommendations only sharpen the Bill's purpose, that it might at least achieve what it intends.

Who said that? Who wrote this article? It is from *The Financial Post* on October 26, 1987.

Mr. Heap: Do you read those vicious socialist papers?

• (1840)

Mr. Rodriguez: I have to know what they are up to. The only way to know what they are up to is to read their papers. This is an editorial that takes to task Bill C-22.

Here is another one entitled "If Cabinet serious about C-22 Andre should be put on leash". It is from *The Globe and Mail* of November 2, 1987, written by a writer named Hugh Winsor. That article states this:

> So if the Government says the prices board will keep drug price increases below the rate of inflation, Senator Sinclair wants to ensure that by tying the price increase to the consumer price index.

In other words what the Minister says the Bill does very softly, the other place says, "Well, let us write that in as an amendment to the Bill". That sounds fair.

Here is another one. It is entitled, "Drug companies should consider compromise". It is from *The Gazette* of Montreal dated October 30, 1987. It is an article written by Peter Hadekel.

Then we have another article entitled, "Senate overdose". It is an editorial out of *The Ottawa Citizen* of October 27, 1987. It states in this editorial:

> No matter how meddlesome the unelected Senate may be, the government's problems with this bill do not begin and end in the upper chamber. They begin with a piece of legislation that flies in the face of public opinion, conservative ideology and common sense.

Here is a paper, Mr. Speaker, that really stretches the limits of one's imagination as criticizing the Conservative Government. It is entitled, "Upper downer". It is an editorial from *The Toronto Sun*, and I quote from that real left wing paper, "Harvie Andre's outrage with the Senate rings more than a little false in our ears".

Mr. McCurdy: Say it again.

Mr. Rodriguez: "Harvie Andre's outrage with the Liberal Senate rings more than a little false in our ears". From *The Toronto Star* I quote from an article entitled, "Let's not swallow bad medicine bill". It states in part:

> Such obstructionism, if it continues, merely invites the Tories to campaign for re-election on a promise to clip the Senate's wings. That would divert public attention from the real issue: a bad drug patent bill.

Here is another left wing editorial from the *Winnipeg Free Press* entitled, "Fine-tuning the polls" which states:

> Should anyone be surprised at the news that a poll commissioned by the Pharmaceutical Manufacturers' Association of Canada has discovered that "82 per cent of Canadians support patent protection for pharmaceutical products, along with a system which limits the price increases of drugs to the rate of inflation"?

Are you surprised, Mr. Speaker? That is the result of that poll.

I want to say to the Government which is trying to get this Bill through the House, and which through the constitutional processes of the Houses of Parliament has been hung up on the fence of political protocol, where I hope it stays forever, that it should really take a hard look at it. Is the Bill really serving the interests of consumers or is it simply satisfying the friends of the Government both here and in Washington?

Mr. McCurdy: They have more down there.

Mr. Rodriguez: Is that the reason? After all, the Minister has claimed that the the pharmaceutical companies would be prepared to spend all this money for expansion and research and development. I want to tell you, Mr. Speaker, that the

Minister ought not to be riled up. He ought not to be riled up about the fact that the other place is using constitutional protocol and has decided that it has to send the Bill back to the House of Commons with some suggestions for amendments. Instead of dumping on the other place, it seems to me that they should be extremely upset by some of the things which these multinational drug companies have threatened. In other words, what I am accusing them of is blackmail.

Out of *The Financial Post* of October 26 I see a headline entitled, "Drugmakers put plans on hold, Research shelved until Government patent bill becomes law". The article states that the multinational drug companies in Canada have responded to the stalling of the Government's new patent law with one voice. It states, "Until the Bill goes through, the industry's new research and development plans are on the back burner". "The expansion is dependant on Bill C-22", said John Zabriski, President of Merck Frosst Canada Inc. "We made that perfectly clear when we announced the research plans", he said. "We will not go ahead until the bill is passed". Talk about threats from an unelected group.

What is the Minister talking about? He dumps on the other place. He says they were not elected to anything and they are threatening the House of Commons that was duly elected. What are the drug companies doing? What are they doing but threatening Parliament? That is a strike by capital. We had a strike by labour the other day in the Post Office. You know what we promptly did after eight days, we brought a Bill into this House to put the labour back to work. I have not seen the Government acting with the same gumption and the same back bone and the same courage when it comes to the multinational drug companies. It just crumbles. Members of the Government just shiver in their boots and shake because they know full well that the Party funds will get cut off. I think it is shameful that the Government and the Minister of Consumer and Corporate Affairs, who is appointed to protect the interests of consumers in this country, have put a greater emphasis on protecting the corporate part of his portfolio than on the consumer part.

I want to say that it is equally shameful, shameful and dastardly, that when the drug companies, the multinational drug companies, reach into the very entrails of the Liberal Party and pluck a former Minister of Consumer and Corporate Affairs and make that person their lobbyist, to come and do a job on Liberal Senators and Members of Parliament, well, that is obviously the height of it.

I see the same thing happening with a former Minister of Defence who was hired by the Government of France to lobby for obtaining contracts for nuclear submarines from Canada. I want to tell you, Mr. Speaker, we need honesty in Government. We have not seen the lobby legislation come through yet, even though it has been promised for over two years now. Talking about threats and incestuous relationships, we have an example of them before us in Bill C-22.

We also see the fact that charges have been made that Bill C-22 was the *quid pro quo* for free trade. I know that they protest too much about that. But everybody in Washington knows that that was the *quid pro quo*, that this was part of the deregulative process along with privatization that makes free trade possible in the United States as seen by the Government.

• (1850)

I sincerely hope that the Bill gets hung up in the whole process and is eventually quashed, because I would like to meet the Tories on an electoral platform in a general election to talk about the issue of drug prices and their effects on consumers, and about their anti-consumer attitude tied into their giveaway of the country under the free trade agreement.

I say that the Bill ought to go back to the other place. I hope that the Senate sends it back and that it goes back and forth, back and forth. I also hope that we have an election before it becomes law.

Mr. McCurdy: Mr. Speaker, it was very interesting to hear the eloquent remarks of the Hon. Member for Nickel Belt (Mr. Rodriguez). As always, he was able to dramatize the sordid behaviour of the Government.

Let us look at the record of the Government. The Government promised that the Auto Pact would not be on the table. It promised that it would not tamper with social programs. It has made promise after promise and broke them. If that Government promises that there will be more research as a result of this legislation, would anybody believe it? If the Government promises that as a result of Bill C-22 there will be no increase in drug prices, would anybody in the country believe it? If the Government said that the sun was going to rise tomorrow, would it not put the fear of God in everyone that the world was going to be put into perpetual darkness?

Therefore, is it not necessary on the basis of that record to have some security when the Government makes a promise? A promise is a very frightening thing from this Government. Does it not also make sense for the Minister of Consumer and Corporate Affairs (Mr. Andre) to accept the Senate amendments which would implement the promises made by the Minister in respect of the Bill?

I would like to hear my colleague's comments on that atmosphere which has been created by the Government and on the appropriateness of the Government conceding to the Senate in this instance for its own survival.

Mr. Rodriguez: Mr. Speaker, I would not trust the Government to negotiate anything at all.

It is not so much that I am outraged by the fact that the Tories tell me that certain things are to happen which they will not put in the Bill and I have to go on blind faith. That is disturbing in itself, but what is even more disturbing is that they think that the people of Canada believe them. They believe the multinational drug companies that have told them that they will make certain research and development investments in Canada. Our history is strewn with corporations that have made promises on the basis of getting grants.

We have seen big rabbits jumping around as this Government and previous Liberal Governments have held out big carrots, and the rabbits ate the carrots at the same time as they promised innumerable jobs. The rabbits ate the carrots and hopped along to some other farmer who offered them even bigger carrots, and the only jobs they left were for people with pooper-scoopers. That is the only jobs that were left.

It is absolutely ridiculous to think that Canadian people believe a Government whose Members say that they believe. They are not here to believe. If they want to believe, they can watch Jimmy Swaggart. They are not just believers; they are practitioners in promoting the big fib. You will notice, Mr. Speaker, that I did not use the other word. Reisman cannot get me; Simon says! They are the ones practising the big fib, f-i-b. They are fibbers. I have to be parliamentary.

In direct response to my hon. colleague, the fact is that they have said that they believe the multinational drug companies. They expect Canadians to believe that. Indeed, we put the fib to the test. The other place has put them to the test by simply saying "let us write it into the Bill".

Now their true colours come forward. They have been unmasked four days after Hallowe'en for what they really are. They are not prepared to put one jot or tittle or iota of pressure on their buddies from the multinational corporate boardrooms, not one jot or tittle of pressure, and they should be ashamed of themselves.

Ms. Mitchell: Mr. Speaker, I wonder whether my hon. colleague is not being a little too harsh on the poor Conservative Members! I mean, there they sit over there. There were 210 of them, and now there are 208, 207, 206, and their numbers are going down every day. All they have is a little over 200 Members. The poor Tories, they cannot even get their own legislation through. They can barely get it through this House. Thirty or so of us over here certainly stand up to them very well on that score. They cannot get it through the other place. The Bill is bouncing back and forth like a yo-yo. Maybe the Hon. Member is being a little too harsh on the poor Tories. After all, obviously they do not have what it takes to govern.

I would like him to turn his wit and wisdom of which he has a considerable supply toward the Liberal Party. Does he not think it passing strange that on *Canada AM* this morning we watched a debate between a former Minister of Consumer and Corporate Affairs, Judy Erola, a person he knows fairly well, speaking out strongly for pharmaceutical companies, and the spokesperson for the present Liberal caucus sitting beside her and speaking in the opposite direction? As I said earlier, I certainly agreed with what he said. Then this Bill popped over to the Senate and was dealt with by Liberal Senators who take control of everything, yet the Leader of the Liberal Party in the House certainly does not seem to want to have anything to do with it. What does he think of the positions of the Liberal Party and of its former Minister?

Mr. Deputy Speaker: I should like to remind the Hon. Member, who I know is very eloquent, that there is only one minute remaining in the question and comment period.

Mr. Rodriguez: Mr. Speaker, how can I deal with that subject in a minute? However, I will try. I, too, watched the Punch and Judy show this morning. It really boggled the mind, to say the least.

My hon. colleague referred to the poor Tories and their bumbling and stumbling on the Bill, how they cannot get it through this place, and how they have difficulty, when they finally get it through this place, to get it through the other place. What really bothers me—and I know it bothers many Canadians across the country—is that that gang is out of its cage and is off negotiating free trade agreements.

Ms. Mitchell: It scares you, doesn't it?

• (1900)

Mr. Rodriguez: It scared the devil out of me. It could make a saint out of me. I want to tell you, Mr. Speaker, it really could. Whatever devil I had in me, that scared it right away.

In relation to my colleagues to my right, I want to tell you that I can feel for them. I feel how embarrassed they must be. I really do. I could imagine my own caucus. But we have to understand that the same person, the former Minister of Consumer and Corporate Affairs, has now taken a position on the board of directors of Inco. It is all part of the pattern. I feel hurt as they feel hurt by the whole process. They have people from their own ranks, Ministers, and one of the most powerful Ministers in the Trudeau Government has now taken a position as a lobbyist at $100,000 a year and here we have Liberals screaming for lobbyist legislation. It seems to me that they must feel very hurt. Here are the Liberals fighting this Bill for consumers and here is a former Minister beating them over the head with a stick trying to get them to get in line, organizing a demonstration outside of their conference in Montreal to embarrass their present leader. I feel hurt for them. It is an embarrassing situation. It is a sensitive issue for them. The Premier of Quebec is demanding that they get the Bill. This is hurtful. I understand how they feel. I want to commiserate with them and offer them my sympathy.

[*Translation*]

Mr. Deputy Speaker: Debate. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, it gives me pleasure to speak about such an important Bill and especially to speak after the Hon. Member for Nickel Belt (Mr. Rodriguez). First, if we look at the substance of the amendments and of Bill C-22 itself, I believe that it is very important to note that the Conservative Government unfortunately could not care less about consumers as far as this issue is concerned. As for the previous Government, it had asked a committee of experts to determine what was the best way to protect consumers, promote research and create jobs. The

Eastman report said, and this was always the position of the Liberal Party, that with a minimum protection of four years, multinationals could create jobs, consumers could be protected and the companies would not go bankrupt.

Unfortunately, the Conservative Government has given in to the blackmail of the multinationals. Instead of suggesting a middle ground position and of telling the various groups concerned that the legislation introduced would provide protection for five years, after which there would be an evaluation, and if this period did not prove sufficient, the matter could be discussed further at that time, the Government decided to act unilaterally to provide what I consider an unacceptable for ten-year protection period which will increase the prices of new products.

In fact, because the Government was so sure there would be an increase in the price of drugs, it included a provision in the Bill for compensating the provincial governments, because when people get welfare or senior citizens use their drug card in Quebec and other provinces, the increased costs will be paid by the provinces. That is why the Government includes in its own Bill the sum of $25 million annually for the next four years, or a total of $100 million to compensate for these increases.

Unfortunately, the Conservative Government forgets that four million Canadians happen to be workers who do not benefit under programs like private insurance or insurance for senior citizens or people on welfare. They have no insurance whereby drug costs are absorbed by a government or by a private company.

Four million Canadians are ignored in this Bill, and it is their cause the Official Opposition is defending.

The Government says there is no cause for alarm. The Minister of Consumer and Corporate Affairs (Mr. Andre), who sounds more like the Minister of Corporate Affairs, because he never defends the consumer, says there is no cause for alarm, since most people are insured. Most workers do have insurance. However, insurance costs will go up, workers will have to pay higher premiums and their purchasing power will go down.

Mr. Speaker, I repeat that as far as the substance of the Bill is concerned, the Conservatives are making a terrible mistake, for the simple reason that first of all, we have four million Canadians who will be affected, and these four million people have no insurance coverage whatsoever in any of the ridings of Hon. Members present, and they are going to remember this.

As for those who pay insurance premiums, insurance companies will automatically increase their premiums because of the increased price of drugs, and here again, every one of our constituents will be penalized by this legislation.

Mr. Speaker, as far as the strategy is concerned, this is the nth time the Bill has been returned to the House as a result of a decision by Members of the other place. My position is very clear: the House of Commons has priority over the Senate. Elected Members have priority over the Senate, Mr. Speaker, and today I dare hope we are sending this Bill back to them for the last time. The Government has been trying to go for broke with this Bill, the population may decide to turf it out at the next elections, but they cannot get rid of the Senate because senators are appointed for life.

My position is clear and I even introduced a motion to be honest—for one has to be honest in the House—a Private Member's motion to limit the power of the Senate after the first time the House of Commons has sent a legislative measure back to the Senate. Should the senators then decide—I respect these people, they are paid to do a job—to send the Bill back with amendments, but if the House of Commons wants to keep it unchanged or rejects all amendments, when the Bill is sent back to the Senate for a second time, automatically after 60 days the Bill would be deemed to have been passed; it would be the same thing with respect to constitutional amendments, but the time limit would be longer.

Mr. Speaker, one has to be intellectually honest. The problem with this infighting is that nobody is standing up to protect the consumers, nobody even does anything at all to promote research. Sadly, because of the Government, because of the Prime Minister (Mr. Mulroney) and what I consider his not particularly honest way to lead the debate, it has become a debate between the House of Commons, the Prime Minister, the Minister of Corporate affairs, and the Senate.

Mr. Speaker, the Prime Minister blames the Senate, but if he were honest he would stop appointing senators. Not only would he stop making Senate appointments, but he would not pick a senator to act as Minister responsible for federal-provincial relations. We heard the Prime Minister make the kind of remarks which are an insult to members of the Senate, yet in the same breath, hypocritically, he appointed a member of the other place to sit in his Cabinet. There are two reasons for this, I might point out to my Conservative colleagues: Get mad, you are not competent enough, and he has to pick someone from the other place which he hates. This sort of attitude, this hypocrisy I do not accept, Mr. Speaker, and if the Prime Minister is so anxious to have his Bill, he should accept the motion—he should assume his responsabilities and curtail the Senate's powers, as I said.

Mr. Speaker, there are also my friends and colleagues from the NDP. I was here earlier listening with great interest while the Hon. Member for Nickel—Belt (Mr. Rodriguez) was doing his usual act.

Mr. Speaker, this may be amusing, he is quite funny—the Quebec comedian "Tit-Zoune" used to do that, but he was paid to make people laugh. Here, earlier, the Hon. Member for Nickel Belt had people laughing, but he forgot that what we were defending were human beings. The debate was most important, it defended the poor people of Canada, and when I heard the Hon. Member rightfully blame the Prime Minister, when the Prime Minister says he is against the House of Commons, against the Senate, and he listed all those party

hacks who were appointed by this Conservative Prime Minister, up to that point I agreed with the Hon. Member for Nickel Belt when he blamed the Prime Minister's attitude of being against the Senate but appointing people—

But I found his behaviour and his judgment to be unacceptable at the end, when he, when his own Party suggested that the Senate be definitely scrapped. Until then, I respected his views. Until then I agreed with him. But when it comes to blaming the Prime Minister for blaming the other House while using that other House, he ends up asking the Senate to block the Bill once again.

Mr. Speaker, his act was funny. But actually what is unacceptable, is his way of blaming the Prime Minister. He makes the same error as the Prime Minister. He is against the Senate. He blames senators for not being elected. Those people should not prevail over us, but he ends up suggesting: I am against you. Your being there is pointless, but please, block the Bill, send it back to us.

Mr. Speaker, the NDP's behaviour is understandable. First, with this Bill, it must be said that the very large majority of interested parties in Quebec, including myself and the overwhelming majority of my colleagues from the Liberal caucus of Quebec MPs, support patent protection, job creation. Mr. Bourassa is not going to the extreme of asking for a ten-year period to exploit the customer. Ti-Louis Laberge is not exactly hand in glove with the multinationals; Gérald Larose, Mayor Jean Doré, the *Fédération de l'Âge d'Or* du Québec are all asking for a minimum of protection, nothing excessive, for these patents, while the NDP is flatly opposed to what Quebecers want.

Last year, before Christmas, the Leader of the NDP was delighted to welcome the turncoat from Terrebonne—who was disenchanted with the Conservative Party—into the New Democratic fold. When the Leader of the NDP (Mr. Broadbent) saw a Quebecer crossing the floor, he felt that was the best Christmas present of all. Ten months after the first time a Member elected by the people of Quebec, a francophone Member, agreed to try and become a Member of the NDP, ten months later that same person had to leave the Party simply because there is no room for Francophones in the NDP.

The NDP does not understand the distinct nature of Quebecers. There is no understanding of Bill 101 and all the important issues so dear to Quebecers. The NDP cannot understand because of their attitude that everybody is the same, everybody is equal. They do not aggrandize people. They cut them down to size.

Mr. Speaker, this Bill has brought out the positions of three parties and their lack of understanding. The Conservative Party's attitude to Bill C-22 is a traditional one, in keeping with the Prime Minister's style. He caved in to the multinationals as he did on the banks and so many other issues. Whenever someone waves a fat billfold, Brian cannot resist. He is utterly spineless and he caves in. That is what happened. The multinationals said they wanted ten years. If they had said fifteen, he would have given them fifteen.

On the other hand, all the groups involved in Quebec and first of all the unions—it seems to me the NDP was living off the dues I paid to the FTQ, the union dues of Quebec workers who are paying part of the NDP's way. I would have thought . . . People like Louis Laberge and Gérald Larose were all unanimous at the Economic Summit in Montreal. Yet, in Quebec City, the Quebec Liberal Party and the Parti québécois are still not on the best of terms!

• (1910)

[*English*]

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I would like to point out that there is not a quorum in the House. I would like to call for quorum.

Mr. Deputy Speaker: We may proceed. The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) has the floor.

[*Translation*]

Mr. Malépart: Mr. Speaker, I am glad that the Hon. Member has asked to check whether there is a quorum. This shows . . . Look at the Conservatives coming back. This shows the little interest these people have in this Bill which they are supposedly determined to have adopted, Mr. Speaker. I can understand that there is a free lunch on the other side and that those people will be there every time they can get something free, but to come back to this bill and to the behaviour of the NDP, I must say that they have shown no understanding as far as this issue is concerned. That party is now trying to please the Quebec population by hiding its true behaviour and attitude. I am proud that they voted for the distinct character of Quebec, but as the Hon. Member for Terrebonne (Mr. Toupin) himself said, we have to look at what it does in practice, and Bill C-22 would have given the NDP Members and their Leader an opportunity to show Quebecers that they had understood what the distinct character of Quebec meant and what we want that is different from the other provinces. There could have been a different approach. We can argue about whether the protection period should be four, five, six or seven years, but the NDP showed no understanding for the views of Quebecers as concerns pharmaceutical patents.

Their reaction is typical of people from Ontario: clean, square and cold. The NDP Members, including their leader, consulted with the local union representatives in Ontario and decided: If it is good enough for Ontario, it is good enough for Canada as a whole. If it is bad for Ontario, it is bad for Canada as a whole. Such is the NDP position, including being against Quebec.

Mr. Speaker, I would have liked the Minister of Consumer and Corporate Affairs (Mr. Andre) to show more wisdom and remain above the fray between the House of Commons and the Senate. I believe the Senators have proposed very good amendments, and even if I can hardly accept the fact that the

Senate could scuttle the Bill anytime, I think they should be commended for their dedication and excellent job. I think that the amendments which they are proposing to this Tory Government—for what reason? Everybody is saying: We want to protect Canadian consumers. The Government should say so in so many words in the legislation, to make sure that consumers will be protected and that the multinationals will not abuse the situation. Government Members will have to come clean in their own riding and answer the question: Why did you not support this or that amendment to the Bill?

Contrary to the NDP, the Liberal Party is saying: We want to make sure that there will be jobs in the Montreal area and in other areas. That is what we want and that is what the Senators are asking: Put this down in writing, right into the Bill.

Mr. Speaker, all Conservative Members, including Quebecers and others, but particularly those of Quebec, will have to come up with an answer. Why did you not want to guarantee this provision in the Bill, why did you not include this provision in the Bill? Considering the attitude of the Minister of Consumer and Corporate Affairs (Mr. Andre) yesterday when he tabled amendments in English only, I am not surprised that he could not care less about protecting Quebec consumers.

Finally, I dare hope—and this is my position, Mr. Speaker—that the Bill will be sent back to the Senate. The Government wanted to forge ahead, the Government wanted to stick to its position. Hopefully the senators will let it go through as passed by the House, despite the fact that I will vote against Bill C-22, despite the fact that my Party is against this measure.

With respect to democracy I think it is important that the House should always have priority over the non-elected. Mr. Speaker, I hope that in two or three years, if ever we realize that consumers have to pay high prices—this mistake—costs, consequences, then we will be able to blame the Government and the Senate for working at loggerheads instead of trying to find effective means to protect consumers and jobs.

Mrs. Bertrand: Mr. Speaker, I usually listen when the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) speaks because I know that he always speaks his mind. However, I never saw him skating around as much as he did this evening. It is true that the hockey season has started, but the Hon. Member certainly skated around this evening.

His speech was in three parts. He closed by accusing the New Democratic Party of just about everything. What I find surprising is that, most of the time, the Liberal Party votes with the New Democratic Party in this House.

Second, he blamed the Senate for its position. Another thing which surprises me is that I read in last week's newspapers that, according to the leader of the Quebec Liberal caucus, the whole federal caucus is behind the Senate. It made the headlines of the newspapers. I did not believe my own eyes. Perhaps the Hon. Member is being frank, but I still do not understand his attitude. He is skating around the issue.

Finally, I would like to ask him a question since, as a Quebecer, he is aware that Quebec would receive nearly 45 per cent of all the benefits of this bill because of investments and jobs created, especially for our young people, and as a Quebecer, he knows that all the parties in the National Assembly asked unanimously on two occasions that this Bill be approved, as has the *Fédération de l'âge d'or*. In fact, I have heard no one in Quebec object to this Bill; even the man in the street, who should find such a technical and complex Bill difficult to understand, is asking: What is happening in Ottawa and why is the Senate blocking this Bill? Can the Hon. Member, who is a Quebecer and who knows that nearly everyone in Quebec, which is the province I know best, fervently wishes that this Bill be adopted, justify the fact that he will vote against it?

Mr. Malépart: Mr. Speaker, it is simply because the Hon. Member and I do not meet the same kind of people. The House will recall that the Hon. Member, who just commented on the issue of old age security pensions, stated that a government was under no obligation to keep its promises and could renege at any time.

She started by saying that I was frank and forthright but was skating on thin ice. Since I am against the Liberal Senate, she said that I was forthright. I will try to put all this into perspective for the Hon. Member. First of all, one can be either for or against a Bill, even if Quebecers are in favour. The people of Quebec do not want the money to go to the multinationals. They want a minimum of protection. Second, I have every right to be against this Bill and even to object to the behaviour of the Senate because its Members are not elected. I think that is my privilege. If my lieutenant in the caucus wanted to say what he said, it is up to him to answer the question. As I said before, I have a motion on the Order Paper asking for limitations on the power of the Senate ... maybe the Hon. Member has not been following this issue very closely.

Even when she says—I mentioned that there were people in Quebec who were in favour. However, to be perfectly honest, and I think intellectual honesty is very important here, we have the FADOQ which is in favour, and the AQDR which is opposed. We should not give the impression, and if I did I would be imitating the rhetoric of the Hon. Member for Nickel Belt, we must not give the impression that all Quebecers are in favour. Just because the Leader of the PQ and the Leader of the Liberal Party are in favour does not mean everybody else is as well.

In the world outside and here in the House, and perhaps this could enhance the quality of the House, the vast majority of Quebecers are in favour of some kind of protection. People do not make a distinction between seven and ten years. They are in favour of protection in order to create jobs, but especially to protect the consumer. To be perfectly honest, there is a group

that is not quite as popular in Quebec, representing associations that are opposed to the Bill, but the vast majority of Quebecers object to the fact that the Senate is obstructing the Bill. That is the difference.

Mr. Rodriguez: Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) said that the NDP does not understand Quebec, that the NDP does not understand that Quebec is a distinct society. Well, I want to point out that it was the three Liberal Members who had proposed that the words "Quebec as a distinct society" be deleted from the motion on the Meech Lake Accord, and ten others voted against the Meech Lake motion.

Some Hon. Members: Yes, against!

• (1920)

[*English*]

I want to ask him this question and I want an honest answer. A little bird has whispered in my ear and told me that there will be only two Liberal speakers on Bill C-22 tonight. He is the second one.

I have also been told by a little bird who whispered in my ear that when this motion goes back to the Senate it will not be opposed anymore.

An Hon. Member: Good news!

Mr. Rodriguez: I want him to confirm or deny what a little bird has whispered in my ear, that there was a high summit meeting of two executives of multinational drug companies, Premier Bourassa, two Liberals from his caucus, a prominent Liberal from the other place, and they have cooked up this deal. That in fact great considerations were made—

Mr. McCurdy: What does that mean?

Mr. Rodriguez: It means that monetary contributions were made to the Liberal Party for them to pack up their bags on opposing this Bill. I want him to confirm or deny that.

[*Translation*]

Mr. Malépart: Mr. Speaker, in answer to the Hon. Member for Nickel Belt, whom I almost called a clown a moment ago because he did not know Tit-Zoune senior in Quebec—but Tit Zoune was good. In answer to the clown from Nickel Belt, the bird that talked to him must have been a liar, a doom and gloom bird. Either the bird is no good or the Hon. Member is hard of hearing. First of all, he said there was only two Liberal Members that have risen.

Some Hon. Members: Tonight.

Mr. Malépart: I am the third one. Either he cannot count—so there you are, that was his first mistake.

Then he asks: What is the Senate? I am telling you—tonight.

Mr. McCurdy: Tonight.

Mr. Malépart: Yes indeed, I am the third one. Mr. Speaker, they cannot count. Mr. Speaker, I am the third Member today to rise on this bill.

As far as the Senate is concerned, I have been honest, I have stated my own position and I dare hope that the Senate, contrary to the hypocrisy shown by the Hon. Member for Nickel Belt (Mr. Rodriguez), will respect the wish expressed by the House of Commons.

Thirdly, in answer to the point raised about those Summit meetings, I am not part of these Summit meetings—

Mr. McCurdy: The Hon. Member has been sold cheap.

Mr. Malépart: Turning now to the money question, Mr. Speaker. When an Hon. Member lacks courage, as the Hon. Member for Nickel Belt has just shown, and attacks a former opponent who is not here to defend herself, when an Hon. Member demonstrates such cowardice and then, when he feels trapped, tries to imagine that the Liberal Party has adopted this position because that would help us get money, that shows how desperate the Hon. Members opposite are. They don't know what to say or what to do anymore. That is sad. I now understand why the Hon. Member for Terrebonne (Mr. Toupin) could not tough it out 11 months as a Member of the New Democratic Party. After ten months only, the Hon. Member for Terrebonne has said: The distinct society in Quebec is not recognized inside the NDP. This is sheer hypocrisy. So let them say clearly that they are against Bill 101 in Quebec.

I will conclude on this, Mr. Speaker. We have seen the style shown by the Hon. Member for Nickel Belt. That is sad but I dare hope that other Hon. Members in this House will think more about consumers when considering this Bill.

• (1930)

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, the revelation just disclosed by the Hon. Member for Nickel Belt (Mr. Rodriguez) is quite shocking indeed. However, it is not surprising because the same type of thing happened prior to June of last year and was well documented in the magazine *This Magazine*. There was a complete story in *This Magazine* about the history of Bill C-22 and the development of policy for it.

As I recall, that article outlined how the pharmaceutical industry, particularly the multinational organizations, had launched intensive lobbies over the years, primarily with Ministers in Liberal Governments. That pressure caused the previous Liberal Government, the members of which are now at least making token protestations to Bill C-22, to formulate a policy that actually mirrored what the present Government intends to do. All indications from the past tell us that the

Liberal Party was about to do much the same thing as the Conservative Party is doing today.

I do not usually find myself referring to the Minister of Consumer and Corporate Affairs (Mr. Andre), but on many occasions when he has answered questions in this House about why the Government brought this policy forward he referred to discussion papers of the previous Liberal Cabinet which mirror the policy before us today.

The authors of the exposé in *This Magazine* of the multinational drug companies' involvement in this policy-making process told the story of what took place behind the curtain behind your chair, Mr. Speaker, between the then Minister of Consumer and Corporate Affairs and the then critic on health policy for the Liberal Party who was also very much involved with the contents of Bill C-22.

The agreement that was arrived at behind your chair was that the Government should proceed with this policy. They recognized that if the policy was enacted the only people in the House of Commons who would squawk, if I remember the term properly, would be the members of the NDP. On that basis those two colluded to bring this policy forward which the Liberal Party has now been opposing, at least until today.

If the circumstances described by my colleague are indeed correct, I can only describe that as shameful. The Liberal Party is showing its true colours once again. It is equally as much in the pocket of the multinational drug companies as are those it criticizes today. Members of the Liberal Party have been running around the country for the last 18 months criticizing this policy, fooling Canadian people into believing that somehow or other the Liberal Party would be their saviour in defeating this policy. They have turned round, done a flip-flop, and caved in for very questionable reasons.

In fact, the Hon. Member from the Liberal Party who spoke a few minutes ago spoke about the Government's intellectual dishonesty in proceeding with Bill C-22 when it knows it is not in the best interest of Canadians. If the story told by my colleague from Nickel Belt tonight is based on fact I am sure you, Mr. Speaker, will be hearing from us over the next several days on whether the rights and privileges of all Members in this House have been violated by one Party entering into such an agreement with the corporations in the country which are not acting in the best interests of Canadian consumers.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

• (1940)

During the ringing of the bells:

Mr. Deputy Speaker: I have been requested by the Opposition House Leader, on behalf of the Official Opposition Whip, to defer the vote until after Question Period tomorrow.

It being 7.44 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 7.44 p.m.

HOUSE OF COMMONS

Thursday, November 5, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ENVIRONMENT

TABLING OF DOCUMENT ON FEDERAL WATER POLICY

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, on behalf of the Hon. Minister of the Environment (Mr. McMillan), I wish to table in both official languages a document entitled *Federal Water Policy*, a statement of the federal Government's philosophy and goals for the nations freshwater resources and its proposed ways of achieving them.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT ON TWENTY-EIGHTH MEETING OF CANADA-U.S. INTERPARLIAMENTARY GROUP

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present, in both official languages, the final report of the official parliamentary delegation of the Canadian section of the Canada-U.S. parliamentary group which attended the twenty-eighth annual meeting in Vancouver of the Canada-U.S. Interparliamentary Group from June 4 to June 8, 1987.

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

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF FORTHIETH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the fortieth report of the Striking Committee.

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

* * *

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-89, an Act to amend the Criminal Code (victims of crime).

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

Some Hon. Members: Agreed.

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

* * *

• (1110)

BUSINESS OF THE HOUSE

DISPOSITION OF BILL C-22

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, there have been discussions with the House Leaders and I think you will find that there is agreement that the following motion be proposed having to do with the vote on Bill C-22 later this day:

> That the deferred division on the motion of the Minister of Consumer and Corporate Affairs respecting the Senate amendments made to Bill C-22, an Act to amend the Patent Act and provide for certain matters thereto, be taken at 3.30 o'clock p.m. this day.

Mr. Speaker: Does the Hon. Deputy Prime Minister (Mr. Mazankowski) have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

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

Mr. Gauthier: Mr. Speaker, I would like to make a comment so that this does not repeat itself. I was not able to be here at the appointed time last night to ask you to defer the vote until today. I had another engagement and was out of the House, but the House Leader of my Party went to the Speaker at that time.

I believe the Speaker then has, according to my interpretation of Standing Order 13(4)(a), the authority to decide what time the vote will be taken. Most of us presumed that the vote would be at three o'clock but it is being changed to 3.30, and I do not have any trouble with that, but I take it that the Speaker still has the authority to decide when a vote will be taken when that vote has been deferred. I want that made clear.

Mr. Speaker: I will consider the matter the Hon. Member has raised. I think I have the answer, but in view of the fact that it has been raised, I will look into it and return to the Hon. Member. In the meantime, I take it the Hon. Member is in agreement.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

REQUEST FOR BROADCASTING OF WINTER OLYMPICS ACROSS CANADA IN THE FRENCH LANGUAGE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have the honour and privilege to present to the House a petition signed by a great number of constituents who all express dissatisfaction over the fact that French television broadcasts of the Calgary Winter Olympic Games will not be available to a great many residents of rural areas in Canada. All your petitioners humbly call upon Parliament and urge the Government to respect its commitments towards the linguistic minority by making it possible for Radio-Canada to broadcast the Winter Olympic Games.

[*English*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to table a petition signed by the required number of people. The petitioners state that, whereas close to one million Francophones residing outside Quebec will not be able to watch French television broadcasts of the Calgary Winter Olympics, the CRTC compromise under which French television signals would be made available to cable companies is unacceptable because not all Francophone communities outside Quebec have cable service, whereas French-speaking Canadians will pay their share of the $200 million earmarked by the Conservative Government for the Calgary Winter Olympic Games. Wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to urge the Government to respect the commitment to Canada's linguistic minorities by providing all communities from coast to coast with the possibility of watching in both official languages broadcasts of this international event, the 1988 Winter Olympic Games.

[*Translation*]

OPPOSITION TO TAX ON FOOD

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I wish to present another petition which meets the requirements of the provisions of Standing Order 106.

Whereas the federal Government has imposed 25 new taxes or tax increases on Canadian taxpayers since September 1984, in particular on medical and dental supplies, snack foods, candy and soft drinks;

Whereas the federal Government in its tax reform proposal is studying the possibility of imposing on Canadians a general tax on goods and services, including food;

Whereas food constitutes a vital element in day-to-day life and the imposition of this tax would have the effect of seriously penalizing various categories of taxpayers such as the elderly, families, the unemployed, low and middle income taxpayers, and youth;

Wherefore your petitioners humbly call upon Parliament to reject all measures that would have the effect of imposing a sales tax on food products.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, may I ask that all questions on the Order Paper be allowed to stand.

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

Some Hon. Members: Agreed.

PRIVILEGE

AVAILABILITY TO ALL MEMBERS OF STUDY ON FISHING VESSEL SAFETY

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, with respect to the alleged question of privilege raised yesterday by the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), I wish to advise you and all Hon. Members as follows:

First, every Member of this House, on November 3 at about 1 p.m., received a press release outlining the key elements of the fishing vessel safety report prepared by the Canadian Coast Guard. This package included the release and executive summary plus the 41 recommendations.

Second, the report itself was of course available to all Hon. Members in the mail room and also in the distribution centre.

Third, the Official Opposition transport critics plus certain government and opposition Members, received the above package plus three additional pages with information concerning the purpose of the study, background information and the implementation strategy.

Therefore, it is clear that the Minister gave a release to all Hon. Members and a bit more information in detail to certain Hon. Members in all three Parties. No favouritism was shown at all to government Members, and I submit that the privileges of the Hon. Member Cowichan—Malahat—The Islands were not violated. I therefore trust that he will rise and withdraw his statement that the Minister of Transport (Mr. Crosbie) is playing cheap partisan politics with the safety of fishermen.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Hon. Parliamentary Secretary pointed out that these materials were circulated on November 3. I have a letter here dated November 2 and it is addressed to Progressive Conservative Members of Parliament with ridings affected by marine transportation policy. Included with the letter was a briefing book from the Canadian Coast Guard.

To the best of my knowledge, I have not yet received a copy of this package, which is from the Coast Guard and which is presumably designed to help Members who live in ridings affected by this new policy have a better understanding of what is involved. I submit that the situation remains as I laid it before you yesterday. The Minister of Transport (Mr. Crosbie) has been playing favouritism on an issue of vital importance to all Members with fishing communities or people involved in the industry in their constituency.

• (1120)

Mr. Thacker: Mr. Speaker, I would be happy to arrange for my friend, or any other Member, to receive the bit of additional information that was provided to the NDP critic, the Liberal critic, as well as another NDP Member. If they simply let us know, we will provide them with the extra 11 pages, I think it is, of information.

Nonetheless, the Hon. Member seems to be shifting his ground to alleging the Minister of Transport is showing favouritism. I reject that as well, and the Hon. Member should rise and withdraw his original statement about cheap partisan politics. No Minister of Transport is ever going to play cheap partisan politics with the safety and lives of fishermen.

Mr. Speaker: I am not at all sure that anything is advanced by hearing more argument as to the facts. I have the point of the Hon. Member and will consider it. He has been invited to rise. Whether he wishes to respond to what the Hon. Parliamentary Secretary has said, I am not sure, but I will certainly hear him.

Mr. Manly: Just for your information, Mr. Speaker, the additional material is not two or three pages. It is 18 pages in the Coast Guard study information kit on fishing vessel safety for Members of Parliament. This is the material that was included with the letter.

Mr. Speaker: Perhaps the Hon. Parliamentary Secretary can help me. As I understand it, the information attached to the letter dated November 2 which went to some Progressive Conservative Members of Parliament was at the same time sent to critics of the other two Parties. Am I correct in that?

Mr. Thacker: Yes, Mr. Speaker. While the letter was dated November 2, it was not sent until November 3, after the date on which it was available to all other Members of Parliament.

Mr. Speaker: It think the Chair can settle this. There is apparent concern on the part of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) that perhaps the Minister had been favouring one side of the House over the other by sending out some material that did not go to every other Member. It would seem to me that it may not have gone to every other Member, and it does seem to have been delivered not on November 2 but on November 3. The word of the Parliamentary Secretary must be accepted and it seems that the information was given to all Parties although perhaps not to every Member at the same time.

In any event, the Hon. Member for Cowichan—Malahat—The Islands indicated, if I heard him correctly, that perhaps the Hon. Minister of Transport was somehow in this particular exercise doing something that was not in the interests of fishermen and other people travelling across the waters of the West Coast. I do not think it is appropriate for the Chair to comment on that one way or the other. That may be the Hon. Member's opinion. However, most certainly, under the circumstances, what we have here is an argument over distribution of some information.

With the greatest respect, the Chair cannot see how the Hon. Member's privileges, in the sense of his capacity to carry on as a Member of Parliament, have been in any way impaired. Therefore, I have to say with respect to the Hon. Member that I find it is not a question of privilege.

Point of Order—Mr. Nickerson

POINT OF ORDER

ALLEGED UNPARLIAMENTARY LANGUAGE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, last night a rather unfortunate occurrence arose when one Hon. Member of this House accused another Hon. Member of being treasonous. I refer you to page 10750 of *Hansard*. The Hon. Member for Nickel Belt (Mr. Rodriguez) is quoted as having said:

> However, I want to say that what I have been reading is tantamount to treason coming from the Minister of Consumer and Corporate Affairs (Mr. Andre) when he speaks about the crustaceous denizens of the other place. It is tantamount to treason.

Immediately after that was said I rose and brought it to the attention of the Deputy Speaker who was in the Chair at the time. Unfortunately, his attention had not been particularly focused when the words were uttered and the matter was allowed to slide.

I would refer Your Honour to other occasions when this has been found to be unparliamentary terminology. That was the case on November 19, 1957, as shown at page 1248 of *Hansard*, and also on July 14, 1959, as shown at page 6015 of *Hansard*.

I wonder if it might be possible for you, Sir, to review *Hansard*, the transactions of last evening, and make a determination of whether or not what was said was unparliamentary. If it is found to be unparliamentary, then I ask that you request the Hon. Member for Nickel Belt to withdraw those remarks.

Mr. Speaker: The Hon. Member for Western Arctic (Mr. Nickerson) has asked the Chair to consider *Hansard* and the words expressed and the context in which they were expressed. I most certainly will do so and report back to the House at an appropriate moment.

* * *

[*Translation*]

PRIVILEGE

ELECTION OF CHAIRMAN TO LABOUR, EMPLOYMENT AND IMMIGRATION COMMITTEE—MEMBER FOR LASALLE—MOTION FOR REFERENCE TO ELECTIONS, PRIVILEGES AND PROCEDURE COMMITTEE

Mr. Claude Lanthier (LaSalle): Mr. Speaker, I rise in the House today to respond to two questions of privilege.

[*English*]

I think two questions of privilege were raised concerning the Chairman of the Standing Committee on Labour, Employment and Immigration. I would like to answer both those matters. Would you like me to start with the question of privilege of the Hon. Member for Nickel Belt (Mr. Rodriguez), or the one put forward by the Hon. Member for La Prairie (Mr. Jourdenais)? Both of them were raised at quarter past three which seems to be designated now as "let's hit Lanthier time." Which one would you like me to raise first?

Mr. Speaker: I think out of an early morning generosity of spirit, I can indicate to the Hon. Member that the choice is his.

[*Translation*]

Mr. Lanthier: Mr. Speaker, I will deal with the more recent of the two before dealing with the question raised last week.

Mr. Speaker, regarding the question of privilege raised by the Hon. Member for La Prairie (Mr. Jourdenais) last Tuesday, when I was temporarily absent from the House because of a previous engagement in the beautiful riding of LaSalle—which I could have postponed, by the way, if the elementary parliamentary courtesies had been observed and I had been given as little less as one half-hour's notice—I feel it is my duty to set the record straight and refute some very frivolous allegations that were made in an unfortunate debate the principal party concerned was unable to attend because he had not been asked or even been advised that it would take place.

On October 6, at a regular weekly meeting at the Department of Public Works attended by the Minister, the Deputy Minister, the Chief of Staff and senior officials concerned by the meeting's agenda, I said goodbye to all these people after announcing my resignation as parliamentary secretary.

The same morning, when I got back to my office, I dictated a short letter of resignation and asked my senior assistant to get in touch with the Prime Minister's Office to explain my decision, in line with the approach suggested by my colleagues for seeking the candidacy for the position of Chairman of the Standing Committee of the House of Commons on Labour, Employment and Immigration.

On the 7th, I signed my letter to the Prime Minister's Office and received an acknowledgment a few days later. In any case, copies were sent here immediately by one of my assistants while another assistant phoned the debate through so I could listen on my car phone on my way to Montreal.

In the course of this debate it was also alleged I was being paid as a parliamentary secretary even after my election as chairman of a standing committee of the House of Commons. There is really no problem here, Mr. Speaker. The appropriate adjustments will be made as soon as our payroll system has been advised of the status changes affecting my salary, if that has not already been done. There is certainly nothing out of the ordinary about all this. I would also like to make it clear that my business and personal assets as well as my wife's assets were still in a blind trust, as a cautionary measure. My paychecks and various allowances are regularly deposited to my wife's bank account by my assistant, in complete confidence, after a cursory check by me.

It has already been proven that these questionable allegations simply do not hold water, and in any case, it is a well-known fact that the Department for which I worked very hard as a parliamentary secretary does not report in any way to the Standing Committee on Labour, Employment and Immigration, which is exclusively concerned with the Department of Employment and Immigration, the Ministry of State (Immigration), the Department of Labour and the Ministry of State (Youth). So even if I had remained parliamentary secretary, I would still be eligible to be elected as chairman of any committee other than the committee dealing with my Department.

As for the gratuitous allegations of lying that were made—all in vain, I can assure you—I do not intend to even consider them at this time.

• (1130)

[*English*]

Mr. Speaker: I wonder if the Hon. Member would withdraw the word "lies". There may be things that were incorrect and things that are absolutely wrong, but I know the Hon. Member would not want to suggest, no matter how wrong or incorrect he may think someone else has been, that they would deliberately lie. I would ask the Hon. Member to set that straight on the record, to withdraw that particular word, and carry on with his explanation, which is very helpful to the Chair.

Mr. Lanthier: Mr. Speaker, I will withdraw if you understood that I was accusing the other Party of lying. However, what I am saying is that I was accused of lying. I will not comment on that.

Mr. Speaker: I may have misunderstood the Hon. Member and I apologize for that.

[*Translation*]

Mr. Lanthier: What I am saying, Mr. Speaker, is not that my honorable friend has lied, but that he has suggested that I had lied and would not respond to his charges.

Since I feel, as do many other Members of this stately Chamber, that these charges were laid in the heat of an argument on the futility of a childish, if not underhanded or malicious revenge; since the new and complicated business transacted by our important standing committee is obstructed by such futile procedures; since the very substance of the basic principles of the parliamentary reform was strictly adhered to; since the independence of a standing committee must be ensured; since the complete description of the true facts have been presented; and since more of the privileges of any Member of this dignified Chamber has been abused, even indirectly, I respectfully urge you, Mr. Speaker, to rule on this question of privilege at your earliest convenience, in order to restore within the very important Standing Committee on Labour, Employment and Immigration, a true climate of healthy co-operation between all its dedicated and very competent members.

Now, Mr. Speaker, I should like to respond to the question of privilege raised by the Hon. Member for Nickel Belt (Mr. Rodriguez).

Following my election as Chairman of the Standing Committee on Labour, Employment and Immigration, Mr. Speaker, the committee was immediately asked to consider an important proposal concerning the unreliability of a member of our research team. It was therefore moved and debated that this member of our research team, who is an outside consultant under contract, be fired on the spot.

Following debate, the question on this motion having been put, five Members voted for and five against. As Chairman of the Committee, I refused to cast the deciding vote, because I felt I was not as fully informed as I should to assume the responsibility of this major decision.

Mr. Speaker, one of the main points being discussed was this: Some Members claimed that a researcher should be at the service of the committee in general through its Chairman, while others felt that a researcher under contract could just as well help individual Members carry on their own personal investigation.

Since these two factions of my beloved committee expressed diametrically opposed views, after protracted debate on the question and as committee chairman seeking to achieve a consensus I suggested that an outside consultant be hired to undertake a full inquiry into this matter and submit a report to the committee before year's end. While waiting for the consultant's report, and with a view to respecting as much as possible the rights of all committee members, I also asked that the services of the researcher remain available to individual committee members, after request to, consultation with and approval by the committee chairman.

Unfortunately I was unable to obtain such consensus on this solution which I deemed reasonable, all the more so since it was provisional, temporary and basically respectful of all rights and privileges of members acting in good faith. But a vote was then held on this resolution incorporating the basic points of my consensus proposal; the result was five for and five against, so I exercised my right to cast a vote.

That, Mr. Speaker, was the thrust of the proposal.

[*English*]

Mr. Warren Allmand moved:

That the Chairman be given the option to engage a consultant, to assist in the evaluation of the Committee's research needs and to report to the Committee by December 31, 1987.

[*Translation*]

And then there was another proposal:

[*English*]

Mr. Andrew Witer moved:

That during the course of the evaluation of the Committee's researchers and research needs, no member of the Committee engage any of the researchers without the consent of the Chairman.

[*Translation*]

Mr. Speaker, I think there are two very important facts arising from these events which should be considered in reaching your decision. First of all, the Hon. Member who raised the question of privilege in the House had agreed to this half-a-loaf solution when a consensus was sought. Furthermore, since that time, nearly a month ago, although meanwhile a steering committee has been appointed, two deputy chairmen have been elected, the committee has been sitting regularly twice a week to deal with the complex and important matters submitted for consideration, I have received no request, either verbally or in writing, for retaining the services of a researcher on an individual basis.

Since then, a consultant was hired by the committee. I am referring to Mr. Jos Maingot of the Law Reform Commission, a former member of the legal team of the Speaker of the House of Commons. This consultant, whose integrity, competence and experience were immediately recognized by all members of our committee, is now working with the chairman and the clerk of the committee in order to hasten the results of this investigation to meet an even tighter deadline.

Mr. Speaker, far be it from me to breach the rights and privileges of a committee member or any Member of this House. I therefore respectfully seek your decision on this matter, and I assure you of my unqualified respect for the elementary principles of natural justice. I am not a lawyer but merely an engineer who wants to be reasonable and find ways to settle differences and reach a consensus among all members of my committee.

Mr. Speaker, this morning, since two questions of privilege were before the House, we decided to cancel the committee's regular meeting until you reached a decision. Without wishing to hurry the Chair, we would appreciate it very much if you would give us your decision on these two questions as soon as possible.

• (1140)

[*English*]

Mr. Boudria: Mr. Speaker, I rise on a point of order. I will not take any time to speak on the second point that was raised because I think other Members who were present at the meeting are far more able to do that.

However, in relation to the first point, I would ask you to review *Hansard* or the "blues" later. I believe you will note there that the Member in question alleged that another Member raised a question of privilege, the motivation for which he attributed to vengeance. I think that such a reference is definitely against the rules of the House. One cannot attribute such motives to another Member whether it is in debate, in reference to a question of privilege, or anything else.

I would ask you to review that. While I am not the Member who was attacked by that statement, I feel that all parliamentarians are affected if that kind of remark is allowed to be made without being responded to.

Mr. Speaker: I have the Hon. Member's point and I will consider it. I might point out that this ought to be a procedural argument, and comments are sometimes made in these arguments which go beyond procedural points. They are of very little help to the Chair and create other difficulties, because other Members rise and exercise their undoubted right to comment on them. If they are out of order, it just gives the Chair another matter to deal with.

However, I am very conscious of the strong feelings that have been exercised in this matter. It would be helpful to the Chair that any comments that Hon. Members make in assistance to the Chair in this matter be kept on the procedural points.

The Hon. Member for Nickel Belt (Mr. Rodriguez) has been able to join us. He may not have been able to hear all of the intervention of the Hon. Member for LaSalle (Mr. Lanthier).

Out of courtesy to the Hon. Member for Nickel Belt (Mr. Rodriguez), he may want to consider the remarks in *Hansard* before making any further comment. If that would be of assistance to the Hon. Member for Nickel Belt, I will adjourn this matter for a sufficient time for him to be able to examine the remarks of the Hon. Member for LaSalle.

I would say the same thing to the Hon. Member for La Prairie (Mr. Jourdenais). It might expedite the matter. However, if the Hon. Member for Nickel Belt is seeking the floor, I will hear him briefly at this point.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I do not want to get into a discussion on the question of privilege. However, I must say that I find it passing strange that we were scheduled to have a standing committee meeting at 9.30. We invited witnesses—

Mr. Speaker: I must ask the Hon. Member's co-operation. I understand that the meeting was cancelled. I have seen the notice. A reason has been given. It is not for me to say whether the reason is adequate or inadequate.

However, we have a serious question of privilege before us on which the Hon. Member has spoken. I would ask Hon. Members not to get into something else until we at least have a chance to settle this.

Mr. Rodriguez: Mr. Speaker, I do not want to get into it. But I want to say that I am not prepared now to respond to the points that the Hon. Member for LaSalle (Mr. Lanthier) has made. First, if I had known that it was going to be dealt with at 9.30—and I am sure there are other members from the committee who would have wanted to be here to deal with it—then I would certainly have done so.

I would ask that we put this matter over until all parties who are affected by it can be here. As you know, I have discussed this with you and waited for that, so that we can all be here to have a discussion about the question of privilege.

Mr. Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez), of course, is co-operating with the Chair. I think that would be the appropriate thing to do.

The Hon. Member for LaSalle (Mr. Lanthier) seeks the floor again, but I am wondering if it might not be best if we just adjourned this until other Hon. Members who are interested have an opportunity to examine carefully what the Hon. Member for LaSalle has said.

At this point, I think I will adjourn the matter and bring it back to the House as soon as it is convenient for all those who are involved.

[*Translation*]

I see the Hon. Member for La Prairie (Mr. Jourdenais) has risen from his seat. Perhaps he would consider the Chair's suggestion to adjourn debate on this matter for the time being. I will recognize the Hon. Member for a short comment.

Mr. Jourdenais: Mr. Speaker, actually, I have a question about the suggestion you made just now to get back to this some other time. Is it customary to ask the people involved, the person who raised the question of privilege, to be present when the other person or the Member against whom an attack was made—if we can call it that? I was not aware the question would be raised, and if someone hadn't called me, I would not have know what was going on. Is this normal procedure or is it just how things turned out this morning?

Mr. Speaker: Occasionally, a question of privilege is brought before the Chair without notifying the other parties, but it is, of course more courteous to do so.

In this particular instance, I suggested adjourning the debate for the time being since several Members, including the Hon. Member for La Prairie, were unable to be here to listen to the comments by the Hon. Member for LaSalle (Mr. Lanthier).

[*English*]

Unless the Hon. Member for LaSalle has some helpful comment, I would ask him also to go along with the Chair's wish to adjourn the matter.

[*Translation*]

Mr. Lanthier: Mr. Speaker, regarding the remark made by the Hon. Member for Glengarry—Prescott—Russel (Mr. Boudria), if it will help the Chair to reach a decision, I am willing to withdraw the remarks the Hon. Member found offensive.

And as for lessons in courtesy, I reserve the right to pick and choose my teachers among the Members of this House.

Mr. Speaker: The suggestion by the Hon. Member for LaSalle is probably very sensible, and I thank him for making it.

[*English*]

I am going to exercise the discretion of the Chair and adjourn this matter. I will notify all Hon. Members when it is appropriate to carry on the discussion. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

ANIMAL PEDIGREE ACT

MEASURE TO ENACT

Hon. Harvie Andre (for the Minister of Agriculture) moved that Bill C-67, an Act respecting animal pedigree associations, be read the second time and referred to a legislative committee.

Mr. Fred King (Okanagan—Simikameen): Mr. Speaker, I welcome the opportunity to speak in support of this Bill which will replace the Livestock Pedigree Act with the Animal Pedigree Act, and which carries implications for the Canadian livestock industry which is such an important element in the economy of the constituency of Okanagan—Similkameen, the area I represent.

• (1150)

Since the Bill was tabled in June we have heard from industry representatives regarding modifications they would like made to the Bill before us. As a result of these interventions by industry leaders, the Minister has prepared draft amendments and has proposed that these draft amendments be considered later in committee.

We want to ensure that the best possible legislation is enacted to serve the pure-bred industry. Amendments to the Livestock Pedigree Act are long overdue. The old Act has been in force since 1900 and was last amended in 1952.

For almost 90 years the Livestock Pedigree Act has been regulating the activities of the 68 Canadian breed associations serving Canadian agriculture. The Animal Pedigree Act would update and replace the old Act with new legislation in order to better address today's realities in the livestock industry.

The main purpose of the Act is to promote breed improvement and to protect those raising or buying registered animals. It is estimated that the gains made in livestock productivity due to genetic improvement amount to roughly 1 per cent a year. That works out to be worth about $200 million a year for the Canadian livestock industry. Improved productivity has also enhanced our exports of Canadian breeding stock and semen. For example, in the past decade, Canadian exports of bovine semen have more than quadrupled. Recent figures show

that exports of livestock and livestock products are worth well over $1 billion annually.

Livestock is an integral part of our agri-food system. There are solid economic reasons for the Government to ensure that the best possible livestock records are maintained. The new Animal Pedigree Act would retain the provisions of the old Act regarding animal pedigree associations authorized to keep pedigrees and to register animals of specific breeds. However, the new Act would also allow establishment of associations to keep records and to identify animals of evolving breeds. This is an important addition designed to encourage the best possible records and pedigrees of evolving breeds.

Livestock producers have been requesting these revisions for several years. The livestock industry has changed much since 1952. The new legislation is designed to meet today's requirements. The new Act will provide better protection to both buyers and sellers of livestock by strengthening Canada's livestock registration system.

I would also like to point out that the provisions of the new Animal Pedigree Act, as contained in this Bill, have met with the full concurrence of the animal industry. Consultations with all sectors of the Canadian pure-bred animal breeding industry have been going on since 1982. Therefore, I am confident that this legislation will serve the animal industry well. In turn, it will be a real service to Canadian agriculture.

I will briefly outline the major new provisions contained in the Bill now before us. First, the new Animal Pedigree Act will more clearly define the basic purpose, powers and duties of animal pedigree associations. The new Act provides for the formation of the Canadian Livestock Records Corporation. This new corporation would replace the Canadian National Livestock Records which currently has the status of an affiliation whose legal powers and status are unclear. Third, the new Canadian Livestock Records Corporation would keep pedigrees for pure-bred animals and for animals in the process of evolving into new breeds. Any interested livestock association could avail itself of this service.

The Act also defines a pure-bred animal as having at least 87.5 per cent, that is seven-eighths, of its inheritance from one breed. However, additional associations could make this more restrictive if they so desired. The Act also provides for the recognition of new breeds of animals. It makes provisions for embryo transfers and artificial insemination.

The Act provides for the amalgamation and dissolution of breed associations. It also includes an expanded offences section. It specifies time limits for transferring certificates of registration or identification after a change of ownership, and sets penalties for exceeding those time limits. In addition, the level of fines under the new offences section is to be determined by the value of the animal to which the offence relates. The maximum level of fines under the new provision would be raised to $50,000 from the old $500 maximum set back in 1952.

The new Act also updates provisions under the old Act in line with current federal corporate law legislation. Taken together, these revisions will provide better protection for both buyer and seller of registered or identified animals. In fact, the revisions will strengthen Canada's livestock registration system and could potentially increase world demand for Canadian livestock.

In summary, the Animal Pedigree Act will provide greater protection for the buyer of livestock, more realistic penalties for violations of the Act and more flexible rules for breed organization. This is a long awaited piece of legislation which deserves the support of this House.

Mr. Speaker: Debate.

Mr. Althouse: If there are questions, I have some.

Mr. Boudria: We cannot have questions for the first speaker.

Mr. Speaker: The Hon. Member for Humboldt—Lake Centre (Mr. Althouse), I think, is putting the question as to why are there no questions and comments. Under the procedure, the first three speeches are up to 40 minutes and there is no comment or question allowed on them. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor on debate.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to respond on Bill C-67 on behalf of the Liberal Party. This Bill, of course, has been some time in the making. Members will know that the Holstein Association has been lobbying for this legislation for some time now. In fact, it wrote to the now Deputy Prime Minister (Mr. Mazankowski) some months ago asking for his support to ensure that this Bill would come up for discussion in the House of Commons in a short period of time.

In fact, I have a letter here that was sent by the Holstein Association of Canada dated May 13, 1987, in which it is asking my colleague, the Hon. Member for Algoma (Mr. Foster), for his support in ensuring that this legislation will be discussed in the House of Commons in a short period of time. Therefore, needless to say, although a long period of time has elapsed between the time this lobbying effort was commenced and today, we do not intend to delay the Bill unnecessarily. Therefore, we will not debate this Bill in any manner that would prevent it from going to committee.

• (1200)

My wish is for the Bill to go to committee as soon as possible. I would like to take this opportunity now to indicate that my own personal preference is that the Bill be referred to the Standing Committee on Agriculture rather than sent it in the customary way to a legislative committee. Apart from everything else, the Standing Committee on Agriculture is chaired by our distinguished colleague, the Hon. Member for Brandon—Souris (Mr. Clark), who is very knowledgeable in

such issues, as are most, if not all, the members of the Agriculture Committee.

It is my view that the Bill would receive a better hearing there. It would be heard by people who have a greater understanding of the issues, not to mention the fact that our committee is well assisted by technical staff and support staff who are also very qualified. For those reasons my own personal preference would be that the Bill be referred to the Standing Committee on Agriculture rather than to a legislative committee.

Although I have indicated that the Holstein Association of Canada is in favour of this Bill, and that I support the work of the Holstein Association of Canada, I do have a bit of a vested interest in supporting it because there are more dairy farmers in the riding that I represent than in any other constituency in Canada. I suppose that that enables me to have a better appreciation of the Holstein Association and the Holstein clubs in various counties across the country.

Although the Bill does enjoy the kind of support that I have just described, it should be noted that a number of groups have serious questions about particular clauses in the Bill. I recognize that the Parliamentary Secretary and the Chairman of the Standing Committee on Agriculture have indicated both publicly and privately in one case that there are amendments which the Government is contemplating and will be bringing forward at the committee stage. It is my hope that these amendments that will be proposed before that committee will alleviate the concerns that some people have expressed in the past.

For instance, the Appaloosa Horse Club has indicated that there are measures in the Bill which it finds would need important amendments in order to make the Bill acceptable. The Appaloosa Club in a letter which it sent to the Minister of Agriculture (Mr. Wise) dated August 13, 1987, indicated that it had been wanting improvements to the legislation but that it had never been consulted since the draft Bill was put together, or at least since the efforts were commenced to put a draft Bill together in December of 1985. It felt that this lack of consultation had created conditions which perhaps had affected it in a negative way and that now amendments would be necessary in order to make the Bill acceptable.

One such amendment is the following, and I read from the letter that the club sent to our colleague, the Minister of Agriculture, in which it is stated that Clause 59(g) of the Bill would need to be amended because, and I quote from the letter, "this means that commercial livestock breeders will not be able to identify, promote, or advertise to sell livestock that are not registered to a specific breed". In other words, livestock which is not registered could not be advertised for sale, as the club understands that particular provision of the Bill as it is presently drafted. That may be a clause of the Bill to which the Parliamentary Secretary, the Minister and the Government are prepared to offer certain amendments in order to correct this potential deficiency.

The club also noted that Clause 54 of the Bill could use some amendment as well as Clause 59(j). The Appaloosa Horse Club of Canada, needless to say, is of the opinion that the legislation should be amended. I read to you, Mr. Speaker, the conclusion of the letter in which it is stated:

> In conclusion, it is the opinion of the Appaloosa Horse Club of Canada that if Bill C-67 is passed in its present form, the Association, as well as its members, would be adversely affected.
>
> We would encourage you to have this Bill sent back to committee so that we, as well as other Associations, can have more input to Bill C-67, to make it better for the Canadian Livestock Industry.

In other words, notwithstanding those shortcomings, the club is not advocating that the Bill die on the Order Paper, or that the Government withdraw the legislation, but merely expressing the view that the Bill could and should be amended. As I read the information package that was sent to us, it would be willing to participate constructively in order to have amendments brought forward at the committee level.

In conclusion, I want to indicate that our Party does not wish to delay this legislation at all. It is our hope that it will be going to committee as soon as possible. In my own personal view, we should make an exception this time and not send it to a legislative committee. Of course, there is nothing specifically wrong with doing that, but it would be better, I think, for the legislation and we could provide better amendments and have more constructive and better participation if, by exception, we send this Bill to the Standing Committee on Agriculture.

[*Translation*]

Mr. Speaker, I welcome this opportunity to take part in this debate on behalf of the Liberal Party. I may point out that although this Bill has taken far too long to reach the floor of the House, we appreciate the Government's decision to finally consider the second reading stage of this proposal. We have no intention of prolonging debate. We hope the Bill will be referred to committee very shortly, and as I said earlier, my personal preference is to have the Bill considered by the Standing Committee on Agriculture instead of a special legislative committee.

Mr. Speaker, that being said, I hope all Members of this House will co-operate in having the Bill referred to a committee of the House as soon as possible, so that we can make the necessary amendments, as was pointed out to us by the Appaloosa Club, and perhaps other organizations would also like to suggest some changes if we have hearings before a parliamentary committee.

[*English*]

Mr. Speaker: Is the Hon. Member for Nickle Belt (Mr. Rodriguez) rising on a point of order?

Point of Order—Mr. Nickerson

POINT OF ORDER

ALLEGED UNPARLIAMENTARY LANGUAGE

Mr. Rodriguez: Mr. Speaker, thank you very much. Earlier this morning the Hon. Member for Western Arctic (Mr. Nickerson) rose on a point of order referring to remarks I made yesterday. He quoted me as saying, as reported at page 10750 of *Hansard*:

> However, I want to say that what I have been reading is tantamount to treason coming from the Minister of Consumer and Corporate Affairs (Mr. Andre) when he speaks about the crustaceous denizens of the other place. It is tantamount to treason.

The Hon. Member for Western Arctic said that I was being unparliamentary in the use of the word "treason". I meant that remark, Mr. Speaker, completely tongue-in-cheek. As everyone knows, no one can be treasonous when referring to the other place. I wish to withdraw it unconditionally, if it has hurt the feelings of the Hon. Member for Western Arctic (Mr. Nickerson), I make no bones about that.

• (1210)

Mr. Speaker: I wish to thank the Hon. Member for Nickel Belt, and especially thank him for having sought the counsel of the Chair before he rose on this elegant withdrawal.

GOVERNMENT ORDERS

[*English*]

ANIMAL PEDIGREE ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wise that Bill C-67, an Acting respecting animal pedigree associations, be read the second time and referred to a legislative committee.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to speak at second reading on Bill C-67, an Act to amend the Animal Pedigree Act. This is a technical type of Bill, and because of its technical nature, the House probably would have been best advised to have sent it on from here to the Standing Committee on Agriculture to hear witnesses and the proposed amendments which I understand the Government has been preparing.

The contents of the Bill are very important for the animal industry in this country. There have been no major amendments to this rather old Act which began in 1900 and was last amended in 1952. Since that time there have been a number of very important technical changes that have occurred in agriculture which have made the keeping of livestock pedigree records somewhat different from what was the case as understood by the Acts previous to 1952.

Since that time there have been a number of technical changes, for instance, frozen semen is now very much in use. It was not in 1952, and it was only beginning to be developed in the early 1950s. Embryo transfer technology is now available and used in the more expensive animals. This permits a particularly good female of the desired type to produce many calves in the course of a year. Less desirable animals will carry that embryo to full gestation and the calf will be born being of the original mother's blood lines, but having been nurtured and raised by a totally unrelated cow.

Those types of things make keeping of records for livestock more challenging. Therefore, it is the intention of the Department of Agriculture to attempt to tighten up the process by making the proposals that they have in this Bill.

Many of the major livestock breeds are in full accord with this particular set of changes, however a number of the breeds that are getting to be known or are developing have some difficulties with the Bill as it stands. Some of those difficulties are understood by the Department, I am told, and it will be presenting amendments to the Bill before us today as soon as it gets to committee.

Unfortunately, at this stage we in the Opposition do not have the exact copies of those amendments before us, so we will have to await the hearings in the committee to see what is proposed. Once we have seen those changes, we will be able to determine how quickly the Bill should go through. There are a number of groups and breed associations that have some technical problems with the Bill as it now stands. Depending on their reaction, we will be able to decide whether the proposed amendments will permit the Bill to go through committee relatively quickly.

In the past, this particular Act has applied to most of the standard barnyard animals on the farm from cattle, horses, goats, sheep, hogs, et cetera. The new Bill is designed to be expanded to include dogs, chinchillas, and foxes. I am told, Mr. Speaker, that cats are not yet included.

The main changes to the Bill are the establishment of two types of associations. There will be those types of associations that are incorporated with respect to distinctive breeds of animals, and there will be a second set of associations which will be incorporated in respect of evolving breeds. Those who are aware of the Hays' Converter, a new breed of cattle that was developed some 15 or 20 years ago by the late Senator Hays and his associates, will be aware that that is the term being used for an evolving breed for the purposes of this Bill.

Under this Bill, it will require four generations of closed breeding in order to constitute a new breed, and it must be seven-eighths pure. It is mostly beef breeders who are involved in the production of those new evolving breeds. However, theoretically it could apply to any species.

Under this Bill, there will be three main standards set. There will be a pure bred designation; animals could be designated registered; and the third designation would be identified. Those are the three terms that will be used for the

purposes of this Bill in identifying the level of credentials behind each of the animals registered.

A pure-bred animal will now be one that is seven-eighths pure. An animal containing 50 per cent and more can be registered under this Bill. This will include NIP animals which before were classified under the identified category. Under the changes proposed in this Bill, the term "identified" will now only be used for evolving breeds.

Associations must be formed on a national basis. Local organizations will no longer be permitted. Therefore, this Bill gives the Minister slightly more discretionary powers as to the types of associations that might be formed. Associations cannot impose fines or monetary penalties. This will be left to the Department itself, and to the over-all Livestock Records Corporation.

Associations are now authorized to keep semen and embryo records and to issue those certificates. This was something that was not absolutely clear under the old Act. Many of the associations did do this, but it was not required under the old Act and it is now. Since this technology is very much available and applicable, it is a good step forward in the registration of livestock pedigrees.

Under this Bill, an association must apply to the Minister for official recognition of any new breed. The major change in the bookkeeping side that comes from this particular legislation, is a change in the Canadian Livestock Records Corporation, which is a central livestock registry. It will be the successor to the current Canadian National Livestock Records. The old agency was not a legal entity. The new one that is being prepared in this Bill will be a legal entity. It will cover the registration services to associations where the association decides now or in the future not to provide this service itself.

Under the Bill the Minister will have the authority to perform an inspection or inquiry if there are irregularities in the association's affairs, or suspected irregularities. There are clearer rules for offences and fines. The maximum fines have been substantially increased. The fine on summary conviction will be $25,000, and the fine on an indictable offence will be $50,000.

It has been reported that most of the dairy breeds are quite pleased with this particular direction. Some of the beef sections are showing a few concerns with Clause 59(g) which makes it illegal for an association to sell an animal of a breed that is not registered or eligible to be registered. This concerns some of the beef associations, because they have been operating under slightly different rules. For instance, it is fairly common practice to sell a commercial grade Charolais that cannot be registered, a practice that has been going on across most of the country. We are told that the amendments being proposed will perhaps be able to handle this problem.

• (1220)

In addition to the question of frozen embryos and frozen semen some other problems have arisen in the registration of pure-bred pedigreed livestock in Canada. I am not sure that some of these issues have been dealt with thoroughly by this proposed legislation, nor do we know at this stage whether or not the amendments will deal properly with it. Some of the viewers and perhaps a few people in the House will be aware that there has been a fairly long-standing controversy over the registration of a particular Hereford bull called Perfection. It was found much after the fact that his parentage was in some doubt. Under the technology of the day it appears, from a thorough search of the records of the Hereford Association of the United States, and consequently Canada, that his mother had produced far more progeny than it was technically possible to produce back in those days, and so the registration of the bull was in some doubt. This has had fairly large financial implications on Canadian breeders because two of his progeny were sold to Canadians. They won great honours in the show ring and were sold for very high prices. Now the registration of the descendants of those bulls has been put in doubt. A rough calculation shows that some $350 million worth of lawsuits are at stake over this bull and his progeny.

I am not sure that, with Bill C-67, we will be able to solve the problems concerning this animal and his offspring. We are expecting that some proposals may come in the amendments, and we will await the presentation of them to find out if, in fact, a solution on handling the descendants of the old fellow in Canada is possible.

For Canadian producers of Herefords and their association we have generally taken the view in Canada, after some vacillation, that an animal not eligible for registration in the United States would not be registered here. Because Perfection originated in the United States, our Hereford Association initially banned his progeny, relented, and then reinstituted the ban. We do not know whether the proposed amendments will solve the question of registering animals that have come down to us through Perfection. This Hereford bull looked very good and appears to have very good breeding behind him. But there are some doubts as to his mother.

Some Hon. Members: Oh, oh!

Mr. Althouse: I think I am using correct parliamentary language in this matter, Mr. Speaker.

Similar though different problems have arisen with the Hereford Domino 15-G and the Sundance lines. These bulls have presented a somewhat different type than is normal for Herefords to present. There is still some doubt within the association as to whether owners of the descendants of those bulls should be permitted to continue to register them as pure-bred animals under the old Act.

We are awaiting with interest the amendments being proposed by the ministry to see whether these problems can be

properly addressed when they come before us at the committee level.

The problem the Appaloosa horse people have been presenting to us along with some of the Arabian, the quarterhorse owners, and other recreation type horses, is one of dissatisfaction and uncertainty with the proposals in the Bill. I expect we will be hearing directly from those associations at committee stage. I hope that the Ministry of Agriculture is fully aware of their problems. I know that some of these groups have been in touch with the registrar and others and that the proposed amendments which the Hon. Member for Okanagan—Similkameen (Mr. King) referred to in his opening remarks will deal with their problems. Briefly, the Appaloosa people are worried that they may have to close their books because the Bill does not appear to allow outcrosses. The Appaloosa people are now using quarterhorses and thoroughbreds quite routinely as a means of upgrading the quality of this relatively new breed, relatively new at least in terms of being a registered association, and they have concerns about what the Bill might do for them.

As well, we have information from some of the breed associations that are afraid that the requirements for using registration services might affect them negatively. Some of them have just installed computers on the assumption that they would be able to farm out part of their computer space to other breed associations. A strict reading of Clause 59(g) indicates that that would be rather difficult to do, though there are some second opinions that think there might be a possibility of selling or assigning shares in the computer company, setting up a second company to get involved in the business of providing services to breed associations, but that is still not clear to some of the breed associations. They are hoping that that will be clarified when the amendments come before the Agriculture Committee or, if the House insists, the legislative committee handling this legislation.

We are prepared to have this legislation go through this House relatively quickly in the hope that the committee, whether the Standing Committee on Agriculture, which generally would deal with something as technical as this, or a legislative committee, will have good and adequate time to hear the concerns of the various breed associations and the people who are affected by this Bill.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we have waited a long time for Bill C-67 which contains amendments to the Animal Pedigree Act.

Let me reiterate what the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) said. We plan to move expeditiously at this stage of the Bill. The Hon. Member for Okanagan—Similkameen (Mr. King) indicated in his opening remarks that the Government has quite a wide range of amendments to put forward. Obviously they will address a number of the concerns which my colleague from Humboldt—Lake Centre articulated. But other points ought to be made.

• (1230)

While we are prepared to move expeditiously with this Bill today, because there was not an earlier agreement, it will be going to a legislative committee. Because of the extreme technicalities involved in this Bill and certainly the advantage inherent in having people with considerable expertise discuss the clauses of this legislation, perhaps the Government ought to give some consideration to sending Bill C-67 to the Standing Committee on Agriculture for it is on that committee that some of the best agricultural expertise in the House of Commons exists. Having looked at Bill C-67 in detail, I think we will need all the expertise we can get to be able to react to it in an intelligent and productive way.

The Animal Pedigree Act is an updated version of an Act that has been around for a long time. It was first introduced in the year 1900. It was virtually unchanged until the major amendments that were made in 1952, and subsequent to that, there have been virtually no changes to it at all.

Obviously things in the livestock business have changed since 1952. There have been significant changes in terms of improving the quality of breeds, and specifically in the use of frozen semen. The influence of that on breed registration is very important, to say nothing of the technology of embryo transplant.

In my own area of central British Columbia, the raising of livestock is a major industry. There has been experimentation in embryo transplants at the federal research station. As well, there has been research in British Columbia on the extended use of frozen semen. This has caused a great deal of concern on the part of those associations interested in specific breeds of cattle because of the impact this will have on other livestock in the future.

In the various associations interested in livestock breeds, there is a recognition that an upgrading of the Animal Pedigree Act is in order and it is a reflection of the tremendous amount of change being experienced by the livestock industry. While this Bill was primarily designed with cattle in mind, it will also include new animals. The Act as it is presently constituted involves cattle, horses, sheep, goats and hogs but now, in the words of the Minister of Agriculture (Mr. Wise), this Bill will reflect changes requested by the various sectors of the industry and will be expanded to include dogs, chinchillas and foxes.

I regret the fact that the Minister of Agriculture has not decided to deal with cats. The cat lobby has been active lately and has indicated an interest in amendments to include cats. I am very serious when I say that the points the cat lobby raised with us are significant. Perhaps at the legislative committee or at the Standing Committee on Agriculture, the concerns of the cat community could be brought forward.

The fact that this Bill has been designed primarily for cattle is certainly reflected by the fact that Mr. David Clemons, the present Secretary of the Holstein Association of Canada, was

the major architect of this legislation. At this point, I would like to recognize the work Mr. Clemons did in facing this particular challenge and the incredible amount of expertise he brought to bear on the preliminary drafting of this legislation. As a matter of fact, I suspect that it was only because Mr. Clemons visited the Deputy Prime Minister (Mr. Mazankowski) on June 17 that this Bill was actually tabled. Again, in dealing with this Bill that is so important, we must recognize the role that Mr. Clemons played in the development of this legislation.

There are several changes in the Bill. Highlighting the changes, there will now be two types of associations, those incorporated in respect of distinct breeds of animals, and those incorporated in respect of the evolving breeds. Most of us are aware of the Harry Hays Converter which of course was an evolving breed by definition in that the evolving breed is a group of animals in the process of evolving into a new breed. Ex-Senator Hays, a well known Albertan, has certainly been helpful in developing this new breed in western Canada.

There must be four generations of closed breeding of an animal for it to constitute a new breed and it must be seven-eighths pure. This primarily affects beef cattle, and as my hon. friend from Calgary will know, the movement toward seven-eighths pure has been important to the livestock industry.

There are now three main standards, pure-bred, registered and identified. Before this Bill, the term "registered" only referred to pure-bred animals. Now a pure-bred animal will be one that is seven-eighths pure. An animal 50 per cent pure and up can now be registered, and this will include the NIP animals which before were classified under the identified category. The identified category will now be used only for the evolving breeds to which I referred earlier.

According to the legislation, an association must represent a group on a national basis, not simply on a local basis. This has caused some consternation with some of the newly forming groups in areas of Canada that are regionally oriented and perhaps have a more regional perspective on livestock breeding. Nevertheless, an association will have to represent a group on a Canada-wide basis and I suspect, in considering the importance of developing strong and very productive breeds, that this is probably in the best interest of everyone in the long run.

The Minister, however, has slightly more discretionary powers as to the type of association that can be recognized, and we can only hope that the Minister of Agriculture, whoever he or she may be in the future, will act with a great deal of prudence when it comes to deciding on recognizing an association, particularly one that is not totally national in scope.

We are all well aware that an association cannot impose a monetary penalty but is now authorized to keep semen and embryo records and to issue certificates for both of these. As well, we recognize that an association must apply to the Minister for official recognition of a new breed. Again, I hope that will provide us as interested parliamentarians, particularly those on the Standing Committee on Agriculture, with an opportunity to be kept abreast of any new developments in new breeds.

A major change in the legislation is the establishment of the Canadian Livestock Records Corporation, more commonly referred to as the CLRC, and a central livestock registry, which is the successor to the Canadian National Livestock Records. Before, the Canadian National Livestock Records was not a legal entity. Now it is important that it become a legal entity. The new corporation is the only one authorized to provide registration services to the various associations when an association decides not to provide this service itself. Obviously this is very important, particularly recognizing the significant initiatives being taken by various associations on these matters.

Also, the Minister will now have the authority to perform an inspection or inquiry if there are irregularities in an association's affairs. It has concerned many of us for many years that the Minister did not always have the ability to act when irregularities were alleged. Now the Minister will have that opportunity.

• (1240)

As far as the various livestock groups are concerned, the dairy industry views it as a good piece of legislation, probably because Mr. David Clemons was so involved in the drafting stage. The industry has some concern about some minor drafting errors and omissions, but we can deal with those in committee. It is concerned about being prohibited from punishing members because it would make it difficult to offer better rates for others. That seems to be pretty straightforward.

As far as beef is concerned, Clause 59(g) makes it illegal for an association to sell an animal of a breed that is not registered or eligible to be registered. It is currently common practice to sell a commercial grade Charolais that is not registrable. According to Luc Bégin, chief animal registration officer with Agriculture Canada, this would be allowed on condition that the animal is clearly listed as a commercial grade.

Going back to the comments of my hon. friend from Humboldt—Lake Centre concerning the progeny of Perfection, it is unlikely that they will have their own percentage registry. Most likely, records will be kept for each of the offspring, and if Perfection is reinstated in the U.S., then the central registry will have copies of the records and owners will be able to apply for registration. This whole issue has caused a great deal of concern, particularly in the Canadian Hereford Association. The controversy began when the two Hereford Associations in the U.S. decided that Perfection's pure-bred status was questionable. They in a sense expunged him of all his progeny in the various registries. That included several championship bulls, including two with Canadian owners. As my colleague indicated, nearly $350 million worth of lawsuits

are under way. I guess the Canadian Hereford Association waffled somewhat because first it banned Perfection and then allowed its progeny back into the Canadian registry pending the outcome of the U.S. lawsuits. They will be reinstituted once the ban is clarified.

Clause 59(g) is also of concern to horse breeders. The Appaloosa Horse Club of Canada, in a letter to the Minister of Agriculture, interpreted it to mean that commercial livestock breeders would not be able to identify, promote, advertise and sell livestock not registered to a specific breed. If that is so, breeders could lose a great deal of money. I guess the question we must ask is how the amendments will quell the fears of both horse and cattle producers. That will obviously have to be answered once the Bill goes to committee.

The Minister should also explain the effect, if any, it could have on horses which have dual registration in both the U.S. and Canada. The owners of Appaloosa, Arabian, quarterhorses and other recreation-type horses are extremely dissatisfied with the Act and have voiced this concern in phone calls and letters to the office of our agriculture critic. Mr. King of the Appaloosa Horse Club believes it would force his association to close its books because it would not allow outcrosses and quarterhorses and thoroughbreds routinely crossed to improve the quality of this fledgling breed. Of course, the Appaloosa breed has been developing significantly throughout the country and these concerns have to be met by the committee studying this legislation.

Certificates would have to specify the exact percentage of other breed in the crossings, and the horse clubs fear their opportunities for international sales would be squashed because the animals would not be considered pure-bred by American buyers.

One could go on at some length on all of the concerns about this Bill, but since we are simply dealing with the principle of the Bill, and we have outlined a number of concerns today and will outline more in committee, we should move the Bill into committee as soon as possible.

We have waited a long time for these amendments and we are pleased to see that we can now proceed.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Deputy Speaker: Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: One o'clock it is. I do now leave the chair until two o'clock.

At 1.45 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

EMPLOYMENT

SITUATION IN EAST MONTREAL—URGENT NEED FOR GOVERNMENT TO ACT

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Yesterday, Mr. Speaker, several hundred Vickers workers from Montreal East came to demonstrate on Parliament Hill. These workers did not ask for unemployment insurance, they did not ask for social welfare benefits, they asked for jobs. These people want to work.

We in Montreal East have about 22,000 unemployed workers, we have about 10,000 people on welfare rolls, we have an unemployment rate of 12.4 per cent as compared with 9.6 per cent in 1981, and we are facing the possible loss of 3,000 more jobs. Mr. Speaker, the Conservative Government has been making studies for three years and reports are piling up. Now is the time to take action. Now is the time to award repair contracts for the ships *Simcoe* and *Tracy*. Now is the time to designate Montreal East under the Program for Older Worker Adjustment. Now is the time to open an office to help restructure and upgrade major concerns. Now is the time to set up a special manpower training fund for companies undergoing restructuring.

Mr. Speaker, since August 1986 the Conservative Government has done away with the early retirement programs which enabled textile and footwear workers to retire early as a result of plant shutdowns, and we have been waiting patiently for over a year. These people now have neither unemployment insurance benefits nor jobs, and they have to sell their houses to be eligible for welfare payments. It is unbelievable how this Government is neglecting workers.

* * *

[*English*]

WILDLIFE

PRESERVATION OF FALCONS—CALL FOR LAUNCHING OF INVESTIGATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, this past week in Kingston *The Whig-Standard* published a series of

articles on Operation Falcon as a result of a 10-month news investigation. These articles demonstrate that this was in fact the "Falcon Fiasco" which damaged the beautiful birds it was intended to preserve as well as many Canadians who are internationally known experts and proponents of falcon preservation.

These Canadians include the Owl Lady, Kay McKeever, recipient of the Order of Canada, and David Mossop, a leading Canadian expert on falcons, who was charged despite RCMP objections. The charges were later dropped for lack of evidence. Mossop is out of pocket thousands of dollars because of the incompetence and bungling of the Department of Justice in this area.

The U.S. Fish and Wildlife Service had a convicted falcon smuggler on its payroll working in Canada as an undercover agent without any knowledge whatsoever of the Canadian federal Government or provincial enforcement agencies. This is illegal and is a breach of Canadian sovereignty, yet the Secretary of State for External Affairs (Mr. Clark) has lodged no formal protest whatsoever.

I call upon the Minister of Justice (Mr. Hnatyshyn) to launch a full inquiry into the falcon fiasco which would answer questions such as why the plea bargaining by federal prosecutors allowed North America's two biggest wildlife smugglers to go free, including one who claimed to have made a profit from his fines.

There must be an investigation immediately to get to the bottom of this very serious matter, to produce a full public report, and to ensure that the objectives of preserving these precious and beautiful birds were not subverted by those who would destroy Canadian sovereignty and attack Canadians who have worked for many years to save these precious birds.

* * *

HISTORIC EVENTS

SIXTY-NINTH ANNIVERSARY OF POLISH INDEPENDENCE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, on November 11 Canadians of Polish origin will be celebrating the sixty-ninth anniversary of Polish independence. In 1918 Poland regained her independence and became a sovereign nation after suffering 120 years of foreign oppression and occupation. Despite the ravages of war Poland maintained her dignity and resolve in order to take her rightful place once again among the Commonwealth of Nations.

In 1939, however, Nazi fascists and Soviet communist tyranny snuffed out the precious freedom and independence which for over two decades the Poles had so diligently maintained. Today, even in the face of adversity, that spirit of freedom still burns bright within the hearts of the Polish people.

As we celebrate our own Remembrance Day, let us join with Canadians of Polish descent to commemorate this day and to pay tribute to their national courage and resilience.

Freedom extracted a fierce toll from Canadian soldiers during the two World Wars and we must never forget the lesson they taught, that freedom and democracy are non-negotiable commodities and must be restored wherever they are denied.

* * *

CANADIAN NATIONAL RAILWAYS

NORTH SYDNEY, N.S.—ELIMINATION OF RAIL CAR INSPECTIONS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Canadian National, in its latest cut-backs on the railroad on Cape Breton Island, has cut out the last railcar inspector in North Sydney.

• (1405)

There are no more rail car inspectors in North Sydney even though there is a great deal of traffic from North Sydney to other parts of Canada, since rail cars must go through North Sydney to pick up the containers that arrive on Atlantic Marine ferries.

There will be no rail car inspectors to inspect those cars. Instead, inspections will be carried out by brakemen. Although CN has been worried about derailments in Atlantic Canada, it will now exacerbate the situation by not inspecting these cars.

Of course the real reason for the elimination of inspectors is that it does not want cars to be repaired in Sydney, as it would mean keeping workers on the job in Sydney to do these repairs.

Now the cars will go all the way to Moncton, perhaps with cracked axles or other deficiencies, which will be a danger to the cars and, of course, to human lives.

I ask Canadian National and the federal Government to reverse this terrible decision and maintain at least one rail car inspector in the town of North Sydney.

* * *

REMEMBRANCE DAY

SIGNIFICANCE OF CEREMONIES

Mr. William G. Lesick (Edmonton East): Mr. Speaker, November 11 is Remembrance Day, a day commemorating those Canadian men and women who died in two World Wars, the Korean War, and in our peacekeeping efforts throughout the world.

In recent years Remembrance Day has taken on a more significant role for Canadians, especially among our young people.

In Edmonton, community groups, citizens and children march together with veterans and Legion members to the Cenotaph to lay the commemorative wreath, after attending church services.

In most schools in my city, special programs are held commemorating this day. Veterans, bedecked with their medals, deliver speeches and answer questions of students. Last year over 17,000 young people were addressed by veterans.

War is not glamorous, but we must remember and appreciate the sacrifices made by our fellow Canadians who served, that we might enjoy the democracy and freedoms we have today. Lest we forget.

* * *

HEALTH

AIDS DISEASE—CALL FOR NATIONAL EDUCATIONAL PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, recent media reports that some private schools have embarked on mandatory AIDS testing for staff and students highlight the Government's failure to develop a comprehensive adequately funded national AIDS educational program and action guidelines to combat ill-advised hysteria.

Provincial Governments have succumbed to misdirected strategies, particularly Premier Vander Zalm's notorious Bill 34. The federal Government reportedly is considering mandatory testing for all immigrants. And some of this country's correctional services are implementing the death penalty by default with their refusal to permit the distribution of condoms to inmates.

The false sense of security engendered by such moves is a sure-fire recipe for promoting a plague.

Numerous community based AIDS groups which are federated under the Canadian AIDS Society are the effective vanguard fighting the spread of AIDS in Canada. But the Government has been niggardly, dilatory, and half-hearted in its support for these already available educational agencies.

Ignorance and narrow minded, prejudiced attitudes pose the real danger to the health of all Canadians. I call on the Minister of National Health and Welfare (Mr. Epp) to make adequate funding available immediately for comprehensive AIDS educational programs throughout Canada.

REMEMBRANCE DAY

NAMING GEOGRAPHICAL LOCATIONS AFTER DEAD SERVICE PERSONNEL

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, next Wednesday, across the country Canadians will pay tribute to all those who fought in World War I, World War II, and the Korean War. We will remember those who gave their lives for the sake of freedom.

Following the Second World War, thousands of mountains, lakes and streams across Canada were named for men killed during that particular conflict. The object of the Mountain Project in Chilliwack, British Columbia, which took two years to complete, was to honour servicemen from the Chilliwack area by publicizing the local mountains named for them.

An engraved wooden cross was placed on top of each mountain or beside a lake or stream of each one so-named, and their biographies were published in the *Chilliwack Progress*.

A total of 67 crosses were placed by groups such as Chilliwack Search and Rescue, Chilliwack Outdoors Club, Boy Scouts, prison camps, and Camp Chilliwack.

I applaud their efforts in making sure we do not forget the great sacrifice many men and women made for Canada's peace and security.

We shall not forget.

* * *

[*Translation*]

DEATH OF FORMER PREMIER

RENÉ LÉVESQUE (1922-1987)

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Over the past two days, Mr. Speaker, Quebec, Canada and certain other countries of the world have been unanimous in their tribute of respect and admiration for René Lévesque. Unfortunate though it may be that such unanimity is evidenced only during periods of mourning or crisis, this very human trend attests to the strength of a few men and women who, through their work and accomplishments, manage to douse for a while the flames of division and struggle among human beings.

I for one can only join in this spontaneous move which rallies men and women of every social class and every political persuasion. I do not think I would be exaggerating if I were to suggest that if Jean Lesage was the father of the quiet revolution, René Lévesque was and will ever be the father of Quebecers.

A courageous, persistent and honest man, René Lévesque faithfully reflected typical Quebecers. His most outstanding achievement was undoubtedly to offer Quebecers his services as a political leader who first and foremost was humane and

ever mindful of ordinary people. Through his activities as popularizing journalist and populist leader, René Lévesque was able to heighten, among the humblest members of our society, the sentiment of pride to be Quebecers.

We are all indebted to him. And if a strong nation is the legacy of the involvement of men and women selflessly devoted to their fellow human beings, René Lévesque will always stand prominent among great men in our national pantheon.

* * *

NATIONAL DEFENCE

IMPORTANCE OF DIVERSIFICATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Department of National Defence has selected a principal contractor for the construction of six frigates, the second set of a total of twelve.

The Department decided to deal with the contractor who had the additional of the expertise acquired in building the first six frigates. The contractor wants the frigates built in his own yards, alleging it would cost $80 million more per frigate if he had to share the order with other shipyards.

I urge the Department of National Defence to ask the principal contractor to provide hard evidence of this additional expense, which I think is debatable.

In dealing with this issue, the Department of National Defence should consider that expertise in building frigates should not be limited to a single firm. Who would take over if things went wrong in that particular yard?

In any case, strategically, technically and economically, there is not a single country where the armed forces rely on a single supplier. We should certainly not be the first!

* * *

• (1410)

[*English*]

THE CONSTITUTION

RECOGNITION OF ABORIGINAL SELF-GOVERNMENT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, last March the Prime Minister (Mr. Mulroney), in his opening address to the First Ministers' Conference, stated that the explicit recognition of the right to self-government is an essential prerequisite to any constitutional amendment. Within weeks of those remarks, the Prime Minister was well on his way to cementing a constitutional deal that ignored his own public commitment.

On a policy level, the Conservative Government then cut off constitutional funding for aboriginal groups before the ink was even dry on the Meech Lake Accord. Canada's aboriginal people know it was principally the intransigence of Tory and neo-Tory provincial Governments which denied them the constitutional changes they sought to restore self-government to their communities.

Now that Quebec has been welcomed back into the Canadian constitutional family, the need to recommence constitutional negotiations on aboriginal self-government is even more pressing. The Government should immediately make a formal approach to the provinces in pursuit of this worthy and worthwhile Canadian objective.

* * *

EDUCATION

NATIONAL FORUM ON POST-SECONDARY EDUCATION

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the City of Saskatoon was very pleased to host the National Forum on Post-secondary Education which was held last week. I was privileged to accompany 500 delegates from across Canada in meaningful debate regarding the future of our education and youth in this country.

I wish to congratulate all those who participated, and extend special congratulations to the Secretary of State (Mr. Crombie) and the National Forum Committee for the outstanding organization of this conference. The forum committee will be presenting a report which will include recommendations to the Government for future discussion at the Council of Education Ministers.

This was an historic event as it was the first time that two levels of government collaborated on the future of education in our community colleges and universities, with the participation of people representing youth, education, labour, industry and all levels of government.

With the recently negotiated free trade agreement, qualified employees will be needed in Canada to remain internationally competitive. I believe the results of this forum will lead our labour force into the next century as leaders in the international market-place.

* * *

EXTERNAL AFFAIRS

CLOSURE OF CANADIAN EMBASSY IN ECUADOR

Mr. John Nunziata (York South—Weston): Mr. Speaker, my colleague, the Hon. Member for York West (Mr. Marchi), and I were recently contacted by a number of our constituents about the closure of the Canadian Embassy earlier this year in Quito, Ecuador. These constituents, many of whom have family and friends in Ecuador, are concerned about the

hardship this will cause to Ecuadorians who are seeking immigration to Canada and for those seeking visitors' visas.

• (1415)

I am informed that the waiting period for an appointment with an immigration officer in Bogota, Colombia, the nearest Canadian Embassy to Ecuador, can be as long as six months.

The Government says it is closing this embassy and others for reasons of financial restraint. But the savings to be had are paltry when compared to the loss of reputation Canada sustains as an actor in international politics.

The Secretary of State for External Affairs (Mr. Clark) has said: "In every case we can continue to serve Canadian interests as effectively under the new arrangements as is now the case". I reject that explanation. There is simply no substitute for having a person in a country experiencing the daily life of an unfamiliar society.

I urge the Government to reconsider the closing of the embassy in Ecuador and the embassy closure policy of the Government in general.

* * *

NATIONAL CRIME PREVENTION WEEK

TRIBUTE TO COMMUNITY EFFORTS TO PREVENT CRIME

Mrs. Mary Collins (Capilano): Mr. Speaker, today is day five of National Crime Prevention Week. Over the last few years we have seen a positive community response to the difficult problems of crime. Programs such as Neighborhood Watch and Crimestoppers are examples of co-operation between police and community members, co-operation that is necessary to prevent criminal activity.

Other effective crime prevention measures can be traced to concerned organizations. Governments have put in place harsher penalties for drinking and driving in response to input from groups such as MADD, Mothers Against Drunk Driving, and SADD, Students Against Drunk Driving.

As well as congratulating effective programs and organizations, we must call for an increased effort to get at the root causes of crime. Economic causes such as poverty, lack of education, unemployment, and social factors like family breakdown and community apathy all contribute to the growing problem of crime.

Events are taking place across Canada this week that are calling attention to these problems and proposing long-term solutions. The only way to control criminal activity in the long term is to strengthen communities, community ties, and to link individuals and citizens' groups with a common purpose. Such concerted and united action must be on the front line against crime.

Mr. Speaker: The Hon. Deputy Prime Minister.

THE LATE RENÉ LÉVESQUE, FORMER PREMIER OF QUEBEC

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I wonder if I might seek the unanimous consent of the House to observe a moment of silence out of respect for the late René Lévesque, the former Premier of the Province of Quebec.

[*Whereupon the House stood in silence for one minute.*]

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—ENERGY SECTOR—EFFECT ON CANADIANIZATION

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is addressed to the Deputy Prime Minister. He will know that it has been the stated policy of the Prime Minister and the Minister of Energy to pursue Canadianization of our energy sector. In fact the stated policy of the Government is that takeovers of Canadian energy companies that are valued at $5 million or more are subject to review. Yet the Minister of Energy's own briefing notes indicate that as of January 1, 1992, indirect acquisitions of energy companies in this country will not be subject to any review whatsoever.

How can the Deputy Prime Minister and the Government allow the Americans to take over our energy sector? How can the Government allow our energy sector to become Americanized when its stated policy has been to Canadianize the energy sector?

• (1420)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we should define "indirect acquisition". Indirect acquisition would mean that that energy company or that energy industry was already owned by a foreign company and, therefore, there would be no change in the balance of ownership that is presently there now.

ENERGY SHORTAGES—PROTECTION OF CONSUMERS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the indirect acquisitions of Canadian companies are of Canadian companies and not foreign companies.

Not only have we been misled about the availability of a final draft of the energy text in the agreement, not only have we been misled about Canadianization, but according to the Minister's own documents any measures to protect Canadian consumers "can be overridden by a challenge under U.S. countervailing and anti-dumping legislation".

Why has the Government signed an agreement to take away from Canadian consumers protection against energy shortages?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): This agreement does not take that protection away. We still have the National Energy Board that monitors the amount of energy we have here. It still grants the export licences for export of product from Canada. The control is there.

I might remind the Hon. Member that the Canadianization policies of the energy industry are grandfathered within this agreement. So what he is telling the Canadian people is not correct.

POSSIBLE EFFECT OF AGREEMENT ON PROVINCIAL RIGHTS

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am quoting from the Minister of Energy's own briefing notes. Those are not my notes, they are the Minister of Energy's notes.

As a result of the free trade agreement, not only will the rights of Canadian consumers be subject to American court challenges, but the rights of the provinces over their own energy reserves must be decided by the Supreme Court of Canada if they are to be honoured.

How could the Government of Canada sign a free trade agreement that would take away from provinces like Nova Scotia, Quebec, and Alberta, their own rights over their energy resources? How could the Government tie up energy investment in this country for years while those questions are being reviewed by the Supreme Court of Canada?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, my hon. friend is wrong again. That is three times. Three strikes and you are out.

Let me remind the Hon. Member of what the Minister said on October 8, 1987. I quote from page 9820 of the *Commons Debates*:

> I can only repeat that in our energy negotiations we secured access for all forms of energy which this Government has put in place. I can also assure him that any rights the provinces had before this agreement concerning their own policies, they will have after this agreement.

[*Translation*]

INQUIRY WHY BILINGUALISM AND CULTURE NOT PART OF EXEMPTIONS

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to any of the Members opposite who would care to field questions on the Mulroney deal.

Mr. Speaker, in committee yesterday, we had witnesses on behalf of the Coalition québécoise who mentioned a major point omitted by the Agreement from the Canadian Government. On page 15 in the section on standards, it is permitted to adopt standards and regulations to protect health, safety, the environment and national security.

I want to ask the parliamentary secretary why bilingualism and culture are not included in this section.

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): I disagree again with the findings of the group that appeared before the committee yesterday.

The free trade agreement will have absolutely no impact on the current requirements for bilingual labelling and for the provision or use of manuals in French, none whatsoever. Bilingual labelling and French language consumer information will not be negatively affected by this provision at all.

[*Translation*]

QUERY WHETHER EXEMPTIONS WILL BE CLEAR IN FINAL TEXT

Hon. Jean Lapierre (Shefford): Mr. Speaker, I shall address my question to the Deputy Prime Minister as it is very important for all Canadians. Is it true that, as the Parliamentary Secretary has said, this will have no effect on bilingualism and bilingual labelling? Can the Deputy Prime Minister assure me that the exemption will be clearly, precisely and specifically stated in the final text?

• (1425)

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I think when the final text comes out and the Hon. Member reads it—I hope he does read it because I am not sure he has read the agreement yet—he doesn't have to give me dirty hand signals—I can tell the Hon. Member that it will be very clear that they will not be affected in any way, shape or form.

Mr. Lapierre: Yes or no?

* * *

AIR TRANSPORT

AIR TRANSPORTATION OF PLUTONIUM—UNITED STATES-JAPAN AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it has been reported that the President of the United States has now signed an agreement between his country and Japan allowing for the transportation of plutonium over Canadian territory. I understand that the Canadian Government has asked to be consulted about this agreement.

My question is for the Minister of Transport. Have our friends, the Americans, responded to our request for consultation and have we seen the agreement? What is our response to it?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman can rest assured that there will be no plutonium flights over Canadian territory unless the Canadian Government gives its consent to such flights.

The U.S. can sign an agreement with Japan and Japan can sign an agreement with the U.S. They can sign an agreement together, and they can sign it with 10 other countries or 100 other countries.

There will be no overflights over Canada with respect to carrying plutonium unless the Government of Canada finds that it is safe, that it is in order to do so, and gives its consent, of that the Hon. Member may be assured.

As to consultation, yes, there has been consultation. The United States knows that Canada has the right to restrict or refuse overflights of plutonium which, by the way, are at least several years hence because there is nothing contemplated in the near future in any event.

CONSULTATION WITH UNITED STATES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, perhaps we should wait until the very last minute.

The Minister of Transport says that we have been consulted. Does that consultation, I repeat, include the details of the agreement? When the Minister of Transport says that we must be assured of safety, does that mean containers will be used that will withstand not a 400 kilometre per hour impact, but the 700 kilometre per hour impact that is likely? Does it include the preparation of landing strips in the North and the necessary facilities for handling crashes in the North if that should happen?

Are these the criteria that will be applied in adjudicating whether Canadians will accept the overflight of plutonium over Canada?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Members love crying "wolf" on the other side of the House. "Wolf" is constantly being cried in this issue.

Japan and the United States signed a nuclear co-operation agreement on November 4. No proposal has been made that they fly plutonium under that agreement over Canadian territory. They agree that if they are going to make any such proposal in the future Canada will be consulted and will have the right to review the proposal.

It is agreed that we have the right to restrict or refuse any overflights across Canadian territory. That is agreed to by both Japan, the United States, and by all other international bodies involved. If there were any such proposal there would have to be a transportation plan, and an appropriate pass for transporting the plutonium must be developed. Those activities could take a number of years.

We are just as concerned about any possible accident with plutonium as is the Hon. Member. There has been no such proposal. If there ever is such a proposal, we will determine whether or not it is safe, whether or not it is in the interests of Canada for such overflights to be permitted, and it is recognized by all concerned that we have the right to decide that.

REQUEST THAT CANADA REFUSE PERMISSION FOR OVERFLIGHTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, for the Minister to say that we are calling "wolf" is not only silly but irresponsible. We are talking about the potential overflight of what could be termed plutonium dustbombs which would by wind, if a crash were to occur, lead to the contamination of the entire northern environment and serious health effects would last for many, many years indeed. Rather than lodging a notice that maybe we will, maybe we will not approve such overflights, rather than conjuring up notions of crying "wolf", is it not time to simply say no, we will not subject the North to that kind of hazard?

• (1430)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, isn't life simple when you are in the Opposition? You simply tear up agreements, you simply say no and that is all you do. You do not recognize the fact that there are international Conventions to which Canada is a party which require certain courses of action to be taken.

If you are in the Opposition, you will not listen to the fact that there has been no proposal for any such overflights. You will not listen to the fact that the United States and Japan have agreed that we must be consulted and consent, and you apparently do not want to listen to the fact that there has to be a transportation plan and a safe cask in which to move that material for it even to be considered.

We will not say an anticipatory no when we have never been asked to say yes or no. It would be ridiculous and contrary to our international obligations to do so.

Mr. Riis: The people of Canada are asking.

Mr. Crosbie: Anticipatory hysteria.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FORMER SPEAKER, RIGHT HON. ROLAND MICHENER

Mr. Speaker: I wish to bring to Hon. Members' attention the presence in the gallery of a former colleague who served our country with distinction as a Member of Parliament, Speaker of the House of Commons, High Commissioner, and Governor General, the Right Hon. Roland Michener.

Some Hon. Members: Hear, hear!

AIR TRANSPORT

POSSIBLE TRANSPORTATION OF PLUTONIUM THROUGH CANADIAN AIRSPACE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, following the imagery used by the Minister of Transport in his reference to the wolf, if he has read that fable to the end he would realize that at the end of the story the wolf does show up. He might want to be a bit more careful in his statements in which he seems to be more concerned about Japan and the U.S. than Canadians and our environment in the fragile North.

The Minister's case seems to rest upon the question of safety. There is no way that one can be assured that those safety standards work until an accident occurs. If an accident does occur over the Canadian North, then the game is over.

Why does the Minister place so much importance on the standards to be applied to this flight over the Canadian North instead of taking a clear-cut position now by indicating to the international community that Canadians will not even entertain an application, as the Opposition has been urging the Minister to do since last August?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I suppose we have just heard again from Little Red Riding Hood. The position is—

Some Hon. Members: Oh, oh!

Mr. Crosbie: One has to assume that a question is asked for some purpose and therefore I should be allowed to reply.

The situation is that dangerous goods, including plutonium, are regulated in accordance with the International Civil Aviation Organization Convention to which over 100 countries belong, which stipulates that states retain the power to apply their domestic regulations concerning the carriage of cargo to international overflights. We also have to keep in mind that we have already filed with ICAO what is called a state variation, which requires our approval for any overflight transporting fissile material across Canadian air space.

We have to understand that there has been no proposal for any such overflight. It would be contrary to our obligations under these international treaties for us to say no when we have not even received a proposal.

When and if a proposal is received, it will have to be looked at very carefully, and unless it meets the strictest standards of safety that apply to all carriage of dangerous goods, it would not be entertained. But we will not say no before a proposal is even made. That would be the height of ridiculousness, absolutely and incredibly ridiculous. Even the hon. gentleman did not act like that when he was in government.

Mr. Caccia: Mr. Speaker, if the Minister of Transport had carefully read his instruction notes since last August, he would not be taking such a shaky, wishy-washy position today on the floor of the House of Commons. He evidently does not know his file because, if he did, he would not rise in the House and say today that we have to wait for an application before we take a stand. My question to him—

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

CONDITIONS FOR MAKING DECISION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this is a very clear and straightforward question. Will it take an accident, a disaster, and irreparable damage to the fragile Canadian environment in the Arctic area for the Minister to take a position and decide to deny these flights over the Canadian North?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I think it was Dalton Camp who had something to say about the family the hon. gentleman is named after, and he is acting like a cashew nut today.

I repeat, no one has made any such request. No one has made a proposal for such an overflight of Canadian territory and we will not deal with it until they make such a proposal. If they make such a proposal at this time, we would have to say no because at the present time there is no suitable cask in which to carry that material which would withstand the impacts that would have to be regulated and so on, so the answer at the present time would have to be no.

Who knows, there has been no proposal, but in several years' time there may be a safe way of transporting this material. That is the present position. We will listen to the hon. gentleman's fears and alarms and those of the hon. gentleman from Windsor when the time comes.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON PROVINCIAL POWERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, the *Kitchener-Waterloo Record* says in a report today on its front page that Ottawa appears to be preparing to force provinces to put the U.S. trade deal into effect. The paper quotes a Justice Department lawyer who said that there is no limit as to the nature of the provincial legislation that could be disallowed.

In view of this very serious report, is the Minister of Justice prepared to make it very clear to the provinces that there will not be any recourse on the part of the federal Government to disallow powers such as that to try to bludgeon the provinces into this unfair trade deal?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have not seen the *Kitchener-Waterloo Record* of today.

Some Hon. Members: Shame!

Mr. Hnatyshyn: I realize that. I was reading the Saskatoon *Star-Phoenix*. In response to the specific hypothetical question put by the Hon. Member, I can only say that it is certainly the position of the Government that the treaty or the agreement itself is within federal jurisdiction and federal competence.

• (1440)

It has been stated, with respect to areas which impact on the provinces, that we are satisfied the provinces will indeed co-operate and do the things necessary to give full effect to an agreement which brings so many benefits to Canadians. I hope the Hon. Member will understand the progress this Government has made in federal-provincial relations, which progress is so different from federal-provincial relations in the past.

Mr. Langdon: The reason the *Kitchener-Waterloo Record* has this front page report is because the Minister for International Trade just visited Kitchener and was not able to satisfy the reporters from that paper—

Some Hon. Members: Oh, oh!

Mr. Langdon: —that the Government would not take this course of action.

GAS DISTRIBUTION AND PRICING POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, is it because of this uncertainty about disallowance, which the Minister did not actually deal with, that the Minister of Energy, outside the House yesterday, said the question of who controls gas distribution and pricing policy in this country may ultimately have to be decided by the Supreme Court of Canada?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not accept the Hon. Member's allegation about the incompetence of the reporters of the Kitchener newspaper. Anyone who knows the Minister for International Trade will know that she answers all questions with great effect.

With respect to the question of provincial involvement, may I remind the Hon. Member of the very extensive discussions, briefings, and the amount of time spent by the Prime Minister personally with the provinces, step by step, as this process unfolded over the course of the last few months and years. This consultation with the provinces is unparalleled. They are not taken by surprise by this arrangement. They have been kept fully informed. I think this is a terrific deal for all provinces and all of Canada and I know they will support it.

USE OF FEDERAL POWERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the same Minister. It is reported—

Mr. Wilson (Etobicoke Centre): Where?

Mr. Axworthy: —that the negotiations over the final text are being held up an inordinately long time. One reason for that is because the U.S. has not received from the Canadian Government any firm assurance that the provinces will implement that part of the agreement which falls within their jurisdiction. The Minister for International Trade said the federal Government expects the provinces to implement it. We are now into a major federal-provincial conflict over this fundamental point.

The Minister did not in any way deny the fact that the federal Government may use its declaratory or other powers under the Constitution to force the provinces to follow this agreement. If that is not the case why will the Minister not get to his feet and say so? Why will he not say that the provinces have the right to veto this agreement in areas under their jurisdiction?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the provinces, even those opposed to the agreement, have said they will not scuttle it. Premier Peterson has made it very clear that this is within federal jurisdiction, and that although he philosophically opposes it he would not scuttle or destroy the deal. We understand why. He realizes that this is going to be very good for Ontario, but philosophically he cannot handle it.

Mr. Axworthy: It strikes me that it was not a philosopher who wiped out the Tory Party in Ontario last summer. It was a very pragmatic politician.

Mr. Speaker: Hon. Members will know that we are well into Question Period and well behind in the number of Members who have been recognized. I am going to ask Hon. Members to limit their preambles to the facts necessary to the question and then put the question.

DISPUTE SETTLEMENT MECHANISM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will direct my supplementary question to the Deputy Prime Minister who I hope will speak on behalf of the Government. Speaking of the Province of Ontario, today it tabled a report prepared for it by the legal firm of Blake, Cassels & Graydon, a distinguished group of legal experts, particularly in trade. That firm reported specifically that the dispute settlement mechanism is so flawed that not only will it not guarantee access, it will provide even further problems for Canadians in gaining access. It will deny the provinces and individuals their right to normal redress in the courts on trade disputes. The litigants in any trade dispute will be denied their constitutional rights.

Considering that serious flaw which has been pointed out by legal experts, is it not proper for the Government to admit that this mechanism is not worth the enormous price Canadians will have to pay? It will not work and will in fact do more damage to Canada than what we have now.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, it has been acknowledged here in Canada, in the U.S., and throughout the world, that the dispute settlement mechanism negotiated during the bilateral trade talks is a very unique achievement, one that will probably set the stage for further activities of this kind around the world.

I am not surprised that the Province of Ontario would draw the conclusion it has. I understand that during the course of the hearings the provincial Government entertained only those who were opposed to the free trade arrangement rather than those who would present a balanced point of view. It is obvious that they would come to that kind of conclusion.

ENERGY SECTOR—PROVINCIAL RIGHTS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also directed to the Deputy Prime Minister. Yesterday, as he knows, the Minister of Energy said that the Supreme Court of Canada may have to decide whether the energy part of the trade deal violates provincial constitutional rights to control resources. I have here a copy of the briefing notes for the Minister of Energy which, by the way, I confirmed have been sent to his office and he knows about them.

Mr. McKnight: How did you confirm that?

Mr. Nystrom: They also indicate concern about provincial rights.

I want to ask the Minister why, on the one hand, the Minister of Energy believes this issue may have to be decided by the Supreme Court, but on the other hand is still saying these rights have not been trampled upon? His own officials are saying there is some concern in this area.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Government position is very clear. I do not know if the Hon. Member was in the House a little earlier in Question Period when I read this, but I will read it to him again in case he was not. It is found on page 9820 of *Hansard* of October 8. To quote the Minister for International Trade:

> I can only repeat that in our energy negotiations we secured access for all forms of energy which this Government has put in place. I can also assure him that any rights the provinces had before this agreement concerning their own policies, they will have after this agreement.

ALLEGED DIFFERENCE BETWEEN DRAFTS OF AGREEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, perhaps the Parliamentary Secretary does not know what the Minister has been told. The briefing notes say, and this is a very senior official in the Department—

Some Hon. Members: Who?

Mr. Nystrom: —that the question of provincial compliance is a very sensitive area and the Prime Minister himself should be dealing with it.

On page three of these briefing notes the Government acknowledges that there is now a discrepancy in the area of incentives for future gas and oil exploration between the original draft and a more recent detailed draft which weakens the Canadian Government's position to pursue incentives independently in this area. Does the Deputy Prime Minister acknowledge the difference between the original draft and a more detailed draft? Can he also tell the House whether or not he would agree to have this more detailed recent draft referred to the special committee now studying the deal so we can compare the original draft with the much more detailed draft which is probably much closer to reality?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think the Hon. Parliamentary Secretary has made it very clear and I will simply emphasize what he has said. The provinces own the resources. They possess all rights derived from that ownership. It is up to the provinces to decide whether or not to sell those resources. They remain responsible for the management, production, and conservation of those resources. I am not sure how much clearer we can be on that point. That simply re-emphasizes, in more elaborate fashion, what the Minister for International Trade said in this House.

• (1450)

The committee is seized of the issue which the Hon. Member is raising about different interpretations. Clearly that is the most appropriate place to obtain this kind of detailed information. I am sure that the committee will have the opportunity to call all the expert witnesses it wishes to call. I understand that the Chairman of the Committee has been very co-operative in that regard. That is where the Member should seek that information.

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FISHERIES

GEORGES BANK—REQUEST FOR REFUSAL OF OIL AND GAS DRILLING PERMITS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Deputy Prime Minister. He ought to know that one of the richest fishing grounds in the world is on the Georges Bank off Nova Scotia in the Gulf of Maine. The Deputy Prime Minister ought to know as well that thousands upon thousands of Canadian fishermen earn their living from the sea.

Will the Deputy Prime Minister give an undertaking to the primary producers in Nova Scotia and to this House that no oil and gas exploratory drilling permits will be allowed and that,

in particular, Texaco will not be allowed to drill on the Georges Bank?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, there is at present in place a process for reviewing proposals by companies such as Texaco. The Government, and myself in particular, have said repeatedly that no such drilling will be authorized by myself should it in any way jeopardize the interests of fishermen in view of the very precious resources on the Georges Bank on which they depend.

MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, we know that when it came to standing up for the fishermen in Newfoundland in the Canada-France deal the Government caved in to France. We now know that when it comes to standing up for the fishermen in Nova Scotia the Government is prepared to cave in to multinational corporate interests in the United States.

Will the Minister of Fisheries and Oceans give a clear and unequivocal commitment today that there will be no drilling whatsoever and that he will communicate to Texaco and the Nova Scotia Government the decision that there shall not and must not be any drilling on the Georges Bank?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am amazed at the impatience of the Hon. Member. I wonder where he was when his Party was in government and many initiatives were taken and agreements signed such as one with France which impaired in perpetuity the interests of the fishermen in Atlantic Canada. He should not try to set an example in matters of this nature.

The Government has taken strong and vigilant initiatives to protect and enhance the fishery and the economic benefit which it has brought to his province and to Atlantic Canada since the Government took office.

Mr. Dingwall: You're a wimp.

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EXTERNAL AFFAIRS

VISITS BY NUCLEAR POWERED VESSELS TO ESQUIMALT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Deputy Prime Minister. This morning Professor Jackson Davis released results of a study commissioned by Greenpeace, Operation Dismantle, Canadian Physicians for the Prevention of Nuclear War, and the Greater Victoria Disarmament Group on the effects of a possible accident resulting from the visit of a nuclear powered or nuclear armed vessel to Esquimalt. Plutonium concentrations of up to 10,000 times acceptable limits would be carried through the Greater Victoria area with up to 3,400 latent cancer deaths resulting.

In view of these disastrous consequences—even though the probability of such an accident is low—will the Government hold a public inquiry weighing the benefits of visits to Canadian ports by nuclear powered or armed vessels against the possible disastrous consequences of such visits?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I would ask that the Hon. Member allow me to take that question as notice. I will certainly take his representation into consideration and perhaps the Secretary of State for External Affairs, when he returns to the House tomorrow, might be able to respond to it more fully.

RESULTS OF GOVERNMENT INQUIRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I will direct my supplementary question to the Deputy Prime Minister. Will the Government at least release the results and details of its own inquiry into the safety aspects of such visits to Canadian ports? Will it make public the evacuation plans which are supposed to be followed in the event of such a disaster?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I will certainly bring this to the attention of the Secretary of State for External Affairs.

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ATLANTIC CANADA OPPORTUNITIES AGENCY

FEDERAL FUNDING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I will direct my question to the Deputy Prime Minister. Last June, during a by-election in St. John's, Newfoundland, the Prime Minister announced the establishment of the Atlantic Canada Opportunities Agency and promised $1 billion in new funding for that agency over five years. This week the President of the Atlantic Provinces Chamber of Commerce called into question the Prime Minister's commitment not to shelve existing programs to pay for the new Atlantic agency.

Will the Deputy Prime Minister assure the House today that the Industrial Regional Development Program will not be eliminated, shelved, or scaled down when its current mandate expires on March 31? Will he further assure the House that the Atlantic Canada Opportunities Agency will indeed be funded by new money rather than a reallocation of existing regional development funds?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is a case of anticipatory crocodile tears by the hon. gentleman who seizes on a rumour to place a question in the House, as is the usual practice of the Opposition.

The position of the Atlantic Canada Opportunities Agency is very clear. It has been allotted $1.5 billion in new money to be spent over the next five years to encourage business development and job creation in Atlantic Canada. It will not be used on infrastructure. It will not be used to clean out Halifax Harbour or to make St. John's Harbour odour free.

Mr. Tobin: Why, are you leaving town?

Mr. Crosbie: It will not even be used to make the hon. gentleman odour free. There are not sufficient funds to do that.

Some Hon. Members: Oh, oh!

Mr. Angus: That answer stinks.

Mr. Tobin: Mr. Speaker, I am tempted to say that the only way to make St. John's Harbour odour free is to have the Hon. Member move out, but I will not say that because I would be responding in kind.

STATEMENT ATTRIBUTED TO CHAMBER OF COMMERCE PRESIDENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Mr. Rick Des Brisay, President of the Atlantic Provinces Chamber of Commerce, reports that based on a survey of the business community in Atlantic Canada 74 per cent of that business community rates the Atlantic Canada Opportunities Agency as only fair to poor in dealing with regional development. The so-called rumour to which the Minister refers has spread right across the business community of Atlantic Canada.

Does the Minister realize, as he should, being the very bright boy that he is on occasion, at least with his Gillette-like tongue, that the shell-game that he and the Prime Minister are playing with regional development money in Atlantic Canada is further deteriorating the confidence of the business community in a region where unemployment is already too high? Can he give me a straight answer without going crazy with his Platonian tongue?

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Member would need a lawn mower to get the fur off his tongue.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I am disappointed in Mr. Des Brisay's comments. Mr. Des Brisay is constantly making critical comments about the Atlantic Canada Opportunities Agency. It is time for him to give that agency a chance. Its success will depend upon the initiatives of Atlantic Canadians because the decisions will be made in Atlantic Canada. The money is available but they must come forward with suggestions on how to expand their businesses and create new businesses.

Local initiative is required. If the local initiative is there, it will be a huge success. If it is not, it will be a failure. It is up to the people of Atlantic Canada to take advantage of it.

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• (1500)

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON WATER RESOURCES

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the Minister of the Environment. Opponents of free trade have raised the spectre of Canadian water being siphoned off to the United States as a result of the bilateral trade agreement. Will the Minister advise the House of the Government's response to this concern?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the subject of water has never been negotiated in the free trade talks. The subject of water is not part of the free trade agreement, nor will it be.

Earlier today the Deputy Prime Minister tabled in the House of Commons a federal water policy which makes very clear the federal Government's opposition to large-scale water exports to the United States or to any other country, for that matter.

We oppose such large-scale exports because, first, Canada is not a water-rich country. We need the water for our own purposes. We can ill afford to export our water for other countries' purposes.

Second, the inter-basin diversions that would be required to get the water from Canada to foreign markets would be devastating to the environment of Canada and to Canadian society, especially in the North where the ecology is so delicate and where native peoples would be particularly vulnerable.

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WINTER OLYMPICS

COMMEMORATIVE COIN PROGRAM—UNITED STATES PLAN

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. It concerns yet another plan by the United States Government to undercut one of our programs.

The U.S. Mint has announced its plans to launch its own Olympic coin program in direct competition with ours. Does the Minister agree that this action by our so-called friends south of the border will undermine Canada's Olympic coin

program and hurt our ability to finance the Calgary Olympics? If so, has he been in touch with the United States Government to tell it to keep its hands off our programs?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, first, this Government agrees with free enterprise and the opportunity for each country to do what it wants.

In the case of this specific coin program, I want to tell the Hon. Member that the United States is a little late because our coin program is well ahead of schedule. Our sales in the United States are only 17 per cent of the total program. Most of our sales come from Canada, Europe, and Asia. Therefore, I can assure the Hon. Member that the Olympic coin program in the United States will not harm our program. In fact, our program is already over the hump.

Mr. Angus: We on this side of the House recognize that part of the problem is the Government's belief in free enterprise. That is why you sold us out to the United States' Government.

CANADIAN POSITION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, how many times will the Government give in to the United States and allow it to do whatever it wants without protecting the people of Canada and their interests? How many times?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I want to tell the Hon. Member and other Members a fact of life. We in Canada have been able to build the best facilities in the world for the Calgary Olympic Games. We will put on the best Winter Olympic Games in the history of the Olympic movement, and we are not protected by anyone. In fact this is a typical example of how Canada can benefit from a freer trade agreement with the United States.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POLL RESULTS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is directed to the Parliamentary Secretary to the Minister for International Trade. It relates to the recent Decima poll on free trade as reported in *The Toronto Star* yesterday.

It says that 62 per cent of Canadians say that the free trade deal is better for Americans according to this survey, yet it says that only 44 per cent of Canadians know that we have signed a free trade agreement. There is a great deal of confusion.

Does he feel that the report was slanted in a way that might inadvertently mislead the Canadians to my left, and can he indicate that there are certain American interests who fear the exact opposite, that Canadians have a better deal than the Americans?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I read that article in one of those famous Canadian newspapers, *The Toronto Star*. Many of the figures in that particular survey were not reported. The good news was not reported.

For example, 70 per cent of Canadians believe that prices will be lower, 57 per cent of Canadians believe that as far as energy is concerned the free trade deal is a good one for Canada, and 51 per cent believe that there will be more jobs as a result.

I am not surprised that 62 per cent of Canadians think the Americans got the better of the deal today, but it is interesting to note that after this particular survey was taken we find that auto parts manufacturers in the United States, the energy industry in the United States, the AFL and CIO in the United States say that Canada got the best deal and they are opposed to it in the United States.

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WAR CRIMINALS

STATEMENT BY FORMER ROYAL COMMISSIONER—LAYING OF CHARGES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. In light of the criticism by Royal Commissioner Mr. Justice Deschênes of the failure of the Government to advance its war criminal policy to the stage of laying charges, especially in the 20 cases that were identified for urgent action, what is going wrong and when can we expect some charges to be laid?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think Mr. Justice Deschênes was saying the same thing that so many Canadians have said. Naturally, there is an impatience with respect to a resolution to this matter due to the fact that the previous Government did virtually nothing. It was acknowledged by his Prime Minister in a meeting yesterday with a closed group of people that he had a lot to confess for as a good practising Catholic.

As far as we are concerned—

Mr. Nunziata: Shame on you!

Mr. Hnatyshyn: I believe we have in fact moved in this matter with resolve and disposition.

Ms. Copps: What does his religion have to do with anything?

Mr. Hnatyshyn: The Bill was proclaimed on October 30. This is November 5.

Ms. Copps: What does his religion have to do with anything?

Some Hon. Members: Shush!

Mr. Hnatyshyn: We have been moving quickly, according to a very—

Ms. Copps: It is not a religion issue.

Some Hon. Members: Shush!

Mr. Hnatyshyn: —with respect to a review and an investigation of these files.

Ms. Copps: That is outrageous!

Some Hon. Members: Shush!

Mr. Hnatyshyn: We have had matters of agreements—

Ms. Copps: Absolutely outrageous!

Some Hon. Members: Shush!

Mr. Hnatyshyn: If the Hon. Member for Hamilton does not want to hear this—

Mr. Ouellet: Tell your guys to shut up.

Ms. Copps: Religion has nothing to do with this issue.

Mr. Speaker: The Hon. Member for York Centre.

DESCHÊNES COMMISSION REPORT

Hon. Bob Kaplan (York Centre): Mr. Speaker, if Mr. Trudeau did in fact say that—

Ms. Copps: And religion has nothing to do with it.

Some Hon. Members: Oh, oh!

Mr. Ouellet: She has as much right to speak as you do.

Mr. Speaker: The Hon. Member will put his question.

Mr. Kaplan: If Mr. Trudeau did in fact say that his Government gave the matter a lower priority, it remains a fact that there were more concrete results during the Trudeau Government than there have been from this Government which says it gives the matter a high priority. Results are promised, but where are they?

The Deschênes report recommends that there be prosecution in 20 cases that were identified as being cases for urgent action. When will there be some results?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, again, this is a misrepresentation of the Deschênes Commission report. He said that there are 20 cases that required extra attention because of their nature. He said that each of those cases required further investigation, further action, and most of the cases involved investigation for evidence behind the Iron Curtain.

What we have done is to move with dispatch with the legislation. Second, we have made very good gains with respect to getting the safeguards that the Deschênes Commission recommended with respect to getting evidence behind the Iron Curtain. We are negotiating agreements to protect the rights of Canadians in this regard.

Third, we are fully involved in the investigation of these cases and we are carrying them on with dispatch and resolution, which is more than I can say about the previous administration.

Mr. Deputy Speaker: That concludes Question Period.

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PRIVILEGE

ALLEGED IMPUTATION OF RELIGIOUS MOTIVE

Mr. John Nunziata (York South—Weston): Mr. Speaker, a few moments ago the Minister of Justice(Mr. Hnatyshyn) suggested that a former Prime Minister's religion motivated his action with regard to the Nazi War criminal issue.

I want the Minister of Justice to stand and apologize. He suggested somehow that because the former Prime Minister was a Roman Catholic, he did not take the action that was necessary to bring that matter to justice.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I made no innuendo or imputed any motives.

Mr. Nunziata: You did so.

• (1510)

Mr. Hnatyshyn: I was quoting the newspaper reports of what the former Prime Minister said himself.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister, in the House, only a few moments ago, made an association between a person's religion, in this case the former Prime Minister's, and the decisions that resulted in the Deschênes Commission and the Government's action thereto.

It seems to me that the Minister of Justice should be the first person in this country to know that the recommendations of the Deschênes Commission have absolutely nothing to do with religion. The fact that a person is a practising Roman Catholic, Buddhist, Jew or anything else, is completely irrelevant to this issue. The fact that he would even suggest such a thing, I think deserves an apology because it shows that he does not even understand the issue with which we are dealing, that is, the result of the Deschênes Commission.

Mr. Speaker: A question of privilege has been raised. Perhaps the Minister of Justice (Mr. Hnatyshyn) could obtain the newspaper article from which he was apparently quoting and give it to the Chair. I will consider the matter and report back to the House.

Mr. Hnatyshyn: Mr. Speaker, I would be glad to do so. I can only say to the Hon. Member that the Ukrainian Orthodox go to confession as well.

Ms. Copps: That is not the issue.

Mr. Hnatyshyn: Perhaps the Hon. Member should read the report of the *Citizen* of November 5, which I will give to the Speaker. The newspaper refers to the following statement by former Prime Minister Trudeau:

> He said, "In our religion, we have confession and I must confess that our Government did not do things it should have done".

That is the reference I was making. If the Hon. Member takes issue with that, she should talk to Mr. Trudeau.

Ms. Copps: Mr. Speaker, maybe I am naive and ignorant—

Some Hon. Members: Oh, oh!

Ms. Copps: —but I do not understand—

Mr. Jelinek: You got that right!

Mr. Speaker: The Hon. Member may not have a question of privilege but the Hon. Member feels aggrieved and has a right to be heard.

Ms. Copps: Mr. Speaker, I just do not understand and I would ask the Minister to clarify. He made a comment about his religion. What does my religion as a Roman Catholic or anyone else's religion have to do with the question that was asked by my hon. colleague, the Hon. Member for York Centre (Mr. Kaplan)? It has absolutely nothing to do with it and I suggest that the Minister should not exacerbate the situation by making further religious references on an issue which should affect all Canadians.

Mr. Robinson: Point of order.

Mr. Speaker: I will hear the Hon. Member for Burnaby (Mr. Robinson) in a moment. In the meantime, the Hon. Minister of Justice has the floor.

Mr. Hnatyshyn: Mr. Speaker, if this will satisfy the Hon. Member, I had absolutely no intention to impute motivations. There was no intention of trying to suggest any religious overtones with respect to the matter. I quoted the former Prime Minister. I hope the Hon. Member will understand that that was the intention and accept my word for it.

Mr. Nunziata: The record will speak for itself.

Mr. Robinson: Mr. Speaker, perhaps I might provide some information on this matter as the only Member of Parliament who was actually present at the meeting at which the former Prime Minister, Mr. Trudeau, made the comments in question.

The article to which the Minister of Justice referred is one source of information of what was supposed to have been an off the record briefing by the former Prime Minister. However, an article in the *Toronto Star* also refers to it. The former Prime Minister is quoted as stating:

> I belong to a religion where, when we confess our sins, we confess not only what we did but what we failed to do—
>
> In hearing my former parliamentarian Svend, I felt it was a good lesson for my soul when you realize the number of subjects we had failed to deal with.

In the context of that particular statement, I would suggest, with the greatest of respect, to my colleagues from the Liberal Party that they are blowing completely out of proportion the statement that was made.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair has heard enough. I have the point. I will consider it. I will look at the article and report back to the House.

I might say that the Chair is cognizant of the fact that in this place things can be said, or there may be a misunderstanding of something that has been said, that can cause a lot of disappointment, dismay, and at times wound. I will look at it from that point of view. However, the Hon. Minister has stated quite clearly that that was not his intention, and it is more complicated because he was apparently giving the quote from his own memory, and we have heard another quote very much along the same lines. However, I will come back out of courtesy and respect to all Hon. Members and respond to the matters which have been raised.

There is no need, in the opinion of the Chair, to carry this matter any further.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have the customary question that is asked on Thursdays as to the intentions of the Government with respect to business that it wants to put before the House.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, this afternoon we will commence consideration of Bill C-88, the Judges Act. If this Bill is not completed this afternoon, we will call it again for tomorrow. Following completion of Bill C-88, we will call Bill C-54, the Bill dealing with pornography.

On Monday, when the House returns from the remembrance week adjournment, we will call Bill C-77, the emergencies Bill, followed by Bill C-54, and hopefully there will be a designated opposition day sometime later that week.

Mr. Scott Fennell (Ontario): Mr. Speaker, in the spirit of Guy Fawkes Day, there has been an agreement among all Parties that we would ring the bells prior to 3.30 p.m. and the vote will take place precisely at 3.30 p.m. I would suggest that as soon as we are through with routine business, we ring the bells and come back to vote at 3.30 p.m.

* * *

POINT OF ORDER

DESIGNATION OF PARLIAMENTARY SECRETARY TO MINISTER OF JUSTICE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I would like to ask the Minister of Justice while he is in the House a question with respect to the status of the Parliamentary Secretary to the Minister of Justice, or the absence of a Parliamentary Secretary to the Minister of Justice. The Prime Minister's Office had in fact issued a press release indicating that the Hon. Member for Cambridge (Mr. Speyer) was appointed as the Parliamentary Secretary to the Minister of Justice. He is a very distinguished Member and certainly many of us look forward to working with that Member in this important area of parliamentary responsibility.

However, I note that *Hansard* from yesterday, which lists the Parliamentary Secretaries, makes no reference to the Hon. Member for Cambridge in the list of Parliamentary Secretaries. I would like to ask through you, Mr. Speaker, if the Minister of Justice would clarify this omission and indicate just exactly who is the Parliamentary Secretary to the Minister of Justice.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, there was a press report that came out. I am not aware of any other dispatches or documents published by the Prime Minister's Office. Certainly, there were press reports with respect to the appointment of the Hon. Member for Cambridge as my Parliamentary Secretary. This is not correct. I regret that in the sense that I agree with the Hon. Member for Burnaby that the Hon. Member for Cambridge is a very distinguished Member and one who would be a great asset as a Parliamentary Secretary, as he was for a period of time with me previously.

However, the position still remains vacant primarily because it is the most sought after position as Parliamentary Secretary and there are such a lot of people applying for the job. I guess the decision is rather hard to come by.

I am hoping that someone will be appointed at an early time, but I am now being well served by the Parliamentary Secretary to the President of the Privy Council (Mr. Hawkes) who will assist me in that capacity for the foreseeable future until a Parliamentary Secretary is appointed.

GOVERNMENT ORDERS

[*English*]

PATENT ACT

MEASURE TO AMEND—CONSIDERATION OF SENATE AMENDMENTS

The House resumed from Wednesday, November 4, consideration of the amendments made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto;

And the motion of Mr. Andre:

That a Message be sent to the Senate to acquaint Their Honours that this House agrees with amendment 18(b) made by the Senate to Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation thereto, but disagrees with all other amendments except amendment 13(a),

(b), (c), and (d), 14(a), (b), (c) and (d) and amendment 16(a) because this House believes that amendments 4(b), 11, 12, 15(a), (b), and (c), 16(b), (c), (d) and (e), 17(a) and (b) and 18(a) are in contradiction to the fundamental principles of the Bill and undermine the objectives of the policy.

More specifically:

Amendments 4(b), 11 and 12 change the coming into force of the sections thereby jeopardizing all of the research and development commitment of the industry, and are therefore not acceptable;

Amendments 15(b), (c) and 18(a) remove flexibility from the Patented Medicines Prices Review Board inconsistent with the design of such regulatory agencies and are therefore inconsistent and not acceptable;

Amendment 15(a) arises out of Senate amendments 13 and 14 and is therefore inappropriate;

Amendment 16(b), (c), (d) and (e) and 17(a) and (b) arise out of amendments 13, 14, and 16(a) which are proposed for further amendment by this House in this Message. Therefore the Senate amendments are inappropriate.

And that Senate amendments 13(a), (b), (c), (d), and 14(a), (b), (c) and (d) be amended to read as follows:

That Clause 15 of Bill C-22 be amended,

(a) by adding, immediately after line 36 on page 13, the following:

"(1.1) Where, in the opinion of the Board, a patentee of an invention pertaining to a medicine has, within such period as is prescribed, increased the price at which the medicine is sold in any market in Canada by a percentage in excess of the percentage increase in the Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for that period, the Board may, by notice in writing, require the patentee to provide the Board with such information and documents concerning the costs of making and marketing the medicine as the Board may specify and as is available to the patentee in Canada or is within the knowledge or control of the patentee, and on the receipt of any such notice, the patentee shall comply therewith within such time as the Board may specify."

(b) by striking out line 45 on page 13 and substituting the following:

"tion (1) or (1.1),"

(c) by adding, immediately after line 33 on page 17, the following:

"(5.1) Where, in the opinion of the Board, a patentee of an invention that is a medicine has, within such period as is prescribed, increased the price

at which the medicine is sold in any market in Canada by a percentage in excess of the percentage increase in the Consumer Price Index, as published by Statistics Canada under the authority of the Statistics Act, for that period, the Board may, by notice in writing, require the patentee to provide the Board with such information and documents concerning the costs of making and marketing the medicine as the Board may specify and as is available to the patentee in Canada or is within the knowledge or control of the patentee, and on the receipt of any such notice, the patentee shall comply therewith within such time as the Board may specify."

(d) by striking out line 42 on page 17 and substituting the following:

"accordance with subsection (5) or (5.1),"

(e) by striking out line 17 on page 20 and substituting the following:

"purpose of the report referred to in"

(f) by striking out lines 2 and 3 on page 23 and substituting the following:

"shall contain

(a) a summary of pricing trends in the pharmaceutical industry; and

(b) the name of each patentee to whom a notice under subsection 41.15(1.1) or 41.16(5.1) was sent during the year and a statement as to the status of the matter in respect of which the notice was sent."

(g) by striking out lines 4 and 5 on page 23 and substituting the following:

"(2) The summary referred to in paragraph (1)(a) may be based on information and".

And that Senate amendment 16(a) be amended to read as follows:

That Clause 15 of Bill C-22 be amended by adding, immediately after line 17 on page 19, the following:

"(12) Where an order is made under paragraph 6(d) in respect of a medicine, the prohibitions set out in subsections 41.11(1) and 41.14(1) cease to apply in respect of the medicine effective on the date of the order."

Mr. Deputy Speaker: There has been a proposal by the Hon. Member for Ontario (Mr. Fennell) that we call in the Members for the vote. Is there unanimous consent for that?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Andre) which was agreed to on the following division:

• (1520)

(*Division No. 290*)

YEAS

Members

Andre
Attewell
Belsher
Blenkarn
Blouin
Bourgault
Brightwell
Brisco
Cadieux
Champagne
(Champlain)
Clark
(Brandon—Souris)
Coates
Collins
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
Dorin
Epp
(Provencher)
Fennell
Ferland
Fontaine
Fretz
Friesen
Gagnon
Gervais
Gray
(Bonaventure—Îles-de-la-Madeleine)
Hamilton
Harvey
Hicks
Hnatyshyn
Hudon
Jacques
Jelinek
Jourdenais
Kempling
King
Lanthier
Leblanc
Lesick
Lopez
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McDermid
McKenzie
McKinnon
McKnight
Merrithew
Mitges
Nickerson
Nowlan
Oberle
Pennock
Peterson
Plourde
Ravis
Redway
Reid
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Speyer
Stackhouse
Stevens
Tardif
(Charlesbourg)
Taylor
Thacker
Tupper
Van De Walle
Vankoughnet
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—90

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Boudria
Caccia
Cassidy
Copps
Dingwall
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Heap
Hopkins
Kaplan
Killens
MacLellan
Manly
Marchi
McCurdy
Mitchell
Nunziata
Nystrom
Ouellet
Parry
Riis
Robinson
Rompkey
Tobin
Young—31

• (1530)

Mr. Deputy Speaker: I declare the motion carried.

* * *

JUDGES ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that Bill C-88, an Act to amend the Judges Act, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, as I stated after Question Period, I am very pleased to be able to address the House today on Bill C-88, an Act to amend the Judges Act.

• (1540)

As you know, Parliament established a process in 1981 to review the salaries, benefits and other amounts payable under the Judges Act. Every three years a commission is appointed to inquire into the adequacy of judicial remuneration. These commissions report to the Minister of Justice who, in turn, tables the report in Parliament. The rationale of having such commissions is obvious. Triennial commissions provide, on a regular basis, advice to the Government which is independent

in nature. The process respects and enhances the independence of the judiciary according to our traditions.

The Supreme Court of Canada recently dealt with the independence of the judiciary in the Beauregard decision and affirmed that this independence is grounded on both security of tenure and financial security.

The 1986 commission chaired by Mr. H. Donald Guthrie, Q.C., submitted its report to me on February 27, 1987. I then tabled the report in Parliament. The report contained 27 recommendations in total. These recommendations dealt with salaries, pensions, benefits and income tax related matters. The standing committee considered the commission's report in April and accepted it subject to three modifications. Two of the modifications pertained to pension matters. The third modification related to salaries. The standing committee agreed with the commission's proposed salary adjustments but recommended their implementation effective April 1, 1987 rather than April 1, 1986.

The Government has the recommendations of the commission dealing with pensions and tax related matters under continuing consideration. As you might expect, Mr. Speaker, these matters are very complex and relate to broad policy concerns of Government. The Government is moving, in Bill C-88, to address the salary recommendations of the commission and matters directly related to the Charter of Rights and Freedoms.

Bill C-88 is an appropriate response to both the triennial commission report and the report of the standing committee. the commission found that the income of federally appointed judges has "failed to keep pace with other groups in our society". The commission called for a new salary base for judges which is fair to the judiciary. The commission expressed concern that eminently qualified lawyers have declined appointments due to the financial consequences which were to follow.

The Government has accepted the findings and recommendation of the commission regarding salaries and is implementing the recommendation in this Bill. However, in the context of the Government's fiscal framework, we will be phasing in the proposed adjustment over three years. Clause 1 allows for increases effective April 1 and each of the years 1986, 1987 and 1988.

The Bill supersedes indexing adjustments for 1987 and 1988 during this phase-in period. I think it is important to understand that. Therefore, Hon. Members will realize that a certain portion of the adjustments being effected in Bill C-88 would have been received in any event through the operation of the indexation provisions in the Judges Act, indexation provisions which, I might add, use the industrial aggregate index as is the case for Members of Parliament and others.

In addition to providing adjustments to judicial salaries, the Bill will repeal the provisions of the Judges Act which suspend the pension entitlement of a surviving spouse during his or her remarriage. This statutory suspension of benefits raises serious legal questions involving equality rights which have been recognized both by the report of the parliamentary committee on equality rights and by the Government's response thereto. Another amendment to the Judges Act will also eliminate consideration of a child marital status as a criterion for eligibility for survivors' benefits under the Judges Act.

There are at present over 800 men and women serving Canada on the federally appointed bench. These judges sit on the county and district courts which now exist in British Columbia, Ontario and Nova Scotia; the superior courts, trial and appeal; and under Section 101 of the Constitution, the Federal Court of Canada, the Tax Court of Canada and the Supreme Court of Canada. These men and women serve with honour and distinction. The role has, as many have observed, been enhanced since the coming into force of the Charter of Rights and Freedoms. They face increasing workloads and deal on a daily basis with matters of tremendous importance dealing with the criminal law, civil disputes and complex matters relating to the Constitution and Charter.

While we have always been fortunate to attract excellent candidates to judicial offices, we must ensure that the salaries and other benefits judges enjoy are fair and keep pace with other groups in our society.

I call upon all Hon. Members to join with me in supporting this Bill which is based on certain recommendations of the triennial commission and which relate to fairness and to equality rights considerations.

As I stated previously, Parliament created the triennial commission process for a good and valid purpose. I call upon all Hon. Members to act in the spirit of this process and support the Bill. We, as parliamentarians, have a profound duty to act in a fair way in responding to the report of the triennial commission and to respect the independence of the judiciary in Canada with regard to the matter of financial security.

I would say only that whenever one deals with matters of salaries concerning the judiciary, it should be remembered that the judiciary, because of the nature of their responsibilities, are divorced from the politics of the country and really have no one to act as their advocate concerning the appropriateness of remuneration. When the amendments were made to the legislation to provide for the independent commission to make an assessment on a realistic basis, I think we provided ourselves as parliamentarians with a vehicle within which we can consider these matters. Hopefully we will operate in a sense of fairness and equity toward the judiciary as they are most important to us in Canada.

I commend the Bill to Hon. Members. I hope that we can see our way clear to passing this Bill at an early date.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I rise on behalf of the Official Opposition with the uncharacteristic purpose of supporting this legislation.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Kaplan: I would like to say a few words, however. I have read the Guthrie report and I approve of the idea of having this independent commission review judicial salaries. There is no doubt that the salaries being settled by this legislation are high salaries in proportion and in comparison to those earned elsewhere in the Public Service and in society. But they are not high salaries when one compares them to the incomes of the profession at the level from which we draw our judiciary and from which we hope to continue to draw our judiciary. I approve of the idea of indexing because I think it is difficult in this institution to deal regularly with these salaries when we see so much injustice in the salary mechanisms established elsewhere by this Parliament.

I want to refer to a couple of examples. The judiciary is a special case. We sometimes run into people in our constituencies and elsewhere who say Members of Parliament are underpaid. It is nice to hear that if you are a Member of Parliament. Certainly there are Members of Parliament, depending on their profession, who might have been making a lot more money if they had been doing their other job and not serving their country. In this Parliament that is not true in every case, nor should it be in every case. This Parliament is better because it drew people from all kinds of different jobs, people who were teachers, small businessmen, people in some cases who were out of the labour force and living at home, religious leaders and others for whom salary was not the issue. When you look at the salaries of Members of Parliament I do not think one should draw conclusions from what you find when you are looking at the problem of the bench.

• (1550)

Our purpose is to draw from the level in a profession at which salaries are very much higher than the $127,700 which is to be the salary level after the phase-in period for which the Minister has provided. That looks like an awful lot of money but I believe one would find that it is less than virtually all of the individuals who would receive that salary would make if they continued with their successful careers as lawyers working at the level from which we are drawing judges and from which we hope to continue to draw them. Therefore, we support this legislation.

I want to refer to one particular feature of the legislation, the removal of the provision that a pension to the spouse of a judge ceases on remarriage. I approve of that change. I think it is a humane way to treat the judiciary and I think also it will mean something to successful lawyers, some of whom are young and have spouses who will be very much affected by the abandonment of promising and lucrative careers as lawyers to become judges. It is a meaningful and humane thing for the Government to do and we support it.

That particular provision, the continuation of spousal pensions on remarriage, is one which the Government ought also to offer in other areas of Public Service. One of my colleagues, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) will, I hope, speak on this matter. This humane provision ought to be followed elsewhere. The Government ought to change other legislation so that that same humanity will be applied by the Government as an employer of those other than the Section 96 judiciary to which the amendments that are before the House primarily apply.

I offer my support and I would like to ask if there might be unanimous consent to go through all three stages of the Bill today so that we could settle it and move on to other matters which I think ought to be given more time.

Some Hon. Members: No.

Mr. Deputy Speaker: There is no unanimous consent. Resuming debate with the Hon. Member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to make a few comments with respect to Bill C-88, legislation which would implement in a phased-in way the recommendations of the Guthrie commission which submitted a report and recommendations to the Government of Canada on judges' salaries and benefits on February 27 of this year.

We in the New Democratic Party support the second clause of this Bill which would delete the offensive provisions of the existing Judges Act which effectively bar widows or widowers of judges from remarrying if they wish to continue to receive their pensions. Those provisions are archaic and discriminatory and I welcome the initiative of the Government in repealing those provisions from the Judges Act.

Indeed, the Special Committee on Equality Rights recommended that a similar bar to pensioners be repealed throughout federal jurisdiction. I would certainly hope that the Government would apply this important principle not just in the case of judges but indeed in the case of all others who are in receipt of federal pensions.

At the same time, I might say that we are still waiting for the Government to make good on the commitments and promises it made to bring forward other legislative changes in response to the unanimous report of the Special Committee on Equality Rights.

[*Translation*]

It was on March 4, 1986, that the Government promised to amend the laws of Canada to implement the changes recommended by the Equal Rights Commission. Mr. Speaker, eighteen months later, the Government has still done nothing to keep this important promise. I ask the Government to keep its promise to ensure equal rights in Canada. I am well aware that you might one day hold another position than the distinguished one you now hold. I do not know whether it will be that of Prime Minister, but you will certainly assume the duties of that position with the same distinction as those of Deputy Speaker.

[*English*]

That deals with Clause 2 of the Bill. There is another provision in this legislation, indeed the heart of the legislation, Clause 1, which would implement a substantial pay increase for members of the bench appointed by the federal Government. The current base level of salary for a federally appointed judge at the Superior Court level or at the Federal Court level is approximately $110,000 per year.

The Guthrie commission states that the income of judges has failed to keep pace with that of other groups in our society. Objectively, I suggest that for a man or a woman to be paid, as the lowest paid federally-appointed judge is, something in the order of $105,000 per year is not unreasonable or unfair. I suggest furthermore that those salaries are already indexed as of January 1 of each year to take into consideration inflation.

[*Translation*]

Mr. Speaker, I ask the Minister whether the Government has money to spend to increase salaries and pensions in Canada. If not, why increase the salaries and pensions of judges instead of those of other Canadians who have a much greater need for such an increase?

[*English*]

I realize that some would say it is easy to attack a pay increase for judges since they cannot respond in the Chamber themselves, but we have an obligation to look at the legislation on its merits. The suggestion has been made that there are lawyers, men and women who should be on the bench but who are not because they cannot afford to get by on an annual salary of $110,000 a year.

As I have said on other occasions, if a lawyer is approached to serve, something which in itself is a great honour, and says, "No, I am not prepared to serve as a judge because I think $110,000 a year represents too much of a sacrifice for me", that lawyer should continue in the profession of the law. I do not want that kind of person on the bench. I do not want someone who believes that $110,000 a year is not enough and who is not prepared to accept the call to the bench. The Guthrie commission stated that it has independent knowledge of eminently qualified lawyers who have declined appointment to the bench due to the loss of income that would result. I suggest with respect that for every one of those individuals there are many more eminently qualified lawyers, to use the words of the commission, who could serve with distinction but who have not been approached.

• (1600)

I oppose this Bill, as I have opposed other provisions of a similar nature. I hope when it goes to committee we might get some justification from the Minister about why it is that a Government which is speaking, as it should, of scarce resources has decided to increase the salaries of those who are already at the very highest level of income.

I want to take this opportunity as well to indicate that we in the NDP are deeply concerned that this Government has failed to follow through in another area of fundamental importance affecting the judiciary. That concerns the process of appointment to the bench.

[*Translation*]

It has been quite some time since the Minister of Justice promised to change the Canadian system of appointments to the bench. He would know that his former Parliamentary Secretary, the Hon. Member for Mégantic—Compton—Stanstead (Mr. Gérin), chose to resign because he was so frustrated by his own Government's lack of will with respect to the appointment of judges and to democratizing the process of political party contributions in Canada.

[*English*]

The Minister of Justice (Mr. Hnatyshyn) knows that his predecessor, now the Minister of Transport (Mr. Crosbie), promised over two years ago to bring forward changes to the system of appointment of judges. He knows the Canadian Bar Association stated that many Canadians believe the system still contains an excessive amount of political patronage. Indeed, many examples of that remain, unfortunately.

Just today we learned of the speculation that the Attorney General of British Columbia, Brian Smith, is apparently being considered or trying to have himself considered for Chief Justice of British Columbia. What a perversion of justice. As Attorney General he has displayed utter contempt for the Charter of Rights. He has shown total incompetence in dealing with the law. He described as seditious conspiracy the efforts of British Columbians to peacefully protest against labour legislation in that province—excuse me.

Mr. Friesen: Even he chokes on it.

Mr. Hnatyshyn: You should choke on your words.

Mr. Robinson: We learned today that this individual may be considered—

Mr. Hnatyshyn: Who said so?

Mr. Robinson: —for appointment as Chief Justice in British Columbia. That is certainly possible because the federal Government and the Minister of Justice have refused to bring forward changes to the system of judicial selection which they promised.

Mr. Hnatyshyn: We were waiting for you to come back.

Mr. Robinson: How much longer must Canadians wait before the Government makes good on its promise?

[*Translation*]

Mr. Speaker, how many months will we have to wait before this Minister and this Government live up to their commitment to revamp the judicial appointment system?

[*English*]

I hope that the speculation and rumours concerning this appointment are misguided. Certainly we in the Province of British Columbia are fortunate in having a distinguished chief justice in Mr. Justice Nathan Nemetz. I know all British Columbians, indeed all Canadians, would be deeply shocked at any suggestion that the occupant of that very important and fundamental position in the Canadian judiciary would be someone who has displayed such contempt for the elementary principles of justice and the Charter of Rights. I hope the Minister will rise in his place and once and for all squelch that suggestion.

Mr. Hnatyshyn: The last one to criticize me became a Minister of Education.

Mr. Robinson: We know that the role of the judiciary in our society has been enhanced significantly as a result of the adoption of the Charter of Rights and Freedoms. Indeed, we recognize the fundamental importance of the judiciary in Canadian society. However, I question the decision of the Government to move forward with salary increases based on the Guthrie recommendation. I believe that decision is not warranted.

My final point concerns some other recommendations made by the Guthrie commission. It pointed out that inequities remain in the system of judges' pensions. Without in any way endorsing all of those recommendations in this respect, I would have hoped that the Minister of Justice would come forward not just with a package dealing with salaries, but one which recognizes some of the inequities documented by the commission. One of those inequities deals with the question of pensions for judges who have served more than 10 years but less than 15 years. The commission recommended that there should be provision for a partial pension for those individuals. I welcome and support that recommendation and I hope the Government brings forward at an early date legislation to implement that recommendation. I hope the Government also bears in mind those individuals who have served with distinction and honour in the federal judiciary when determining the date upon which such provisions take effect.

In conclusion, while we welcome the changes in Clause 2 which will put an end to this offensive barrier with respect to pensions, we must register our opposition to the proposed salary increase. We have to bear in mind that the federal judiciary automatically has its salaries indexed under the existing provisions of the Act. I look forward to dealing with this and other questions in committee.

Mr. Lewis: Point of order, Mr. Speaker. I think you will find there is unanimous consent to revert to Motions in order to take care of a motion to allow the Standing Committee on External Affairs and International Trade to travel, and a motion to adjourn the House today until Monday, November 16, 1987.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

DATE OF ADJOURNMENT

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been the necessary discussions with the other House Leaders and there is consent to move the following motion:

That when the House adjourns today, it stand adjourned until 11 o'clock a.m. on Monday, November 16, 1987.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1610)

STANDING COMMITTEE ON EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I move:

That the Standing Committee on External Affairs and International Trade be authorized to adjourn from place to place in Canada between November 22 and December 5, 1987, for the purpose of holding hearings, as the Committee deems appropriate, on the subject of the Free Trade Agreement between Canada and the United States, and that the necessary staff do accompany the Committee.

Mr. Deputy Speaker: Does the Hon. Minister of State (Mr. Lewis) have unanimous consent to move the motion?

Some Hon. Members: Agreed.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, that committee is in session in the West Block at this time, but I am here to oppose this motion because it is the kind of proposal which is making a complete farce of the hearings on free trade. The Government has already asked the committee and the Canadian people to study this so-called free trade agreement without benefit of any legal text. We have already been told that the text will not be ready for several weeks. We are holding hearings and planning more hearings, asking people to comment on the principles of the agreement rather than on the text which I understand will run to about 900 pages while the agreement which we now have before us consists of only about 36 pages.

That is not all, Mr. Speaker. The American Congress will have until about April 1 to study this agreement. According to the fast-track system which has been adopted in the United

States, they have 90 days after the President signs the agreement on January 2.

We do not have the legal text, yet are asked to study the agreement. The House Leader is now proposing a motion which the committee rammed through last night against the wishes of opposition Members. Members of the Opposition on the committee suggested last night that we do want hearings on the so-called trade agreement between Canada and the United States but that two weeks was totally inadequate.

According to the plan which is being put to the House this afternoon, one day will be spent in each province. One day will be spent in British Columbia in one city, one day in Alberta in one city, one day in Saskatchewan, one day in Manitoba, and one day in the Northwest Territories. In the second week we will cover eastern Canada spending one day in Quebec, one day in New Brunswick, one day in Prince Edward Island, one day in Nova Scotia, and one day in Newfoundland.

We are receiving hundreds of letters from groups and individuals who want to be heard on this most important agreement which the Government itself says is one of the most significant economic measures since the Second World War.

We are asked to study, in only a few weeks, one of the most significant economic measures which will impact on almost every economic walk of life in Canada. We are sitting in Ottawa this week, as we will be the week after the break, then will spend two weeks on the road and be expected to make a report. If we are to pursue the proposal made by the Conservative majority on the committee, hundreds of individuals and groups will not have a chance to be heard. We will be pushing through a report of the committee without adequate hearings.

I remind the House that when we dealt with such things as the Crows Nest Pass rates and the pharmaceutical Bill we spent several months in committee hearing from individuals and groups. Those matters were important but not as important as this agreement. We are asked to hear the people of Canada in two weeks, one week in the West and one week in the East. We think that is totally inadequate. We tried to amend the motion last night by providing for additional hearings across the country. The government majority turned that down. They are trying to ram this through. They do not want individuals and groups to be heard as they should. We will oppose this motion.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would also like to speak in opposition to this motion. We have heard from government Members time and again that they would like to have this so-called Mulroney deal discussed. However, the reality is that when an opportunity arises to study the deal in detail we get absolutely no co-operation from the Government.

I am from the most industrialized riding in Canada, the riding of Hamilton East. There are more factories per square foot in my riding than in any other riding in the country. I, for one, feel highly insulted that as a result of this committee's Conservative majority only one day will be spent in each province to hold hearings which will not permit the voices of all people to be heard.

Does the Government really believe that the Province of Ontario stops in Toronto? Does the Government really believe that the Province of British Columbia stops in Victoria? Does the Government really believe that the Province of Newfoundland stops in St. John's?

If the Government were really serious about examining this agreement in detail, it would permit full hearings which would include travel, not only to the capitals of each province but to other communities and to rural areas which may be affected.

[*Translation*]

The fact that this committee, with its Conservative majority, is trying to put this Agreement before Parliament without even holding hearings outside Parliament is an insult to Canadians. They are not going to Quebec and they are not going to New Brunswick. They are afraid the Canadian people will see details of the Agreement that include compromises on questions of language, culture and national sovereignty. Those are the points that will be affected by this Agreement. This Government with this literally crushing majority is trying to prevent discussion and full debate on the Mulroney-Reagan deal.

[*English*]

The issue before us is possibly the most important question to face Canadians because it deals with the very future of our country. It deals with whether our children can be Canadian. It deals with whether we will have control over our own laws. It deals with whether we will have control over our own sovereign destiny. It deals with whether we will say yes to Canada or whether we are prepared to sell out our country merely to make the bigger buck by an association with the United States.

If the Government were really serious about giving Canadians a chance to examine this bad deal in detail it would encourage full hearings, not only in capital cities but in every part of this country. In fact, it would take the question to the people.

The Government is afraid that if Canadians see the fine print they will start to realize that this deal compromises our sovereign rights in our own law-making, our access to energy, our future rights to guarantee cultural policy, our right to a safe environment, our right to have safe streets to walk on and to guarantee a quality of life which is different from that which exists in the United States.

If the Government is not afraid to examine those questions, why is it using a muzzle to restrict debate to one day in each of the capital cities of this country? The capital cities of this country are not the only areas in which Canadians deserve a voice in this most important question. I believe it is an outrageous abuse of parliamentary majority that the Government would choose to move in such an insidious way to ram

through a deal which, by all counts, is not only a bad deal for those who are opposed to free trade, but also from the perspective of those who support the general concept of free trade.

What is the Government afraid of? What does it have to hide? Why is it afraid to go to the people? Is it because the Government believes that the people will see this bad Mulroney deal for what it really is, a sham, a sell-out, a step toward continental absorption and assimilation?

• (1620)

We want to fight it but we need the ear of the people to do so. That is why we cannot have a committee that simply goes to the capital cities of each province for one day. In Ontario, the border does not stop at Steeles Avenue. The people of Hamilton have a right to have a say, as do the people of Timmins and Atikokan, as well as the people of Red Deer, Alberta. The people of the Northwest Territories have a right to a say, as do the people of the Yukon.

This motion is outrageous and, as far as I am concerned, is an example of a democracy that has run amuck, a government that is out of control and is only interested in ramming through a motion which could spell the very end of our country.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I rise on behalf of the New Democratic Party to deal with the motion before us.

We have raised our concerns a number of times, both in the House and in the committee, about the extent as well as the area to be covered in the public hearings to be held by the Standing Committee on External Affairs and International Trade.

There will be two weeks of hectic travel in which the committee will go to every capital city and a community in the Northwest Territories. Travelling to 11 cities in 11 days is an impossible task in itself. I know the difficulties that lie ahead for that committee having been on the Transport Committee that spent a week, if not longer, to tour the western Arctic alone on the question of deregulation of the transportation industry.

We have a number of regrets in the way the Government has handled the free trade deal. We are disturbed by the Government's demand to have hearings prior to receiving the details of the agreement. We are opposed to a committee of this House being given a very few days in which to travel and in which to review the final details, should it receive them, before it is due to report to the House. We most sincerely regret that the Yukon, which includes some 800 miles of Canada-U.S. border, will not even have one day of quasi hearings. Once again, the Yukon is left out of a process that so fundamentally affects this country, just as it was left out, along with the Northwest Territories, in the Meech Lake Accord process.

I regret that the Government has chosen to take this smoke and mirrors approach to consulting the people of Canada. The committee will not visit the northern parts of Ontario, Manitoba, Saskatchewan, Alberta, British Columbia or Quebec. The capital cities do not represent the people of Canada.

We are not prejudging what the people of Canada will tell the committee, but the people of the northern parts of provinces should at least have an opportunity to express their views on the agreement, as they should. While we regret the timetable and travel schedule of the committee, we would regret even more not even having this small opportunity to hear from Canadians.

Clearly, the Government, with its majority on the committee, had the opportunity to include the Yukon in its timetable. We must respect the resolution of the committee even though we may not like it, but it would have been even more unwise for the committee to hold hearings only in Ottawa, preventing the regions of Canada and all Canadians, including fishermen, farmers, small business people, natives, and women from having a say on this fundamental question for the future of Canada.

The committee must be given permission to travel so that people throughout the country may be able to give the Government the message that they must be heard and it should call an election in this country so people can have their say.

Mr. Sergio Marchi (York West): Mr. Speaker, not only is the substance of this deal for economic union between Canada and the United States very troublesome, the process by which it was drafted and by which the Government wants to ratify it is very disturbing.

We must also place some importance on the process behind this deal because it was the Prime Minister (Mr. Mulroney) who told us about open government, accessible government and participatory democracy. We have seen that those are very much empty words when it comes to the actual implementation and spirit of what is meant by them. It is empty rhetoric.

We cannot afford to ignore the process behind the free trade deal that was just signed by the President of the United States and our Prime Minister. This so-called agreement has the potential of changing the very nature and identity of this country, and what we mean by the term "Canadianism".

The Prime Minister's statement in 1983 becomes all the more relevant in this debate. When he was seeking the leadership of his Party at that time, he said no to free trade. During the election of 1984 not one word was spoken on the arrangement of a free trade deal with the United States. One would think that those statements would logically call for a debate on the process. Yet the Prime Minister is denying that process. He does not have the courage to call an election on this issue, but would wait until the deal is finalized and

consummated. He has also denied a referendum to allow Canadians to clarify their view of this agreement.

Canadians are being denied these processes by which they can express their views to their elected leaders during a most crucial time in Canadian history.

That is why we in the Liberal Party believe that a committee should travel to all regions of this large and diverse country. This deal has the potential of affecting the lives of all Canadians, whether they live in big cities or small towns, whether they are farmers, fishermen, factory workers, or business owners. The quality of life for Canadians should not be predicated on whether they happen to live in a specific city within their province. That is why it is important that if this committee is to travel, that it travel to all the communities and give a voice to all Canadians. Their input should be felt not after the election and not in some other book the Prime Minister might wish to write about where he stood. The voices of Canadians should be heard now so that they can have some measure of opportunity to change the course of this very agreement.

• (1630)

If the Prime Minister, his Government and his Cabinet are confident about this deal, as they seem to be every day during Question Period, there should be no timidity on behalf of the Government to go to the regions of this country.

Not only do we not have the fine print of the agreement tabled at this committee so that Canadians can actually see where the "t"s are crossed and the "i"s dotted, but the Government does not want the committee to travel to all the communities with the general outline of the deal. That should tell us something about what the Government really thinks and, more important, what it really fears. It fears that Canadians will have an opportunity to see the deal for what it is. It is not free trade, it is the first step of economic union, to be followed by the discussion of political union. This deal deserves the scrutiny of all Canadians so that they can say something about the future of their country and the country of their grandchildren. If the committee is to travel, let it do it properly and let it be accessible to those Canadians who want to stand up and be heard.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Fraser Valley East (Mr. Belsher)—Immigration—Amnesty for refugee claimants—Government position/Statement attributed to Chairman—Designate of Refugee Board; the Hon. Member for Spadina (Mr. Heap)—Nicaragua—United States funding of Contra attacks/request that Government urge Honduras to honour its commitments.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEE ON EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

The House resumed consideration of the motion of Mr. Lewis:

> That the Standing Committee on External Affairs and International Trade be authorized to adjourn from place to place in Canada between November 22 and December 5, 1987, for the purpose of holding hearings, as the Committee deems appropriate, on the subject of the Free Trade Agreement between Canada and the United States, and that the necessary staff do accompany the Committee.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, moments ago I was in the lobby of the House meeting with a constituent. We were talking about free trade as it affected that constituent's plant just as the debate commenced on the issue of the travel of the committee to listen to free trade issues.

It is bad enough, as my colleague, the Hon. Member for York West (Mr. Marchi) so eloquently pointed out, that we do not even have the full text of the agreement, but we are proceeding with hearings in which my constituents and the constituents of every other Member are supposed to make representations to the Government on whether or not they are in favour of an agreement which they have not seen, but only have the general outline.

I have a letter in my hand that was given to me by my constituent moments ago. The industry to which I am referring is known as Texturon. It is a mill in Hawkesbury, Ontario, which employs some 70 to 75 of my constituents. I invite Hon. Members opposite to listen. They may learn something.

Mr. Friesen: It did not stop Premier Peterson.

Mr. Boudria: I must respond to the Hon. Member opposite who said it did not stop Premier Peterson from holding hearings. That is a mighty interesting view. First of all, as the Hon. Member will know, Premier Peterson personally is against the free trade agreement, very correctly so. Second, it is not Premier Peterson who has negotiated this mess, it is the Prime Minister (Mr. Mulroney) and his bunch of cronies.

Mr. Friesen: That is overpowering logic.

Mr. Boudria: They are the ones who messed it up. I will read the letter given to me by my constituent to explain why we need to hold hearings in more than a few selected communities where the Government hopes that little controversy

will be raised, and that we need the documents. The letter is addressed to myself and it states in part:

> Dear Mr. Boudria:
>
> This letter is written objecting to the planned agreement on free trade with the U.S.A.
>
> You are familiar with our operation on Cameron Street in Hawkesbury at which we produce textured polyester yarn in a modern plant with excellent high speed equipment. Should total free trade with the U.S.A. be placed in effect, we beyond doubt will have to close our plant in Hawkesbury.

I heard five minutes ago that a plant in my riding in Hawkesbury is threatened with shut down, but the Government is telling us we can only have hearings in a few places in the country. If that is not bad enough, we are supposed to hold hearings without the documents. So we will have hearings in a few selected communities, begin them in a hurry—something the Government has already orchestrated—and without documents. Plants in my riding are being threatened with shutdowns but that does not matter to Members opposite. They want to get this mess over with because it is an embarrassment to them. That is the only point upon which I will agree with the Government. It is an embarrassment because it was so poorly done. That in itself is no justification for hearings to go on in that kind of brevity without detailed documents and only in a few selected communities.

Of course, we want hearings. We want people to be able to speak on this issue, but we want the people to have the documents available in order to make informed comments. We want the Government to bring the committee to the people. The Government itself has said that this is the most important trade agreement in the history of mankind.

Mr. Darling: Right on!

Mr. Boudria: If that is so, if it is that important—that does not mean it is that good, by the way, it just means that it is that large—

Mr. Darling: It's good too.

Mr. Boudria: If it is that important, surely it should be able to stand up to public scrutiny. The people in my riding and the people in every other constituency in Canada should have the right to speak on it. Once those hearings are completed, then the people of Canada can look at the final deliberations of the committee, having conducted its hearings properly with proper documents. The Prime Minister should have the intestinal fortitude to—not to use other words—go to the people of Canada and tell them: "This is of such importance, I want you to speak to me directly as to whether you are in favour or against", not by means of a referendum, because we cannot have that in our parliamentary system, but by means of a general election. That is the way it should be done.

Meanwhile, the committee hearings should be conducted in such a way as to provide people with information first, good and thorough hearings second, and held in a number of communities where people can participate. The Government would then be able to see how my constituents in Hawkesbury and elsewhere in the riding of Glengarry—Prescott—Russell think of this agreement. That is true of communities in every other constituency in Canada whether they are represented, albeit temporarily, by a Conservative Member, by a member of the Liberal Party or by a Member of the New Democratic Party.

I do not want to unduly delay this process, however, I have to indicate to the Government my dissatisfaction with a process which does not fully enable my constituents to participate and inform the Government of their views of this agreement. The hearings will not be held in enough communities in Canada and proper documentation is just not available. I say to government Members opposite that it is time they started to listen.

[*Translation*]

Canadians have had enough of this arrogance, Mr. Speaker. It has been going on far too long, and I would therefore urge Government Members—if they have any hope of being re-elected and, more important, of serving the Canadians who elected them and gave them a mandate to form a government—to ensure that, according to their own conscience, this job is done well. Mr. Speaker, some parliamentary committees—there is the committee on which I sat not long ago, which took weeks and even months to find out what should be done about our Canadian postal services. Our postal services are important. And what the Prime Minister (Mr. Mulroney) himself qualified as the most important trade agreement in human history is even more important. However, if it is as important as all that, how can, and why should, Canadians be denied the requisite documentation and also the opportunity to testify before a parliamentary committee and, Mr. Speaker, I would also add, the privilege of making their views known in a general election?

• (1640)

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, I hope that by now the Government realizes the strong dissatisfaction on the part of the Liberal and the New Democratic Parties with the manner in which the Conservative majority on the Standing Committee on External Affairs and International Trade has decided to deal with the question of that committee's travel to hear evidence from Canadians on the Government's trade deal with the United States. Others have made very clear the reasons for that dissatisfaction. I will deal with those reasons very briefly.

Basically, we feel that the committee is not going to enough centres in Canada to allow Canadians, particularly people who cannot be identified as spokespersons of large organizations or big business, to express their views on the most fundamental issue that has faced our country perhaps since it has come into existence. It is not enough to have a committee visit only provincial and territorial capitals. There are many other places that deserve a visit by the committee for hearings to let people

have their say. I can mention by way of example my own communitiy of Windsor, the fourth or fifth largest industrial centre in Canada. Windsor should be a place that the committee comes to hold a hearing on the subject of the Government's trade deal with the United States.

There is a second reason that I think argues very strongly as to why the Conservative majority on the External Affairs committee was wrong to ram through a motion limiting the hearings of the committee to the provincial and territorial capitals and also rejecting the request of the Liberals and the New Democrats not to cut off the hearings early in December. The Congress of the United States will have until April 2 to hold hearings on this trade deal, to study in committee this trade deal and, in fact, to be shown the very drafts of the exact wording of the final version of the Government's trade deal with the United States.

The Government has given no convincing explanation as to why the elected representatives of the people of Canada should have less opportunity to study this trade deal than the elected representatives of the people of the United States. Why is this Government refusing at the very least to let the External Affairs committee continue its hearings into the trade deal with the United States at least as long as the period available to the members of Congress of the United States? If this deal is as good as the Government says it is, what has it to fear? Surely, if it is a good deal for Canada, the more it is discussed through open parliamentary hearings the more it would become acceptable to Canadians.

We in the Liberal Party looking at the information that the Government has provided have concluded that this deal is a bad deal for Canada. It undermines our economy. It undermines our sovereignty. It is the very sell-out of everything that has been built up and about which we are proud in this country. I suspect that that is the reason the Government is trying to rush through these committee hearings. It does not want Canadians to get a full understanding of what this deal is all about by having committee hearings go on at least as long as the committee hearings in the U.S. Congress, hearings which would be based on the full text, the only thing that would have legal effect on the deal the Government has entered into with the United States on trade.

The Government, using its majority in the committee, has rammed through a motion limiting the hearings to the provincial and territorial capitals and insisting that they be completed by early December. I know that if there were a recorded vote here the same majority would come in to bring about the same unfortunate result with respect to the adoption of the motion before us.

I want to put on the record our opposition to the kind of travel, the limited travel, that the Conservative Government wants to allow the committee to be able to carry out to take evidence from Canadians across the country. We want to make clear our opposition to the way the Conservative majority, the Conservative Government, wants to limit the hearings of this committee overall to early December and not to allow the elected representatives of the Canadian people to have at least the same length of time to study this matter as the elected representatives of the American people.

Therefore, I want to put this opposition clearly on record. I want to say that when the Speaker puts the question Members opposite will hear us say, "On division", which is a clear parliamentary indication of our opposition to the way this Government is trying to choke off opportunities for Canadians to be heard in parliamentary hearings and the way this Government wants to prevent this committee from at least having the same opportunities as committees in the Congress of the United States.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, on behalf of the Government I want to reply to some of the statements that were made this afternoon and to explain what the standing committee will be doing in its hearings. I want to make it very clear from the outset that the Government is not trying in any way, shape or form to stifle debate in this country and do something quickly so that in fact Canadians do not have the facts. We are so confident in the positive aspects of this agreement that we want Canadians to understand it. When they do understand what this agreement does for Canada they will realize how good it will be for them.

So we are not trying to cover up or rush things through at all. As a matter of fact, Mr. Speaker, let me just very briefly go through the chronology of what has been going on. In March, 1982, the Senate Standing Committee on Foreign Affairs issued the third volume of its report entitled, "Canada's trade relations with the United States". It had studied this issue since 1980. Its major recommendation was that Canada seek bilateral free trade with the U.S. in all sectors. The committee heard over 100 witnesses.

In November, 1982, the Hon. Donald Macdonald headed a royal commission on Canada's economy. He had a total of 1,513 representations: 496 individuals, 373 private sector interventions, 231 voluntary sector representations, and I could go on through the whole list of them. There were 40 local and regional government representations and 72 volumes of research studies. What was their bottom line? That Canada should undertake free trade negotiations with the United States.

Then what happened? I can tell Hon. Members that a committee from the Government of Canada went across the country and held hearings. Its recommendation was to carry on these negotiations with our largest trading partner, something which has taken place.

Now, the deal has been signed. The agreement has been signed and tabled in the House of Commons. The standing committee is working extremely hard right now. It is putting in longer hours, I would say, than most standing committees have put in. For Members opposite to say that there are just big

companies coming to testify is not accurate. Margaret Atwood appeared before the committee the other night. She is a very fine Canadian and she was there the other night as a witness. There have been small and large business groups, Chambers of Commerce, and a very broad cross-section of the Canadian economy. This afternoon the National Farmer's Union was there. The committee is hearing many groups, and they will do this across Canada.

• (1650)

The other allegations that have been made by some of the speakers this afternoon points up the type of opposition that we are receiving to this agreement. The rhetoric is very high. Yet the facts that are being delivered are not substantiated. That is what we want to do with this committee. We want those facts substantiated across the country from coast to coast.

As the Hon. Member knows, the standing committee is the master of its own House. It made this decision, and the Hon. Member knows that. It was not a government decision. It was a decision by the standing committee, voted freely, and the fears and the concerns being expressed are completely unfounded.

I wish to remind the House of a couple of things. A trade agreement called the Auto Pact was signed 22 years ago. It was done in secrecy. There were no public hearings. It never came to the House of Commons. The then Prime Minister of Canada flew to a ranch in Texas to sign the agreement. The public had no opportunity for input whatsoever. As a matter of fact, at the time the Canadian public felt they had been had.

The Liberals are up today and the New Democratic Party, but more to the Liberals, talking about those hearings and how they will have to go into every town and nook and cranny in this country. They know that that is a phoney issue. A more recent policy that was brought in, the National Energy Program, let us talk about the hearings on that. Let us hear about the intervention in that type of thing. Did they have a referendum on that? No. Did they have a referendum on the Auto Pact? No.

What I am saying is this Government is going that extra mile to provide Canadians with input to an important trade agreement, one which will benefit Canada for years to come, in the same manner as the Auto Pact has benefited Canada and will continue to do so.

Therefore, we support this travel by the committee, because we think it is important that it gets out across this country. It will hold hearings morning, afternoon, and evening to ensure that Canadians are heard on this important issue. That committee is not going with blinkers on. It is going to hear evidence, unlike the Ontario committee which starts off every hearing by stating, "We are against it. It doesn't matter whether you agree or disagree, we are against it". Those are not the type of hearings that we are conducting. We are conducting fair, open hearings across the country. The Government is supporting that.

We hope that this afternoon a decision of this Parliament will permit it to travel in order that Canadians can express their opinion on one of the finest agreements that has ever been reached in Canada.

[*Translation*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. Before we were so rudely interrupted on this matter, we were dealing with Bill C-88. I think there was a disposition to have the matter dealt with on second reading. I am wondering if there will be a disposition of the House to allow the question to be put before the recorded vote takes place on this particular issue, if that meets with the approval of all Parties?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-88, an Act to amend the Judges Act, be read the second time and referred to a legislative committee.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

An Hon. Member: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

ROUTINE PROCEEDINGS

[*English*]

STANDING COMMITTEE ON EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

The House resumed consideration of the motion of Mr. Lewis:

That the Standing Committee on External Affairs and International Trade be authorized to adjourn from place to place in Canada between November 22 and December 5, 1987, for the purpose of holding hearings, as the Committee deems appropriate, on the subject of the Free Trade Agreement between Canada and the United States, and that the necessary staff do accompany the committee.

Mr. Deputy Speaker: The question is on the motion. Call in the Members.

The House divided on the motion (Mr. Lewis) which was agreed to on the following division:

(*Division No. 291*)

YEAS

Members

Althouse	Friesen	McCurdy
Andre	Fulton	McDermid
Angus	Gagnon	McMillan
Axworthy	Gervais	Merrithew
Belsher	Gray	Mitchell
Berger	(Bonaventure—Îles-de-la-Madeleine)	Moore
Blouin	Hamilton	Nickerson
Boudria	Heap	Oberle
Brightwell	Hicks	Parry
Brisco	Hnatyshyn	Pennock
Caccia	Hopkins	Peterson
Cadieux	Hudon	Plourde
Cassidy	Jacques	Redway
Champagne	Kempling	Reid
(Champlain)	Killens	Scott
Clark	Kindy	(Hamilton—Wentworth)
(Brandon—Souris)	King	Sparrow
Collins	Langdon	Stackhouse
Cooper	Lewis	Tardif
Corbett	Lopez	(Charlesbourg)
Cossitt	MacDonald	Taylor
Côté	(Kingston and the Islands)	Tupper
(Lac-Saint-Jean)	MacDougall	Vankoughnet
Crosbie	(Timiskaming)	Vincent
(St. John's West)	MacKay	Warner
Crosby	Malone	White
(Halifax West)	Manly	Wilson
Dantzer	Marin	(Swift Current —Maple Creek)
Darling	Martin	Winegard
Daubney	Mayer	Wise
Dorin	Mazankowski	Young—88
Fennell	McCain	
Ferland	McCrossan	
Fontaine		
Fretz		

NAYS

Members

nil

• (1720)

Mr. Deputy Speaker: I declare the motion carried.

Motion agreed to.

* * *

STANDING COMMITTEE ON MULTICULTURALISM

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties with respect to travel by the Standing Committee on Multiculturalism and I think you will find unanimous consent for the following motion to be put and voted upon immediately. Therefore, I move:

That the Standing Committee on Multiculturalism be authorized to travel to Toronto, Ontario, from December 6 to 9, 1987, inclusive for the purpose of holding public hearings on the committee's report, "Building the Canadian Mosaic" and that the necessary staff accompany the committee.

Mr. Deputy Speaker: Does the Hon. Minister of State (Mr. Lewis) have unanimous consent to move the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Angus: Mr. Speaker, with respect to the discussions between the NDP and Government House Leaders, one of the items not mentioned today concerning future business was that of Bill C-51, the anti-smoking legislation. Can the Government House Leader indicate whether or not the commitment that during the first week the House returns that Bill would be brought forward and dealt with, I believe at second reading, will be kept?

Mr. Mazankowski: Mr. Speaker, I indicated the order of business for Monday and a couple of stand-by Bills, and the fact we could have an Opposition Day. Of course we will take that into consideration and, as is customary, the order of business can change from time to time.

Mr. Angus: Mr. Speaker, is the Deputy Prime Minister indicating that, providing scheduling permits, during that first week Bill C-51 will be dealt with depending on the progress of the other legislation in combination with the Opposition Day?

Mr. Mazankowski: Mr. Speaker, if that is a representation, we will certainly take it in that light. It really depends upon the success we have in dealing with other important pieces of legislation. If we do as well as we have done over the last couple of days, we might be able to accommodate the Hon. Member.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

CITIZENSHIP ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-254, an Act to amend the Citizenship Act (period of residence) as reported (with amendment) from a legislative committee.

Mr. Bob Pennock (Etobicoke North) moved the Bill, as amended, be concurred in.

Motion agreed to.

Mr. Pennock moved that the Bill be read the third time and passed.

He said: Mr. Speaker, I am delighted to rise and speak in the third reading debate on my Private Members' Bill, C-254, which proposes to amend the Citizenship Act with respect to the period of residency.

This Bill, although not a contentious or partisan issue, is of national significance to Canadians from all parts of this country who at any given time are serving our nation abroad in the Public Service. It relaxes the residency requirement for a non-Canadian spouse who, in my opinion, equally serves Canada when accompanying his or her Canadian spouse on duty abroad.

• (1730)

However, when my Private Member's Bill received second reading and went to a legislative committee it became apparent to me, on advice from legal professionals, that it, too, had its shortcomings and needed to be amended. Accordingly, the committee, under the direction of the Hon. Member for Hull-Aylmer (Mr. Isabelle), unanimously decided to amend the Bill as follows:

> (1.1) Any day during which an applicant for Canadian citizenship resided with his or her spouse who at the time was a Canadian citizen and was employed outside of Canada in or with the Canadian Armed Forces or the Public Service of Canada or a province, otherwise than as a locally engaged person, shall be treated as equivalent to one day of residence in Canada for the purposes of paragraph (1)(b) and subsection 10(1).

The need for this amendment arose from an obscure point which, as I am not a lawyer, escaped my notice. If my original Bill had been allowed to stand it would, as an example, have permitted the spouse of someone hired to work for the Department of National Defence as a clerk to have that time frame counted toward their spouse's Canadian citizenship residency requirement. This was not the intention of my Private Member's Bill.

The difficulty encountered by spouses of Canadians trying to fulfil the first residency requirements is great given the rotating nature of foreign employment assignments. Spouses of these Canadians who serve overseas on an on-and-off basis are never in Canada for a period of time long enough to fulfil the three-consecutive-year residence requirement. Each day of less than three years in Canada is erased. Therefore, one cannot accumulate years of residency during successive stays in Canada and apply them toward residency requirements, even though they are as much a part of representing Canada abroad as their spouse. My Bill would end this inequity.

The Foreign Service Community Association has actively supported this Bill and has stated that the residency requirement of the Act, as it presently stands, is one of the primary irritants of employment with the foreign service of Canada. I am pleased to see that members of the Foreign Service Community Association are today in the Members' Gallery.

It cannot be stated enough that spouses of all Canadians who are in the employ of our Armed Forces, External Affairs, and Public Service abroad deserve better treatment. This inequity makes it difficult for us to keep some of our best and brightest people in these occupations to serve our country. Canada deserves better.

A blatant example of this hardship is illustrated by the circumstances surrounding the wife of former Canadian Ambassador to Iran, Mr. Ken Taylor. Mrs. Taylor was ineligible to receive the Order of Canada for her role in the American hostage episode because she was not a Canadian citizen and could not become one due to the residency requirements. It is the duty of Members of Parliament not to let the renowned quality of our professional people in these occupations decline because of this inherent problem in the present Act.

In closing, it is my sincere hope that Bill C-254 will be concurred in today and unanimously passed so that it may proceed to the Senate for consent and Royal Assent. This would ensure that consistency can be brought back to the Citizenship Act and fairness restored to the treatment of Canadians and their spouses who serve Canada so well abroad.

I am sure that most Canadians are not aware of how difficult it is for a Private Member's Bill to reach the stage which my Bill has reached today. It requires a lot of co-operation. Therefore, I would like to thank the Secretary of State for External Affairs (Mr. Clark), the Secretary of State and Minister responsible for Multiculturalism (Mr. Crombie), and the Minister of State for the Treasury Board (Mr. Lewis) for their support and encouragement.

In addition, I would like to thank all my colleagues and in particular the Hon. Members for Kamloops—Shuswap (Mr.

Riis), Ottawa—Vanier (Mr. Gauthier), Ottawa Centre (Mr. Cassidy), Glengarry—Prescott—Russell (Mr. Boudria) and Grand Falls—White Bay—Labrador (Mr. Rompkey) for their guidance and co-operation.

This goes to show that if a private Member does have good legislation, with the co-operation such as I have received, it can go forward in the short time it has taken this Bill to be passed.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am quite pleased to have the honour to speak again on Bill C-254 at this third and final reading stage. I will make my comments very brief because the Bill must be dealt with before six o'clock if it is to be adopted this day. That, of course, is my wish.

I would like to congratulate the Member who proposed this Bill as I did at second reading stage. I would like to reiterate his comment that co-operation on a good idea can result in worth-while and productive legislation.

The Bill with which we are dealing may be considered by some to be very minor in that it does not affect as large a number of Canadians as does some other legislation. Nevertheless, it is an important Bill in that some Canadians who assist the Government so well by representing us overseas are receiving treatment which is less than fair under the present legislation. This Bill would correct some of these inequities by allowing the spouse of a Canadian citizen to accumulate the time necessary to become a Canadian citizen while out of the country for the purpose of representing our country with his or her spouse.

The Member raised the case of the wife of Ambassador Ken Taylor who was not able to receive well deserved recognition because she was the spouse of a diplomat who had not remained in Canada long enough to allow her to qualify to become a Canadian citizen under the existing rules.

The average time spent abroad by Canadian diplomats is almost four years. Sixty-eight per cent of spouses of Canadian citizens working in diplomatic and other foreign service postings have accumulated three or more years when time spent abroad is added to time spent in Canada. Nevertheless, under the current legislation, unless the time spent in Canada is consecutive, these people do not qualify.

The Bill as proposed does not qualify everyone who is the spouse of a Canadian citizen who has been working outside the country for three years or longer. It merely enables them to apply. The rest of the tests would remain in place.

[*Translation*]

Mr. Speaker, for myself, as Member of Parliament for Glengarry—Prescott—Russell and as the representative of a number of citizens in the National Capital region whose work could be negatively affected by the existing Citizenship Act, I am pleased to support this Bill to amend the Citizenship Act as it will benefit a great number of Canadians, and especially a great number of people who will be able to become Canadians once this Bill is passed.

Having said this, Mr. Speaker, I do not want to take up more time because I would like other Members to be able to speak as I certainly hope that this House will agree unanimously to give passage to this Bill today.

• (1740)

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, Bill C-254 is a triumph of common sense over bureaucracy and fusty thinking which I am afraid has prevailed for some time and has really been discriminatory against spouses of Canadian employees working abroad, particularly in CIDA and Canada's foreign service. Many of these spouses have ably and strongly represented Canada abroad, as diplomatic spouses must, despite the fact they could not, themselves, gain Canadian citizenship because they were not in the country long enough at any one time to meet the qualifications.

I want to congratulate the Hon. Member for Etobicoke North (Mr. Pennock) for his persistence, as well as congratulate the Foreign Service Community Association for their excellent work in lobbying, assisting, and supporting the Hon. Member.

Last night I was thinking that this was actually a time of good news in the world. The Soviet Union is changing its tune and contributing to the United Nations, China has accomplished a revolution as the veterans give way to new leadership, and Jerry Falwell is going back to religion, leaving politics behind. Perhaps we should have a newspaper like this, containing all the headlines of which we have dreamed but have not occurred. I think, in a small way, one of the back pages should reflect that we saw common sense with respect to foreign service spouses and other spouses of Canadian employees abroad.

The amendment which was agreed to in the legislative committee is useful. I believe it demonstrates that perhaps it made sense for some sober second thought on this particular measure. The amendment simply ensures that if a person is married to a non Canadian, who happens to be employed by the Government of Canada, and is posted or working abroad, they would not inadvertently be allowed in the door to gain Canadian citizenship possibly without ever having set foot in Canada.

Much of Canada's foreign service marries non Canadians. I, too, am married to a non Canadian, who has since become a Canadian citizen. The reason is that I spent six years in England, at about the time when people become interested in settling down. I met my wife with whom I have been for some 25 years now.

Obviously, the reason that half the foreign service are married to foreign born spouses is because foreign service officers spend half their time abroad at about the time they are

getting engaged in these types of things. However, I will not interfere with biology and natural predilection, as I am afraid the law was doing until now.

It is interesting to note as was the case with Ken Taylor, our Canadian ambassador in Tehran, that many spouses of foreign service employees could not gain employment with the Government of Canada upon posting back to Canada because they were not Canadian citizens. That is real discrimination, considering the fact that they had no choice but to come to Ottawa where their spouses were being posted. In many cases, their training, education or skills quite possibly qualified them to work in different areas of the federal Government. However, they could not do so.

People who have been married to Canadians and working on behalf of Canada for up to 10 years could not take such jobs because they had not resided in Canada long enough to meet the requirements. Therefore, I am happy to support this Bill. I congratulate the members of the Foreign Service Community Association and I note their presence in the gallery. They have worked hard to see this occur. They have every right to be pleased and I am happy to join the House in what I believe will be unanimous consent on third reading of this Bill.

I trust that Government Members will ensure that proclamation and Royal Assent to the Bill will take place as soon as possible so that the spouses of foreign service personnel will have the Christmas present for which they have been waiting so long, and will be able to make their applications to become Canadian citizens.

Mr. David Daubney (Ottawa West): Mr. Speaker, it is a pleasure for me to rise once again, this time on third reading, to support the worthy initiative of my hon. friend, the Member for Etobicoke North (Mr. Pennock).

I believe that this Bill to amend the Citizenship Act is a good example of how well this House can work when we seek to redress an injustice in a rational, conscientious, and workmanlike manner. The Bill corrects a wrong that has persisted for much too long. It is apparent that the difficulties faced by the non Canadian spouses of our foreign service representatives present practical and personal problems for Canadians serving their country abroad.

I represent a constituency that has a number of Canada's foreign representatives, ranging from officers in the foreign service and their families to members of our Armed Forces. I am well aware of the importance that this Bill holds for them. It means that their spouses, once citizens, can look to employment with the Government of Canada to pursue their careers. It means that the awkward feeling that comes with uncertainty about citizenship will no longer be a regular feature of a foreign service career. It means that the possibility that some of the best people will leave the foreign service, because their spouse's eligibility for citizenship will be threatened, will disappear.

I am confident that we are not sending out the wrong signal to all Canadians or to the rest of the world. We are not giving preferential treatment to people who want to come to this country. I believe that Members from all Parties in the House will agree that what we are in fact doing is providing the Citizenship Act with fairness and consistency in an area which it previously lacked.

A survey of 160 spouses of foreign service personnel reveals that 108 have been married for over three years. Only 16 have met the present residency requirement of three consecutive years in Canada. It is safe to assume that the large majority which has not met this requirement would have done so if their spouses would have been posted at home.

This Bill directly affects only a relatively small number of people. However, that fact does not detract from its importance. As I said, the Bill is a good example of how the House, in a simple and straightforward way, can provide benefits to all Canadians.

For the foreign service personnel and their spouses, it means the end of frustration and uncertainty. For all Canadians, it means that we can remain confident that our foreign service will continue to attract the best representatives for Canada abroad.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

Mr. Deputy Speaker: May I call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

EXTERNAL AFFAIRS—NICARAGUA—UNITED STATES FUNDING OF CONTRA ATTACKS/REQUEST THAT GOVERNMENT URGE HONDURAS TO HONOUR ITS COMMITMENTS

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have an opportunity to speak to a question that I raised some time ago during Question Period. It is still unresolved and I hope to hear more from the Hon. Secretary of State for External Affairs (Mr. Clark).

It was almost a year ago when I asked a question in the House concerning events in Central America that are still

current today. I asked, as reported at page 1402 of *Hansard* for November 21, 1986:

> Mr. Speaker, my question is for the Secretary of State for External Affairs. Will the Minister tell the House, when he meets with the U.S. Secretary of State, Mr. George Shultz, in what terms he plans to convey the repugnance that Canadians feel toward the continuing violation of the Charters of the United Nations and the Organization of American States by the U.S. continuing funding of terrorist Contra attacks from Honduras into Nicaragua?

With that, and a supplementary question, the answer I received from the Minister was that he would be talking to Mr. Shultz. Otherwise, he said, he would take my question under advisement and perhaps give me a more detailed answer on some other occasion. A year later, Mr. Speaker, I am still hoping for that occasion.

• (1750)

Since that time there has been one considerable development toward peace in Central America, and that is the plan put forward by President Arias and adopted by the other four presidents, with him together, in July at Esquipulas in Guatemala. There is some considerable hope that after many, many years of disappointment, there may be some greater peace in Central America.

Today, November 5, is meant to be a day for identifying the compliance of countries with certain basic requirements of the plan. There has been some discussion about whether certain countries are in compliance and the one which has been the most controversial in our media in Canada, of course, has been Nicaragua. There has been great pressure by the United States Government, and even by President Arias and some others, to have Nicaragua negotiate, enter into dialogue and conversations, with the leaders of the Contra. These leaders of the Contra are not in Nicaragua. They are not among those who are carrying on armed opposition to the Nicaraguan Government. They are sitting safely and comfortably in Miami. They are apparently being funded and fed by the American Government and they and the CIA direct the Contra from a thousand miles away.

The position of the Nicaraguan Government, quite reasonably, has been that it will not negotiate with those gentlemen in Miami because they are not representatives of Nicaraguan elements, they are representatives of the American Government, doing what an American Government tells them to do. In fact, the Arias plan does not require that Nicaragua negotiate with the armed opposition, anymore than it requires that President Duarte of El Salvador negotiate with an armed opposition. What the Arias plan requires is that governments will initiate a dialogue with all unarmed internal opposition groups and those who have availed themselves of the amnesty. The governments of these states commit themselves to undertake all the necessary steps for achieving a cease fire within the constitutional framework.

Nicaragua, I am happy to say, has undertaken those obligations and is carrying them out. It is the first regional government to establish a commission on national reconciliation and it has taken a bold step by appointing to that commission Cardinal Obando, the most famous and outspoken, unarmed, critic of the Nicaraguan Government. It also appointed the leader of the popular Social Christian Party who leads the largest opposition group in the Nicaraguan legislature. This reconciliation commission has been continuing work that has been done for a couple of years by churches and others within Nicaragua by arranging cease fires on a local basis, and it has had successes.

When I was there a year and a half ago and visited the east coast, I saw the results of some of those successes. They have in fact persuaded some of the groups to lay down their arms. The Sandinistas have also offered an amnesty to the Contras who gave up their arms. They have allowed radio Catolica back on the air and have allowed La Prensa to resume publishing. They have released some of the prisoners. On the other hand, the Contras have been kidnapping more prisoners. They have been carrying on attacks even on unarmed people, as is their custom, except in such cases as the local commission, headed by men such as Cardinal Obando, who have been able to persuade local Contra groups to cease fire.

Therefore, I urge the Canadian Government to support the Nicaraguan Government in its stand to deal with the people as the agreement says, unarmed internal opposition, and it should not be obliged to deal with the Contra leaders who are sitting in Miami.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, Canada's stand in favour of a peaceful resolution of the crisis that afflicts Central America is well known. We do not support attempts to overthrow the Nicaraguan government by force, the objective the contras are seeking to achieve. We have also publicly regretted incursions into Honduras by the Sandinista army of Nicaragua in pursuit of contra forces. The Honduran government has shown great restraint in the difficult position in which the contras' presence places it, and has sought to keep its own forces out of the conflict whenever possible. There is no scope for Canada to apply special pressure on Honduras on the contra question. Our position opposing third party intervention and supporting the peace process has been made clear on numerous occasions already to all parties in the region.

The persistence of violent confrontation reinforces our belief that the underlying economic and social causes of tension need to be adressed by programmes such as those of Canada's development assistance efforts.

Canada's aid to Honduras is humanitarian in nature and is not given on the satisfaction of certain political conditions. Honduras is the second poorest country in the hemisphere after Haiti and the poorest in Central America. It is our only priority country for aid in the region, and has received just under $44 million in the 1982-86 period. These funds have gone to support humanitarian objectives: the development and

conservation of renewable resources, the creation of employment in rural areas, and the improvement of nutrition and health in rural areas. Projects have been in the forestry, agriculture and health sectors.

The Secretary of State for External Affairs (Mr. Clark) will be visiting all the countries of Central America later this month and will have an opportunity to discuss these matters with the Honduran government and to visit Canadian aid projects.

Mr. Speaker, in closing, I would like to say that I learned today that the peace group set up in Central America to find a solution to this conflict did indeed reach its deadline today, but that it was given a sixty-day extension to find a solution to the conflict.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Pursuant to the order adopted earlier today, the House stands adjourned until Monday, November 16, 1987, at 11 a.m.

The House adjourned at 5.58 p.m.

HOUSE OF COMMONS

Monday, November 16, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government response to 62 petitions bearing the following numbers: 332-3135, 332-3149 to 332-3190 inclusive, 332-3199, 332-3208, 332-3221, 332-3225, 332-3226, 332-3231, 332-3262, 332-3271, 332-3278, 332-3280, 332-3312, 332-3315, 332-3329 to 332-3334 inclusive and 332-3337.

[*English*]

OPPOSITION TO CANADA-UNITED STATES TRADE AGREEMENT

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a petition which was collected from all across Ontario along with a great many other petitions on Friday. It deals with the trade deal with the United States.

Those who signed the petition feel that the trade agreement negotiated by this Government threatens the very fabric of Canadian political and economic sovereignty. They feel as well that it would deny Canada the policy freedom to determine its own economic future. They also feel that the trade agreement did not succeed in obtaining the secure access to the U.S. market which was the key objective—

Mr. Speaker: The Hon. Member knows the rules and I think he is going a little beyond what is necessary to describe what is in the petition.

Mr. Langdon: Mr. Speaker, it is just that this petition deals with such an explosive and important topic that I wish to outline everything in it.

In any event, those who have signed the petition come from all parts of my constituency, all parts of the City of Windsor itself, from La Salle, from Amherstburg and from a great many parts of Essex County.

I would note the last part of the petition which is that the petitioners call upon the Government to give the people of Canada a chance to speak out in a general election.

FERMI II NUCLEAR REACTOR—REVIEW PROCESS

Mr. Steven W. Langdon (Essex—Windsor): The second petition I have is a petition which frankly has been much longer in the collecting. It has a total of 4,000 signatures and deals with the question of Fermi II.

Fermi II is a nuclear reactor situated very close to Canada which has a terrible accident record. The people who have signed this petition make it very clear that their position and the position of the great majority—

Mr. Speaker: I again hesitate to interrupt the same Hon. Member, but everyone in the House knows the rule. Hon. Members are permitted to make a brief statement describing the petition but not to argue the issue to which the petition may well be addressed. The Hon. Member will complete his remarks.

Mr. Langdon: Yes, thank you, Mr. Speaker. As I say, the petition is signed by 4,000 people of my constituency. It states strongly that there is a desire for people on the Canadian side to have a chance to review this nuclear reactor for its safety provisions before it is put to 100 per cent capacity.

• (1110)

The signatures on the petition come particularly from Amherstburg, Malden and La Salle. They also come from other parts of Essex County because they too would be severely affected by anything which happened to this nuclear reactor.

OPPOSITION TO PROPOSED TAX REFORM

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have a petition from constituents of mine in Thunder Bay—Nipigon and other residents of the City of Thunder Bay protesting the White Paper proposals for tax change. They are particularly unhappy that the tax reform proposals do not change the tax system already unfair to the average Canadian family while giving wealthy Canadians earning over $100,000 a year a tax cut. They also note that 60,000 profitable corporations do not have to pay any income tax at all.

The petitioners call upon the House of Commons to reject these proposed tax changes, to reject the tax on food, another of their concerns, and to restore full indexation to the personal

tax system which would be of particular advantage to low-income Canadians.

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a number of petitions containing 500 signatures of Canadians in Nova Scotia, Saskatchewan, British Columbia and Alberta. These petitioners are concerned about the proposed tax changes in the White Paper.

They point out the unfairness of the existing tax system, that in the White Paper proposals of the Minister of Finance (Mr. Wilson) those earning over $100,000 a year will get most of the tax breaks and that 60,000 profitable corporations will continue to pay no income tax at all. The petitioners are also quite concerned about a tax levied on food and other essential items. They ask for the restoration of full indexation of personal income tax and for a fair tax system.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURN

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, if Questions Nos. 195 and 206 could be made Orders for Return, the returns would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Questions Nos. 195 and 206 be deemed to have been made Orders for Return?

Some Hon. Members: Agreed.

[*Text*]

LOSS OF OFFICIAL GRADING STAMPS AT MEAT PACKING PLANTS

Question No. 195—**Mr. Althouse:**

1. In the past 15 years, have official grading stamps at meat packing plants been missing for several days and, if so, in each case (*a*) on how many occasions and for what period of time (*b*) to whom are such losses reported?

2. What are the security procedures inside and outside the plant when this occurs and, in particular, are transporters, wholesalers, reprocessors and exporters made aware of the missing number?

3. What precautions are taken to ensure that duplicates are not used after the lost stamp has been recovered?

4. Is a new stamp and number issued, in order to prevent usage of counterfeit stamps or to prevent the movement of illegally stamped products?

5. What arrangements are made for stamping meat at a plant while the stamp is missing?

Return tabled.

DEPARTMENT OF LABOUR—GRANTS TO METROPOLITAN TORONTO AREA

Question No. 206—**Mr. Redway:**

Since September 4, 1984, did the Department of Labour made grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Return tabled.

[*English*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand?

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

Hon. Perrin Beatty (Minister of National Defence) moved that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, for each of us there is a handful of public events that take place in our lifetime which leave an impression on us for the rest of our lives. The end of the Second World War, the death of President Kennedy or the footsteps of the first man on the moon are all examples of that.

However, for Canadians in October, 1970, there was another event which took place that I think all of us who were alive during that period will never forget. It happened in response to a crisis in the Province of Quebec. The Government invoked the War Measures Act in a time of peace and suspended the civil liberties of Canadians from one coast of this country to the other. I was a student at that time at the University of Western Ontario. I remember very well the address that was given in a national broadcast by Prime Minister Trudeau who commenced his remarks by saying:

> I am speaking to you at a moment of grave crisis, when violent and fanatical men are attempting to destroy the unity and freedom of Canada.

Mr. Trudeau then continued by explaining the Government's decision to invoke the War Measures Act, and he outlined some of the circumstances which led to the Government taking such an action. He explained as well that he was taking such measures, which he recognized were exceptionally extreme and would have a profound effect on civil liberties across the country, because it was essential he do so. In Mr. Trudeau's words:

> The War Measures Act gives sweeping powers to the Government. It also suspends the operation of the Canadian Bill of Rights. I can assure you that the Government is most reluctant to seek such powers, and did so only when it became crystal clear that the situation could not be controlled unless some extraordinary assistance was made available on an urgent basis.

Mr. Trudeau continued:

These are strong powers and I find them as distasteful as I am sure you do. They are necessary, however, to permit the police to deal with persons who advocate or promote the violent overthrow of our democratic system. In short, I assure you that the Government recognizes its grave responsibilities in interfering in certain cases with civil liberties, and that it remains answerable to the people of Canada for its actions.

The Prime Minister of the day, Mr. Trudeau, concluded:

It is my firm intention to discuss then with the leaders of the Opposition parties the desirability of introducing legislation of a less comprehensive nature.

In this respect I earnestly solicit from the leaders and from all Hon. Members constructive suggestions for the amendment of the regulations. Such suggestions will be given careful consideration for possible inclusion in any new statute.

The justice Minister of that day is today the Right Hon. Leader of the Opposition (Mr. Turner). He will, of course, remember very well the circumstances which led to the decision to invoke the War Measures Act for the first and only time in a period of peace in Canada. He will remember as well, as will many Members of this House, the commitments made by all three political Parties to see legislation brought in, during a period of calm, to protect the civil liberties of Canadians better, while at the same time ensuring that the Government has the powers necessary to protect the needs and the safety of Canadians in cases of grave crisis.

What we are doing today is to act on that commitment made some 17 years ago. The time surely has come now where we in this House must keep faith with the people of Canada.

On June 26, I tabled in this House two Bills, Bill C-76 and Bill C-77, and announced that the federal Government was repealing the War Measures Act, withdrawing the emergency planning order of 1981 and introducing new federal emergencies legislation to replace them. The Bill I am presenting today complements Bill C-76, the Emergency Preparedness Act, which was given second reading on November 2 and referred to a legislative committee. Although the Bills are in a sense complementary, they are being considered separately.

Bill C-77, the Emergencies Act, will replace the old War Measures Act. It includes safeguarded and appropriately limited powers to deal with four types of national emergencies. It ensures that the exceptional powers granted by Parliament will be no more than are needed for the specific emergency at hand. It will ensure a graduated response, not an overwhelming one. In addition, the Emergencies Act will provide for compensation in the event of personal loss, injury or damage.

The Bill's preamble defines a national emergency as:

—an urgent and critical situation of a temporary nature that imperils the well-being of Canada as a whole or that is of such proportions or nature as to exceed the capacity or authority of a province to deal with it and thus can be effectively dealt with only by Parliament in the exercise of the powers conferred on it by the Constitution.

● (1120)

With passage of the Emergencies Act the Government will be able to act quickly during national emergencies to limit suffering through the use of means that, while extraordinary, will be limited to what is strictly required. The Emergencies Act will clearly constitute a vast improvement over the legislation which it replaces. It will provide a unified and coherent set of measures to respond to emergencies while incorporating maximum safeguards of fundamental rights and freedoms.

The Act will provide for parliamentary review of the use of emergency powers. It will require the executive to answer to Parliament for the use of its powers. The period during which the Act may apply will be limited and the nature of the emergency measures will be restricted to what is appropriate in the circumstances. In addition, the Government will have to return to Parliament for any continuation, amendment, renewal, or declaration of emergency.

Under the Act the provinces are to be consulted before the federal Government can declare a national emergency. In the event of a peacetime public welfare or public order emergency primarily affecting a single province, the province experiencing the direct effects of the emergency will have a veto over the Act's invocation. Under Parts III and IV, which cover areas of federal jurisdiction, there will still be consultation to the extent that it is appropriate and practical to do so.

The Act was designed so that each part may be invoked separately. In extreme situations, however, two or more parts of the Act may be invoked simultaneously.

Part IV of the Act is concerned with a war emergency. This part grants to the executive powers similar to those of the War Measures Act. However, they can be invoked only in time of war or of other real or imminent armed conflict and are subject to similar safeguards as are other parts of the Act. There is no reference to "insurrection" or "apprehended insurrection" in Part IV.

[*Translation*]

Some critics have tried to combine the old and the new laws in an attempt to make people believe that Part IV of the Emergencies Act is practically identical to the War Measures Act. They have also stated that there is not really any difference between the two legislative texts since the Charter applies to the War Measures Act. They go as far as to say that temptation to resort to the Emergencies Act will be stronger because, they claim, this legislation creates the impression that it offers more guarantees than the War Measures Act and that it will be easier to invoke it.

Such statements are completely unfounded.

Part IV of the Emergencies Act concerns "a war or other armed conflict, real or imminent". The War Measures Act applies to war, invasion or real or apprehended insurrection.

According to the new Bill, the declaration of an emergency must be justified and may be challenged. Under the present legislation, the declaration of a state of emergency is based on "conclusive evidence that war, invasion or insurrection, real or apprehended, exists".

In the proposed legislation, all orders and regulations will be subject to scrutiny by Parliament, which may decide to

reconsider and revoke a declaration of a war emergency. No such provision exists at the present time.

The Emergencies Act will be subject to the Canadian Charter of Rights and Freedoms. The War Measures Act is not. The new legislation provides for expiration at the end of 360 days. The present legislation contains no such time limitation.

Provisions for compensating persons having suffered damage or injury as a result of the application of the Emergencies Act will be included in this legislation. The present legislation does not include such provisions. Finally, before the new legislation takes effect, the provinces will be consulted and their views reported to Parliament, which is also an innovative step.

When the Government invoked the War Measures Act in October 1970, it did so reluctantly, believing it had no other choice. This situation led Prime Minister Trudeau to say in the House on October 16, 1970 that "the absence of both adequate time to take other steps or alternative legislative authority dictated the use of the War Measures Act".

[*English*]

The War Measures Act is too broad and too sweeping. It makes no provision for dealing either moderately with peacetime disasters or for a measured and prudent response to international tension. For 17 years Canadians and politicians of all Parties have been advocating abolition of the War Measures Act saying that it was outmoded, dangerous, and too blunt an instrument for anything short of war.

The present Right Hon. Leader of the Opposition, as Minister of Justice during the October Crisis, stated in the House on November 4, 1970:

> The government recognized and, from the beginning, expressed the opinion that the War Measures Act was "too blunt an instrument" —We recognized the need for a more definite but flexible statutory instrument—

Similarly on April 28 of this year the Member for Thunder Bay—Nipigon (Mr. Epp) moved that the Government should consider the advisability of repealing the War Measures Act which, to quote him, "authorizes unlimited and arbitrary exercise of power by the Government of Canada during periods of war or apprehended insurrection without providing any review mechanism for such actions nor any basis for redress of the victims of unjust actions" and then went on to say that he thought there were many Canadians who would support Parliament expressing itself in this particular long-standing piece of legislation. He said that he thought that this Draconian Measure, the War Measures Act, should be removed from the books, that what we needed were review mechanisms to ensure protection of individual rights and freedoms.

[*Translation*]

The same day, in response to motions by the New Democratic Party to abolish the War Measures Act, the Hon. Member for Saint-Denis (Mr. Prud'homme), in recalling the last time the Act was invoked, exclaimed: "I regret only one thing and that is that we do not have more time to discuss a page in Canada's history which is certainly not one of the most glorious in the history of human rights in Quebec and Canada".

The Hon. Member went on to say: "Many of us who were young parliamentarians at the time were agonizing about this issue . . . There was a tough debate in the New Democratic Party at that time as to what to do. I agree many New Democrats voted against the Act, but they had a tough debate. I remember it only too well. My price for voting for the War Measures Act was that I be included as one of the speakers . . . I will say in English and in French that I will always regret having voted for the War Measures Act. I felt it was my duty as a Canadian with the kind of information that we had that I had to do so. I had no other choice", admitted the Hon. Member for Saint-Denis with admirable frankness.

[*English*]

One effort to examine the problem of legislation to deal with emergencies came from the Task Force on Canadian Unity. It recommended that the Government had the right to seek parliamentary approval within a specified time for any extraordinary powers. It also recommended that the Government state the reasons for its action and the duration of the emergency powers in its proclamation. The task force further recommended that provincial powers and individual rights be safeguarded to various degrees depending on whether the nation was at war or at peace.

I have read the recommendations of the Pépin-Robarts task force carefully and I can assure Members of the House that Bill C-77 adequately meets them. The legislation for second reading which I am proposing today will provide the necessary flexibility to respond to national crises without invoking the War Measures Act. It applies only to national emergencies and distinguishes between four types.

In broad terms they are these: First, situations affecting public welfare and caused by an accident such as a massive chemical spill or by natural disasters such as earthquakes, floods or tornadoes that are of such magnitude as to exceed the capacity of the affected province to respond and to require special powers for an effective federal response; second, public order disturbances that threaten the security of Canada and which are so serious as to be national emergencies; third, international emergencies requiring Canada to take special preparatory measures in concert with our allies; fourth, and finally, war itself.

• (1130)

Passage of this legislation will enable the federal Government to fulfil its constitutional responsibility to provide for the safety and security of Canadians during national emergencies. The Emergencies Act will enable the Government to discharge its responsibility for public order emergencies that become national emergencies, without having to resort to the War Measures Act, an archaic and dangerous piece of legislation completely out of tune with democratic Canadian life.

The Emergencies Act will be subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights. It will be consistent with the 1967 United Nations International Covenant on Civil and Political Rights.

The proposed legislation includes fully safeguarded and appropriately limited exceptional powers to deal with four types of national emergency. It ensures that the exceptional powers granted by Parliament will be no more than what is needed for a specific emergency. It provides for Parliament to review and, if necessary, revoke emergency powers introduced under the Act.

In addition, it contains provisions to ensure that individuals who suffer loss or injury as a result of application of the Act will be fairly compensated. It has been drafted in consultation with the provinces and contains appropriate recognition of provincial interests.

Several provinces have written to say that they are in general agreement with the Emergencies Act. Several have written expressing their approval and the view that the new legislation will bring Canada into line with other modern states which have had similar legislation for years.

The Minister Responsible for Alberta Public Safety Services, who recently experienced firsthand what can happen out of the blue to a community, had some suggestions for changes to the Act but went on to say:

> Nevertheless, one must feel that it is the most important legislation introduced on this activity in recent years and your Government's efforts are to be strongly commended in this regard. We also feel strongly that every effort must be made to ensure the best legislation possible and therefore hope that you will give every consideration to the suggestions we have made.

After the tabling, the Premier of Saskatchewan wrote me:

> I am encouraged by this initiative. The proposed pieces of legislation will more accurately reflect the way in which the federal and provincial Governments actually carry out their roles and responsibilities in this area . . . I wish you a successful and speedy passage of the legislation you have tabled, and I look forward to the continued co-operation of our respective governments in the area of emergency preparedness—

The previous New Brunswick Minister of Municipal Affairs said he was gratified to learn that I had tabled the Emergencies Bill and companion Emergencies Preparedness Bill. He said:

> The Bills address a long-standing need to contemporize emergency legislation in Canada and New Brunswick supports this new legislation without reservation.

The Minister responsible for the Manitoba Emergency Measures Organization wrote to me. My friend, the Hon. Member for Brant (Mr. Blackburn), will be particularly interested in his view. He said:

> The Bills are indeed timely and a significant improvement over the existing Act. In particular, the protection of civil liberties is a critical component of your proposed new statute. I welcome the continuing opportunity, as provided in the new Acts, for consultation on matters of national emergency preparedness and response policy. You may be assured of our co-operation and support in this vital area.

He went on to say that:

> —certainly some of the existing programs established by Emergency Preparedness Canada are tangible evidence of federal-provincial co-operation and it is my hope that these will be enhanced by the new legislation.

If there were as close collaboration in all areas of government as there is in emergency preparedness, there would be few stresses and strains in our federal system.

When I tabled Bill C-77 on June 26, I deliberately did so before the summer recess to give Members of the House and Canadians at large adequate time to review its contents and to make suggestions if there were areas where they felt it could be improved. It is because I believe that the legislation has important implications for national security and because the civil liberties of Canadians should be considered in a period of calm that I felt that sufficient time should elapse before the Bill was moved at second reading.

I also indicated that I would listen seriously to suggestions for improvements to ensure that at the end of the day the best possible legislation would be passed.

After the initial tabling, I received many letters from private citizens and politicians congratulating me on finally moving to do away with the War Measures Act. A few people, among them some federal politicians, expressed concerns. In some instances these criticisms were reasonable and constructive. In others the negative comment stemmed perhaps from a superficial reading and misunderstanding of the legislation.

As I indicated earlier, some felt that Part IV of the Emergencies Act is virtually identical to the War Measures Act. They say that since the Canadian Charter of Rights and Freedoms now applies to the War Measures Act, there is really no difference at all, except that there could be a greater temptation to use the Emergencies Act because it gives the illusion of being better safeguarded than the War Measures Act and could be more easily invoked. My earlier comments demonstrated that this is simply not true, and a careful reading will confirm this.

Others have said that the McDonald Commission did not think that the Government needed any additional emergency powers in peace time. I can assure Members of the House that Bill C-77 incorporates virtually all of the relevant recommendations of the 1979 McDonald Commission. From the outset we have been concerned that these recommendations should be respected as far as possible. There is one notable exception. The McDonald Commission did not recommend repealing the War Measures Act and replacing it with new emergencies legislation. Unlike members of the McDonald Commission, we believe, as all Parties in the House have stated in the past, that the War Measures Act is so inadequate and poses such a severe threat to the fundamental rights and freedoms of Canadians that we do not wish to live with this monster any longer.

As I have said, I have read through the recommendations relating to the emergencies legislation of the McDonald Commission and I note with pleasure that the vast majority of those recommendations have been incorporated in Bill C-77 in

one form or other, particularly in regard to procedures for parliamentary oversight of emergency powers.

Part I of the Emergencies Act deals with public welfare emergencies and is designed to enable the federal Government to mobilize the resources of the nation in response to a public welfare emergency that is so serious as to be a national emergency. Provisions of the act enable the federal Government to organize the response to a provincial or territorial request for assistance. The act will ensure that the burden of responding to and recovering from such a national emergency is shared by the nation as a whole.

All provincial governments have enacted standing emergencies legislation to deal with public welfare emergencies. By and large, they have developed sufficient competence, resources and experience to cope with most public welfare emergencies either with or without the assistance of contiguous provinces or of the federal Government. However, in a national emergency the combined resources of the entire nation may have to be mobilized to deal with the emergency. A vast, co-ordinated and timely response of the sort which could be required could only be provided using the federal emergency power.

While provincial governments have the authority, through their various emergency acts, to requisition resources within the province for emergency use within the province, they do not, and constitutionally cannot have the authority to requisition resources in the province for use outside the province. Only the federal Government can do this.

In the interest of federalism, as well as the efficient mobilization of the nation's resources, we recognize that the provinces should have a role in the process leading to the declaration of a public welfare emergency. The Emergencies Act embodies this principle.

Although the federal Government would always consult with the provinces before declaring a national emergency, the recent trend toward improved federal-provincial consultation as well as several studies of constitutional reform, all lead to the conclusion that the provinces ought to have a stronger voice and a more formal role in the process leading to the declaration of an emergency. Part I of the Emergencies Act therefore includes appropriate procedures regarding provincial consultation.

It is the intention of the federal Government to work continuously with provincial governments through Emergency Preparedness Canada to develop detailed plans and procedures to facilitate effective consultation if the need to consider invocation of the act arose.

The Emergencies Act stipulates that Part I may not be invoked unless the province in which the direct effects of the emergency principally occur indicates that it cannot cope without federal authorities and assistance. In large emergencies affecting several provinces, all provinces affected must be consulted before a declaration can be made under the act. In addition, the act states that provincial jurisdiction over the police forces, including the RCMP—over which the province normally has jurisdiction—will not be altered.

With these safeguards, then, it will not be possible for the federal Government to use the legislation to intervene unilaterally in provincial or territorial emergencies that are within the capacities or authorities of the provinces or territories to cope with.

Some people have expressed doubts about the provision of Bill C-77 dealing with public welfare emergencies having serious implications for the right to strike. It is a point that certainly should be clarified. However, I would remind the House that I have stated publicly on previous occasions, that this act is not intended to be used to settle a legitimate dispute between an employer and employees.

• (1140)

I have already said that if there is uncertainty in the language of the Bill in this regard, it will be dealt with in committee to ensure that the original intent is respected. Indeed, we have seen very recently an instance where Parliament has been prepared to introduce special legislation which is well tuned to the specific exigencies of the circumstance, and that is the appropriate way to deal with it. If the federal Government believes it is necessary to intervene in the case of a strike, we will make it abundantly clear that this legislation is not intended to and could not be used to interfere in that way.

I personally have little difficulty with this point. I believe that the constraints of the definition of a national emergency in the preamble, when added to the further constraints of the definition of a public welfare emergency in Clause 3, effectively ensure that this Bill could never be used to terminate a strike and impose the settlement of a legitimate dispute between an employer and employees.

Likewise, it has been said that probably the most contentious clause in this Bill is the one that deals with public order emergencies. This is the type of situation which gave rise to the use of the War Measures Act in 1970. This clause takes its definition of threat from the Canadian Security and Intelligence Service Act. This fact alone should make us very cautious because of the difficulties already encountered with CSIS in determining what is subversion and what is legitimate dissent. That was one view of the legislation.

I would remind Members of this House that the definition of "threats to the security of Canada" received exhaustive scrutiny by Parliament in 1983 during deliberations on the CSIS Act. The language in this definition has, therefore, already received Parliament's blessing.

I would also remind the House that the definitions at the head of each of the four major parts of this Bill, including the definition of "threats to the security of Canada" do not stand alone. They must be read in conjuction with the definition of a national emergency in the preamble of the Bill and in conjuction with other restricting provisions. In other words, before

the Government can declare a public order emergency under Part II, the emergency situation must correspond to the definition of a national emergency as stated in the preamble.

I am told that this double test, as it is called, will be used by the courts to assess the Government's compliance with the deliberate constraints and safeguards that have been built into the definitions of this Bill. For greater clarity, let me read again the definition of a a national emergency which appears in the preamble of the Bill. Since it seems to have been overlooked by some people, it bears repetition. A "national emergency" is defined as follows:

> —an urgent and critical situation of a temporary nature that imperils the well-being of Canada as a whole or that is of such proportions or nature as to exceed the capacity or authority of a province to deal with it and thus can be effectively dealt with only by Parliament in the exercise of the powers conferred on it by the Constitution.

I am sure all Members of this House will appreciate that the standard established in this definition is very stringent, indeed. Before the Government can declare an national emergency under this act, the emergency in question must affect the whole of Canada or be so great as to exceed the capacity of the provinces to cope with the emergency. When this definition is read against the definition of "threats to the security of Canada" in Clause 14, and in conjunction with provisions that the emergency must necessitate the taking of special temporary measures for dealing with it, and that the special measures must be reasonable, it is apparent that the benign and benevolent activities such as ministerial contacts with the African National Congress, would never amount to a national emergency, as someone suggested, requiring invocation of the Emergencies Act.

To the challenge that a public order emergency also gives Cabinet the right to prohibit public assembly, and that a Canadian could have difficulty in availing himself or herself of the right to protest peacefully the declaration of emergency powers, I would reply that there are absolutely no restrictions on the freedom of expression, thought, conscience or religion under this part of Bill C-77. Unlike the War Measures Act, Part II of Bill C-77 confers no new powers relating to search, seizure, arrest or detention. The provisions of the Criminal Code in these areas are considered adequate to ensure law and order. Restricting public assembly would be authorized only to protect lives and property during a serious national emergency.

Let me dwell on this for a moment because I think it is a very important point which the House should recognize. One of the grave threats to civil liberties that is contained in the War Measures Act, as it stands today, was shown very markedly in the regulations under the War Measures Act when it was invoked in October 1970. We found civil liberties across the country suspended in order to deal with the situation which was relatively isolated in terms of its implication. Even though the FLQ problems that existed were taking place in the Province of Quebec, people as far away as Vancouver, British Columbia, or Guelph in Wellington County in my area, found their civil liberties were suspended as well. This is a much more finely tuned piece of legislation.

In the Province of Quebec people found that there suddenly was a retroactive crime being created. This will not be possible under Bill C-77. This section of the Bill gives no new powers of arrest. We will not have under the powers of this Bill in Part II, the knock on the door in the middle of the night because of a crime being created retroactively. We will not have the situation that someone who once attended a meeting of an organization would have the burden of proof shifted onto him to prove he is not a member of that organization. How could any of us be expected to prove we do not belong to an organization? It may be easily possible to prove we do belong to some organization such as a church, political party or any other organization, but how can we prove conclusively that we do not belong to an organization if attendance at a meeting is deemed to be adequate proof that we do.

That is the problem today with the War Measures Act. That is how civil liberties were affected in October of 1970. That is the sort of abuse we are determined to correct. It is essential that we have legislation in a period of time that better protects civil liberties.

As for the notion that a legitimate protest against the emergency declaration could be suppressed and no one would find out, or that the Government could censor the media or simply forbid travel to the troubled area, and that it would be difficult for anyone to find out if the declaration of an emergency was justified if no one was allowed in or out of the area, I reply that there is no mention at all of censorship in this part of the Bill. In fact, censorship would be possible only during a war emergency under Part IV. Restrictions on travel would be limited to the area of the emergency and only reasonable restrictions on travel would be permitted, that is, restrictions which would prevent further loss of life by creating an evacuation zone, for instance.

Some have concerns about the clause dealing with international emergencies. They suggest that the definition of an international emergency is extremely broad and that the Bill speaks of a threat to any country in which the political, economic or security interests of Canada, or any of its allies, are involved. As in the case of the definitions in each of the other parts, this definition should be looked at within the context of the definition of a national emergency as stated in the preamble. There is no way that an incident such as an attack on the *Stark*, for example, would amount to a national emergency in Canada.

I would suggest that Members of this House read carefully through the definition of an national emergency in the preamble and to read it opposite the definition of an "international emergency" in Clause 25. It is clear that an international emergency must first be so serious as to constitute a national emergency in Canada before the Government can declare the emergency. In my view, only a global crisis of major proportions could ever meet the high double test established here.

I welcome the opportunity to deal with this issue in committee, and if wording can be found that will clarify the definition of "international emergency" without destroying our ability to

act in appropriate cases, I would certainly consider incorporating it in the Bill.

I should like to address any concerns about the provisions in the Bill authorizing extraordinary powers of search and seizure during an international emergency. In light of representations I have received from civil liberties groups since the tabling of this legislation at the beginning of last summer, I would be prepared to look carefully at the wording of this power and the possibility of clarifying its intent. I should explain that its purpose is, for example, to enforce and monitor defence contracts, to prevent hoarding and overcharging for scarce commodities and to prevent black marketing in an international emergency. However, we shall certainly be looking very closely at this section and I would welcome input from Members of Parliament in that regard.

Some criticism has been leveled at Part IV of Bill C-77, that it is difficult to see any difference between this part and the current War Measures Act. Let me remind the House that there are indeed great differences, and permit me to summarize what I said earlier on this point in French.

The Emergencies Act, Part IV, is applicable to "war or other armed conflict, real or imminent", whereas the War Measures Act is applicable to "war, invasion or insurrection, real or apprehended".

Invocation of the Emergencies Act must be justified and can be contested, whereas a declaration of the War Measures Act is conclusive evidence of the existence of an emergency which cuts off all recourse to the courts.

• (1150)

Orders and regulations made under the Emergencies Act are subject to parliamentary review whereas under the War Measures Act there is no such provision.

Under the Emergencies Act, Parliament can initiate a motion to revoke a declaration. Under the War Measures Act there is no such provision.

The Canadian Bill of Rights applies to the Emergencies Act. It does not apply to the War Measures Act.

The Emergencies Act cannot be in effect for more than 360 days and any extension requires parliamentary approval. There is no time limit at all under the War Measures Act.

As a past Co-Chairman of the Standing Joint Committee on Regulations and Other Statutory Instruments, I have joined with others in this House and in the Senate in pressing to have Governments include parliamentary scrutiny and control over delegated legislation. This Bill gives Parliament a virtually unprecedented degree of control over the use of the powers contained in it. One can only wish that there had been such parliamentary power when the War Measures Act was invoked in October of 1970.

We have bent over backwards in drafting this legislation to ensure the preservation of civil rights and liberties. By limiting the Emergencies Act to four carefully circumscribed categories of national emergency, Canadians will have assurances that the Act will not be used in a frivolous matter to deal with localized or relatively minor emergencies.

The Emergencies Act will enable the Government of Canada to respond to a major international crisis by gradually adopting appropriate preventive and preparatory measures, in concert with our allies, without having to take the provocative step of invoking the War Measures Act. It will eliminate the need to deal with national emergencies by hurriedly introducing excessive or flawed *ad hoc* legislation during the heated and confused situation that usually develops after a major emergency has occurred. It will help to stimulate, in co-operation and consultation with the provinces, an enhanced national standard of emergency preparedness. Passage of this Bill will ensure an appropriate response to emergencies while assuring that the fundamental rights of Canadians are fully protected in emergencies.

If this Act had been in place in World War II, Canadian citizens could not have been so cavalierly interned and their property confiscated. Likewise, in 1970, Part II of this legislation would have been used instead of the War Measures Act, and the abuses we saw under that Act would not have been possible—Quebecers would not have been arbitrarily arrested and detained simply because they were associated with a particular group.

I think it is important to re-emphasize that, unlike the War Measures Act, Part II of Bill C-77, confers no new powers relating to search, seizure, arrest or detention. The provisions of the Criminal Code in these areas are considered to be entirely adequate to deal with the instigators of public disorder, even under unusual and exceptional circumstances.

As I have said before, the need for this kind of legislation has been long recognized by all parties in Parliament. It is important that we have the mechanisms in place to deal with national disasters. But it is equally important that we are able to respond effectively to the more day-to-day occurrences. By putting in place adequate emergencies legislation, the federal Government will not only be in a better position to respond to the needs of Canadians in an increasingly complex environment, but Canada will be brought into line with other modern democratic states which have had comparable legislation for years.

This legislative package consisting of Bill C-77 and Bill C-76 fulfils the Government's election commitments in the field of emergency preparedness and does so with proper regard for the civil rights of individuals and for the federal nature of Canada.

To paraphrase the Hon. Member for Saint-Denis (Mr. Prud'homme), speaking in the House last April, if Members have suggestions to make . . . I would be delighted to hear them, because we could have legislation which is better, more in line with the spirit of the Charter of Rights and Freedoms and more compatible with what we want to defend.

Revision of the emergencies legislation was part of this Government's election platform in 1984. In February of 1985, at a press conference, the Prime Minister (Mr. Mulroney) publicly committed the Government to an early review of the War Measures Act, when in answer to a journalist's question about when his Government was going to do away with the Act he said, "I don't think you are going to be able to ask me the question much longer. It is under review and we hope to have something for you at an early moment. We hope to bring something forward that will be more appropriate than what we have had in the past". We have kept our promise. I hope that we can move quickly through second reading of Bill C-77 with a view toward starting detailed review in a legislative committee as soon as possible.

Consideration of this legislation provides Parliament with its first opportunity for a full review and debate of emergency preparedness matters. It also provides an opportunity for the general public to become informed of and engaged in the issues involved.

Finally, passage of this Bill will provide effective machinery to deal with unforeseen and potentially disastrous events while fully safeguarding the rights of Canadians.

I am fully in accord with my friend, the Hon. Member for Brant, who said in the House:

> We should deliberate in an air of calm and reason . . . We have time to consider what we are setting in place for future generations. There is no war. There is no apprehended insurrection, no violence, no upheaval. Now is the time to give it straightforward, serious, cautious and deliberate consideration.

I am heartened that my hon. friend should say this. I agree with him entirely that, in his words, "now is the time for the parliamentary process to shine". I also totally agree that we will need testimony from both expert witnesses and ordinary Canadians to get this legislation right, for I know full well that it is an issue that touches the very lives and liberties of every Canadian. I urge the House to send the Bill to committee with the least possible delay so that the committee can get on with its work of inviting the public to be heard. I am confident that all Members of the House recognize the importance of this legislation. I believe that together we can work out, in a non-partisan way, the best legislation possible.

Some Hon. Members: Hear, hear!

Mr. Speaker: I think there is some understanding in the House that perhaps the Hon. Minister of State could be heard.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF PRIVATE MEMBERS' BUSINESS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)):) Mr. Speaker, there have been discussions among the Parties. The Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) is unable to be here this evening to proceed with consideration of his Private Member's Bill at 5 p.m. Therefore, the Parties have agreed to cancel this evening's Private Members' Business and Government Orders will continue until 6 p.m. at which time the normal adjournment proceedings would commence.

I would also advise that Parties have agreed that the Hon. Member's item will be dropped to the bottom of the list of the order of precedence on the Order Paper.

Mr. Speaker: Hon. Members have heard the terms of the suggestion by the Minster of State. Is it agreed?

Some Hon. Members: Agreed.

* * *

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I am glad that the Minister of National Defence (Mr. Beatty) started off this debate today with a lengthy explanation of the Bill as he sees it and as he intends it.

This Bill before the House today is not to be taken lightly. Such measures are of extreme importance to any nation. This Bill deals with the basic theories and practices of the democratic process itself and fundamental rights and responsibilities of the people of the country.

Bill C-77 before us today, called the "Emergencies Act", replaces the War Measures Act, while Bill C-76, which is entitled the "Emergency Preparedness Act", is to replace the emergency measures organization which did not have a clear basis in legislation. That piece of legislation is important particularly to provincial and municipal governments because there seemingly was a lack of direction for the municipalities. They were sometimes confused and frustrated with that legislation.

Bill C-77 is a major piece of legislation. Let us make no bones about that. At a glance it makes one realize that it too is a very strong measure, taking nothing away from the War Measures Act. I will be looking at the court system for compensation later on in my speech, as I think that is an inadequate part of this legislation.

• (1200)

We must remember that the War Measures Act was initially passed by the Conservative Government of Sir Robert Borden. It was passed through this Parliament with limited

debate and no dissent on August 21, 1914, only 15 days after the outbreak of the First World War. We must remember that Parliaments of the day had witnessed a long period of peace in the world. From 1815 to 1914, there were 99 years of virtual world peace, except for a few minor fracas such as the Crimean War from 1853 to 1856, the Boer War from 1899 to 1902, and the Russo-Japanese War from 1904 to 1905.

Therefore, we must remember when we are considering this legislation that Canadian parliamentarians had relatively little or no experience with such emergency measures legislation. Canada itself had virtually none, because it had never been a major player in international controversies.

I wish to refer back approximately 127 years to the 1860s and a statement by Abraham Lincoln. Under emergency powers, the political rationale underlying resort to emergency powers was summed up by him in the following manner:

> Every man thinks he has a right to live and every government thinks it has a right to live. Every man when driven to the wall by a murderous assailant will override all laws to protect himself and this is called the great right of self-defence.
>
> So every government when driven to the wall by a rebellion will trample down a constitution before it will allow itself to be destroyed. This may not be constitutional law but it is a fact.

This underlying rationale of self-defence, resting on the concept of necessity, is often expressed in the maxim of "the safety of the people is the highest law".

Emergencies, which may require extraordinary powers to overcome them, are of many types. A United Nations study of 36 constitutions in the early 1960s lists a wide range of threats to the well-being of the polity which those constitutions recognized as permitting the taking of emergency measures. That list includes international conflict, war, invasion, defence or security of the state or part thereof; civil war, rebellion, insurrection, subversion, or the harmful activities of counter-revolutionary elements; disturbance of the peace, public order or safety; danger to the constitutional authorities; natural or public calamity or disaster; danger to the economic life of the country or parts thereof; and the maintenance of essential supplies and services for the community.

On this basis, in terms of the United Kingdom, leaving aside armed conflict between states, one might identify as potential candidates for the use of emergency powers, at least in some circumstances, certainly, the activities of domestic nationalist terrorist groups, particularly of Republican and Loyalist paramilitaries.

In starting off this debate today we must remember when we go back 127 years that the feeling about such legislation was quite different than it is today. I would also submit that when the War Measures Act went through this Parliament, in August of 1914, the thinking in Canada was quite different than it is today when it comes to the subject of civil liberties and law and order.

The Minister has stated that this Bill must be looked at in the calm of the present state of peace in this country and in the world. That is very important. We must remember that the War Measures Act was passed when this country—in fact the world—was in a state of war. There was not time to do some serious thinking about such measures.

The War Measures Act was modelled after the English Defence of the Realm Act which was passed by the British Parliament on August 8, 1914, a few days before the War Measures Act became law in Canada. This would again indicate that the Government of the day, or the Parliament of Canada, lacked experience in those things, because it was basing this legislation on an Act of the British Parliament that had been passed only one week before the War Measures Act itself.

The one big difference between the two Acts was that the British Act was intended to operate only for the duration of the war; the Canadian Act was drafted in such a manner that it remained on the statute books to be invoked when deemed necessary to the executive, meaning the Cabinet.

The War Measures Act as passed in 1914 granted the Governor in Council extremely broad powers to pass regulations in time of war, invasion, or insurrection, real or apprehended. The simple issuance of a proclamation by the Cabinet represented conclusive evidence that war, invasion, or insurrection, real or apprehended, did in fact exist.

Once the proclamation was issued, the Cabinet was allowed to make orders and regulations deemed necessary or advisable for the security, defence, peace, and welfare of Canada.

Section 6 of the 1914 War Measures Act specifically included censorship of all means of communication, arrest and detention, control of harbours, territorial waters, and vessels, transportation of any type, trading, production, and manufacture, and appropriation and control of property. Besides all of this, the termination of the emergency situations in which the War Measures Act was to be proclaimed was also to be by executive or Cabinet proclamation.

This famous Act of 1914 amended the Royal Northwest Mounted Police Act by authorizing an increase in the size of the force. At the same time it amended the Immigration Act by preventing those who left Canada to help the enemy from landing, remaining in Canada except with the Minister's consent. It also gave retroactive statutory sanction to all measures that had been taken from August 4 until the Bill became law, including the declaration of war itself on August 4, 1914. All this took place in the crisis atmosphere of this Parliament in August of 1914. Is it not sensible and realistic to believe that another crisis in this Parliament could produce similar legislation?

Let us not forget that as we stand here debating this new legislation today—if I may use a pun—in the serenity of this Parliament, that it is incumbent upon us to produce sound legislation with a view to protecting, as far as possible, the rights and privileges of every Canadian, after we have taken into consideration the responsibilities of every citizen in times of crisis, and indeed the responsibility of the Government.

Let us look at some sections of the Emergencies Act before us today. Under Part IV of the War Emergency Part of Bill C-77, Clause 38 has an elastic clause. It states:

> 38. (1) While a declaration of a war emergency is in effect, the Governor in Council may make such orders or regulations as, in the opinion of the Governor in Council, are reasonably necessary or advisable for dealing with the emergency.

This gives the Government very broad powers indeed.

Let us look at the orders and regulations under Part III of the Bill dealing with an international emergency. Under orders and regulations Clause 28 states:

> 28. (1) While a declaration of an international emergency is in effect, the Governor in Council may make such orders or regulations with respect to the following matters as, in the opinion of the Governor in Council, are reasonably necessary for dealing with the emergency:
>
> (a) the control or regulation of any specified industry or service, including the use of equipment, facilities and inventory;

• (1210)

This is practically confiscating the services at hand. Subclause (b) reads:

> the appropriation, control, forfeiture, use and disposition of property or services;

The right to property is abrogated in this clause.

The next subclause is a very good comparison with the War Measures Act itself. Subclause (c) reads:

> the authorization of the entry and search of any dwelling-house, premises, conveyance or place, and the search of any person found therein, for any thing that may be evidence of a contravention or suspected contravention of any order or regulation made pursuant to this section, and the seizure and detention of any such thing;

Subclause (d) reads:

> the authorization and conduct of inquiries in relation to the administration or enforcement of orders or regulations made pursuant to this section, including the conferral of powers under the *Inquiries Act* on any person authorized to conduct such an inquiry;

There is no difference here from the War Measures Act which this Act really replaces. Subclause (e) reads:

> the authorization of or direction to any person, or any person of a class of persons, to render essential services of a type that that person, or a person of that class, is competent to provide;

Their services are seconded. Subclause (f) reads:

> the designation and securing of protected places;

That is common sense. Subclause (g) reads:

> the regulation or prohibition of travel outside Canada by Canadian citizens or permanent residents as defined in the *Immigration Act, 1976* and of admission into Canada by other persons;

Subclause (h) reads:

> the removal from Canada of persons, other than Canadian citizens or permanent residents as defined in the *Immigration Act, 1976*;

Subclause (i) reads:

> the control or regulation of the international aspects of specified financial activities within Canada;

In the present trade discussions a lot is being discussed about the United States having the right to invest in the Canadian financial and commercial communities. What will be the relationship between that situation, if it ever comes about, and the fact that during wartime or during a crisis international aspects of specified financial activities within Canada will be regulated by the Government of Canada in a stronger manner?

Subclause (j) reads:

> the authorization of expenditures for dealing with an international emergency in excess of any limit set by an Act of Parliament and the setting of a limit on such expenditures;

Here we have the Government setting expenditures and setting compensation costs for Canadian citizens that will come up later.

If one does not abide by all these provisions in Bill C-77, replacing the War Measures Act, here is the penalty:

> the imposition, on summary conviction or indictment, of a fine not exceeding five thousand dollars or imprisonment not exceeding five years or both that fine and imprisonment for contravention of any order or regulation made under this section.

Section 4 of the War Measures Act also provides for a penalty which shall not exceed $5,000 or imprisonment for five years or both. It is exactly the same pattern.

The War Measures Act was amended in 1960 by the Canadian Bill of Rights. The 1960 amendment provided that anything done under the War Measures Act was to be deemed not to be an infringement, abrogation, or abridgment of any right or freedom recognized in the Canadian Bill of Rights.

This really means that the Diefenbaker Government passed its Bill of Rights in 1960, got a lot of publicity for having passed it, and then immediately thereafter said that the Bill of Rights did not apply to the War Measures Act. Through those years, right up until the Charter of Rights and Freedoms was finally passed in Parliament in 1982, there were no controls on the War Measures Act. While the Diefenbaker Government took a lot of credit for bringing in the Bill of Rights, it did not apply it to the War Measures Act. It also provided for the laying of a War Measures Act proclamation before Parliament after its issue and for the consideration of its abrogation by both the Senate and House of Commons.

Bill C-77 respecting the Emergencies Act has incorporated the practice of laying proclamations before Parliament within seven days of a declaration. That amendment also took place with the War Measures Act itself.

The essence of the War Measures Act is its perception as a last resort piece of legislation, to be used only in limited circumstances, and this limitation should be placed on any emergency legislation. As a consequence, the War Measures Act has been invoked only three times since its adoption in 1914—during and after World War I, during and after World War II, and during and after the October 1970 crisis.

One must not be led to believe that any one package of emergencies legislation is the be-all and end-all in the handling of a crisis. This is why it is very important that this piece of legislation be sent to a legislative committee. I gather from the

speech delivered by the Minister this morning that he is probably in the mood to look at some constructive amendments to the Bill at that stage. I think this is a piece of legislation that must be looked at seriously and very constructively by all political Parties in the House.

The new emergencies legislation can be resorted to in many different situation, both in peacetime and otherwise. It can be invoked where there has been a natural disaster and where there has been a breakdown in the flow of essential goods, services, or resources—for example, a strike. The Minister mentioned that this morning by way of clarification. It is probably one section at which we will be looking for an amendment to include that clarification in the legislation.

It can also be invoked where there have been serious threats from within the country to the security of Canada. That is an important point that I do not think anyone can disagree with. Also it can be invoked in cases of real or apprehended acts of violence from another country toward Canada, or even in cases of apprehended acts of violence from another country toward an ally of Canada, and, finally, after a proclamation of a state of war itself.

I think it should be said at this point that legislation of this nature is not easy to come by. When we look at the War Measures Act and at World War I and World War II, we must be cognizant of the fact that those were very crucial years, not only for the people who passed the legislation but for those who administered it. As well, it was a very crucial period for every citizen of Canada and for every citizen of the free world.

For this reason we must appreciate the fact that, even though the War Measures Act was inadequate in some ways, it was the vehicle that brought the free world through two world wars and afterwards was dispensed with and life went on.

In each of the above cases the new emergencies legislation would authorize Cabinet to suspend certain civil liberties. The legislation will allow for the regulation or outright prohibition of travel within Canada and of public assembly. It will authorize the appropriation of property including public utilities and services and the rendering of essential service. These are particularly strong measures.

It would also allow for search and seizure without warrant, as I have mentioned; the removal of any non-Canadians from Canada; and the regulation of international financial activities in Canada. If, as some assert, the War Measures Act is overkill, then clearly the new emergencies legislation has a quality of that in many sections of it as well.

The procedures for citizens to receive compensation for losses under the War Measures Act and the new Emergencies Act is an interesting comparison. Section 7 of the War Measures Act of 1914 reads as follows:

> Whenever any property or the use thereof has been appropriated by Her Majesty under this Act, or any order in council, order or regulation made thereunder, and compensation is to be made therefor and has not been agreed upon, the claim shall be referred by the Minister of Justice to the Exchequer Court of Canada, or to a superior or county court of the province within which the claim arises, or to a judge of any such court.

● (1220)

The regulations in Clause 22.1 of Bill C-77, the Emergencies Act, on page 32, give the Governor in Council the right to prescribe the form and manner of making applications for compensation. I want to repeat that. The clause gives the Governor in Council the right to prescribe the form and manner of making applications for compensation. If one has been wronged, the Government decides whether or not he or she has a right to apply for compensation.

The clause gives the Cabinet the right to do the following. The Governor in Council may make regulations prescribing the form and manner of making applications for compensation under Section 22, the information and evidence to be submitted in connection therewith and the procedure to be followed in the consideration of applications for compensation. The Government is deciding to be its own court and master.

Second, the Governor in Council may make regulations prescribing the period within which applications for compensation must be made and prescribing the criteria to be used in determining the eligibility of any person for compensation. The Government is setting up its own court of law here.

The Governor in Council may also make regulations prescribing the methods and criteria to be used in assessing any deprivation of property for which compensation may be paid.

The legislation goes on to say in subclause (e) that the Cabinet has the right to prescribe the maximum amount of compensation that may be paid to any person either generally or with respect to any particular deprivation of property. If one has lost a great deal of property or has been wronged to a great extent financially, there is a limit to what one can get and the rest is simply lost.

The Cabinet also has the right to prescribe the terms and conditions for the payment of compensation. The Cabinet provides for the payment of compensation in lump sum or in periodic payments. The way claimants are to be paid is also laid on. That is not quite the way the business world works today. One does not draw up one's own conditions of payment.

The Government will provide for payments of compensation on a term basis, establishing priorities among persons applying for compensation on the basis of classes of persons or classes of deprivation of property or otherwise. When talking about classes of persons and who will qualify and who will not, one gets into a very dicey area. This becomes a very crucial piece of legislation. It has some very damaging effects on the individual who is trying to recoup losses.

Part 1, the Public Welfare Emergency Part, deals with fire, flood, drought, storm, earthquake or other natural phenomenon, disease in human beings, animals or plants, accident or pollution, the breakdown in the flow of essential goods, services or resources that results or may result in a danger to

life or property or social disruption so serious as to be a national emergency. The declaration of emergency shall be laid before the House of Parliament within seven sitting days after the declaration is issued. The declaration of a public welfare emergency expires at the end of 90 days unless the declaration is previously revoked or continued in accordance with the Bill itself, but the Public Welfare Emergency part under Orders and Regulations lists a number of items in Clause 6, some of which have already been mentioned.

I think that the requisition, use or disposition of property in paragraph (c) affects property once again. The clause deals with the regulation of the distribution and availability of essential goods, services and resources and the authorization and making of emergency payments, the establishment of emergency shelters and hospitals, the assessment of damage to any works or undertakings and the repair, replacement or restoration thereof. It deals with a number of constructive things but still many things are to be seconded from people and industry for the purpose of dealing with an emergency.

Parliament may revoke a declaration of public welfare emergency in accordance with Clause 56 or Clause 57 of the Bill. There is a procedure for this outlined in the legislation. Clause 10(2) is important to the extension of such declarations under the public welfare section because it outlines further conditions for how these things can be handled.

Provincial jurisdiction and federal-provincial relations are given paramount consideration in the Bill. In cases of emergency, the Government may have to act before consulting a province and there is provision to do that. One wonders if in serious cases it will always be possible to consult the provinces ahead of time and get their feelings on these things, because some serious decision will have to be made in a hurry. That is what the legislation is there to do.

The Public Order Emergency Part of this legislation is a very key part of this Bill. A public order emergency means an emergency that arises from threats to the security of Canada and that is so serious as to be a national emergency. A public emergency order expires at the end of 60 days and it too can be revoked before that time or it can be continued thereafter. A motion for confirmation of the public order emergency must be laid before Parliament and if Parliament happens to be prorogued, it will have to be recalled.

What does a public order emergency declaration contain? That is set out in Clause 15 on page 8 and is a very crucial part of the legislation. Clause 15 contains a list of items and reads as follows:

> (1) When the Governor in Council is of the opinion that a public order emergency exists in Canada and necessitates the taking of special temporary measures for dealing with the emergency, the Governor in Council, after such consultation as is required by section 23, may, by proclamation, so declare.
>
> (2) A declaration of a public order emergency shall specify
>
> (a) concisely the state of affairs constituting the emergency;
>
> (b) the special temporary measures that the Governor in Council anticipates may be necessary for dealing with the emergency; and
>
> (c) if the effects of the emergency do not extend to the whole of Canada, the area of Canada to which the effects of the emergency extend.

The proclamation may be continued—

• (1230)

The Acting Speaker (Mrs. Champagne)): Order, please. At this time I must interrupt the Hon. Member.

It being 12.30 o'clock, pursuant to order made Wednesday, November 4, 1987, the house will revert to presenting reports from committees for the purpose of enabling the Chairman of the Standing Committee on Finance and Economic Affairs to present the committee's report on tax reform.

ROUTINE PROCEEDINGS

[*English*]

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF ELEVENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I have the honour to present the eleventh report of the Standing Committee on Finance and Economic Affairs, in both official languages.

The report is rather extensive. Unfortunately, we do not have printed copies available as yet in the regular fashion because the House of Commons printing facilities have not been able to produce them, so for Members and others we have Xerox copies only. The copies for the tabling are here.

The extensive report, with 81 recommendations, essentially recommends that the White Paper on tax reform, including its base-broadening measures, its conversion to credits and tax rates for corporate and personal income tax, be implemented, subject to some very many suggestions.

I am very proud that the work of the committee has proceeded as it has and I think the House will want to accept the report.

Some Hon. Members: Hear, hear!

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

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence

thereof, be read the second time and referred to a legislative committee.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, under the Public Order Emergency Part, which is Part II of Bill C-77, there are some very strong measures introduced to be put into practice. It is important that we are not conned into thinking that Part II, Public Order Emergency, is a light piece of legislation. It is very strong in its statements. It certainly infringes on civil liberties to a great extent. If we go on to the International Emergency Part, we find that the declaration outlines the state of affairs. It is very strong. Part III, Clause 25, reads:

> "international emergency" means an emergency involving Canada and one or more other countries that arises from acts of intimidation or coercion or the real or imminent use of serious force or violence and that directly threatens the sovereignty, security or territorial integrity of Canada or any of its allies or any other country in which the political, economic or security interests of Canada or any of its allies are involved.

While we have an alliance to which we belong, the legislative committee will have to look very carefully at this clause under "International Emergency" which can drag Canada into a conflict as a result of another country's activities or problems.

You will know that when the War Measures Act was invoked in 1970, Madam Speaker, it expressly overrode the Bill of Rights. Furthermore, we had no Charter at that time. We now have a Charter. Let me point out that if the Diefenbaker Government in 1960 had not specifically stated that the Bill of Rights did not override the War Measures Act we would have had those measures controlling the War Measures Act in 1970. It is, therefore, understandable that my Leader lamented having to use the Act, precisely because there was no check on the exercise of its powers. That situation no longer exists today and it will not exist under this legislation.

I want to quote a statement which the Leader of the Opposition (Mr. Turner) made in the House on October 16, 1970. During the debate on the war measures legislation at that time he said:

> The rule of law is the essential condition not only for the existence of the state but for the existence of individual liberty within the state. Freedom is the precondition of liberty, and restraint is the beginning of freedom. The rule of law is the source and condition of that restraint, and through it the freedom and the liberty of the individual in society are maintained.
>
> Insurrection and violence are not only a total denial of the constituted authority of the state but are a denial of the liberty of the individual himself who depends upon the controlled organization of the state. This type of violence defies not only the total integrity of society as a people but the individual integrity of every person in that society.

An important part of this legislation is that Part II, Public Order Emergency, if strictly enforced, gives a cruel Government, a huge Government or a Government emotionally motivated rather than rationally motivated, maybe trying to get political points by a show of force, the basis for that Government to act. This particular section of the Bill is one that we will have to look at very carefully while scrutinizing the legislation in a legislative committee.

I want to say to the Minister of National Defence (Mr. Beatty)—and this is no reflection on him as a person in any way whatever, but from comments I have been getting, the populace would feel a little more relieved if the administration of Bill C-77 when it becomes legislation were under a Minister of the Government other than the Minister of National Defence. As I say, there is nothing personal read into that, but just an uneasiness that some people feel.

The fairness that must be built into this legislation is extremely important. While the War Measures Act was important to the free world during the crises of World War I and World War II, let us keep in mind those people we recently remembered at the cenotaphs across the country who fought and died by the tens of thousands to leave behind a Canada on which the rest of us could build. It is extremely important today that we remember them and the Canada which they wanted for the future.

We must consider what must be done in this Bill to accommodate the civil liberties, the property rights and the freedom of Canadians, whether it be during wartime or peacetime, so that under the part dealing with compensation those people be given the right to get compensation on an equal basis before the courts of Canada.

One writer discussing this Bill has stated:

> Those whose liberties—or property—were harmed would be given the right to compensation.
>
> The only worry here is that a section of the Bill provides a long list of regulations under which the Cabinet could define the ambit of compensation. A mean-spirited Government, or one intent on *post facto* justifications for its actions, could make compensation unnecessarily limited by restrictive regulations. Fortunately, a Federal Court judge would hear appeals from ministerial decisions, though he could not unilaterally increase the monetary compensation offered by the Government. Even with the Federal Court appeal, the Government has set itself up too much as judge and jury over compensation awards.

• (1240)

That was written by Jeffrey Simpson in *The Globe and Mail*. These are important things to consider at this time.

We should also be thinking very seriously of how we will maintain a fair balance between what is needed in times of war as emergency legislation and what is needed in peacetime. We certainly do not want this law to be put into full force during times of peace. I refer to Clause 1, as an example, which relates to property. That should only be implemented under very extreme conditions.

No legislation of this type is perfect and this Bill certainly is not. Part II bothers me a great deal. Clause 1 contains some very strong regulations and orders. Let us get this Bill into a legislative committee where it can be studied clause by clause and where the long-term results of it can be considered.

Another important point is that people must be allowed to appeal to the Federal Court, at which level assessors assess the terms of compensation for citizens who have been wronged. Citizens should have the right to appeal to the Supreme Court of Canada as they do from any other court in Canada. Even

the War Measures Act contains the right to begin at the county court level and continue through to the Supreme Court. This Bill should offer no less. If it does, it will appear to be stronger in some sections than the War Measures Act itself.

Mr. Derek Blackburn (Brant): Madam Speaker, this is the second time I have had the pleasure of standing up at second reading of Bill C-77 to present arguments and a speech. By way of clarification, on the afternoon of November 2 Bill C-76 went through the House like a white tornado and Bill C-77 immediately followed. At that time I was the only one in the House prepared to speak on Bill C-77. No one from the Liberal Party was available and the Minister, who obviously did not think the Bill would come forward on November 2, was out of town on government business I believe. Therefore, with all-Party agreement we have introduced the Bill all over again. I am, therefore, today presenting largely the same speech I presented on November 2, which speech I did not have a chance to complete at that time.

I, along with the Liberal spokesperson, was surprised when I learned that the Minister of National Defence (Mr. Beatty) would be introducing this Bill. My criticism is not in any way personal. It does not in any way reflect on the integrity, honour, or intelligence of our Minister of National Defence It is only that I believe, as I am sure my Party does, that a Bill of this importance and magnitude dealing to a great extent with civil liberties should come under the control of the Minister of Justice (Mr. Hnatyshyn). The implementation of it should be under the Solicitor General (Mr. Kelleher). In other words, it should be primarily a civilian matter, although not exclusively. The Government has put the defence Minister up front with all other Ministers being secondary to him.

I would like to thank the Minister who, in his remarks this morning, responded to some of the remarks I made on November 2 in the abortive introduction of this Bill at second reading. He said that he is willing to consider amendments which would somehow protect the right to strike, on a national basis in particular, but also on a provincial basis. He is also willing to consider amendments which would sharpen the very vague definition of an international emergency in this Bill. Upon reading the Bill one wonders to what extent Canada would be involved in international problems of another country in addition to those of Canada. The Minister also mentioned that he would be prepared to reconsider curbing the limits of search and seizure.

These are important concessions on the Minister's part. However, I wish to state at the outset that there are many other parts of Bill C-77, the so-called Emergencies Act which replaces the War Measures Act, which we think are flawed and deserve a lot of intensive scrutiny at the committee level. The Minister said this morning that he believes as well that this Bill should be given very intensive and critical scrutiny at committee stage.

I hope that all Parties will offer their general views on Bill C-77 at second reading and that we will be in no hurry at committee stage but will be free to listen at all reasonable length to listen to the very best authorities in the country, as well as ordinary Canadians who were entrapped by the War Measures Act in October, 1970, and all other interested persons and organizations, in order that when we finish with Bill C-77 this House will have passed an Act of which we can all be proud and that we will have no reasonable fear can be misinterpreted or misapplied.

Let me say at the outset that New Democrats are determined that the War Measures Act should never be used again. That is why we are pleased that the Minister has brought forward a proposal to replace the War Measures Act. It has been a long time coming and I congratulate him for finally bringing this debate to the floor of the House of Commons.

His Bill is not perfect by any stretch of the imagination, as far as we in the New Democratic Party are concerned. I will use this opportunity to explain in detail my very deep concerns relating to Bill C-77.

First, I want to say that I hope the parliamentary process, particularly in committee, will be allowed to work. We have heard many nice words from the Government about the spirit of parliamentary reform. In truth, we have made some progress in this Parliament, thanks to the work of the committee led by the former Member for St. John's East, the present Lieutenant Governor of Newfoundland.

Now it is time for the parliamentary process to shine. We will need many hearings and a great deal of testimony from both expert witnesses and ordinary Canadians, as I mentioned a few moments ago. This is an issue which touches the very lives and liberties of every Canadian. It involves an issue that cuts to the very heart of the Canadian consciousness. Is there anyone in this House who was not in some way touched by the events of October, 1970?

I recall, Madam Speaker, that I entered a by-election campaign only a few months after the October crisis. There was still a lot of very deep concern in my part of the country in the spring of 1971 with regard to the invocation of the dreaded War Measures Act by the Trudeau government.

Who could not be affected by the profoundly un-Canadian sight of Canadian troops in the streets to suppress the domestic troubles of their fellow citizens? That is why I am concerned with the paramountcy of the Minister of National Defence as opposed to the Minister of Justice and the Solicitor General. Certainly not all, but most conceivable uses for this Act, when passed, would be of a civilian nature. Heaven help us if we ever go to war again. It would very possibly be the last war mankind would ever fight. Although I hope it never happens, we may at some time in the future have to deal with civilian unrest in the country during which our laws and the order of government would be severely tested. I still maintain that the Criminal Code, the police forces, the courts, the Crown prosecutors, defence lawyers, Minister of Justice and the Solicitor General should all be primarily involved in Clauses 1

and 2 of the Bill. Clauses 3 and 4 inevitably would lead to the involvement of the Department of National Defence.

• (1250)

I do not want to reopen old wounds. Instead, I hope this Bill as amended will complete the healing process. Together with the evolution of our Canadian Constitution, I hope that the replacement of the War Measures Act will close one chapter in our history and usher in a new era where the rights and freedoms of all Canadians are honoured and respected at all times and in all circumstances.

The roots of the War Measures Act are deep. It goes back much further than 1970. The original Act was born in August, 1914, when the First World War broke out. The government of the day found that it had virtually no laws to deal with the situation, so it rushed through the War Measures Act. It was modelled on foreign legislation and received little debate. It had virtually no consideration. In those days, what England did we more or less automatically followed. In effect, it gave the government a blank cheque. Parliament and the people of Canada surrendered all their rights.

The War Measures Act allowed censorship, arbitrary arrest, travel restrictions and government control of trade and property. There were no rights untouched. In effect, it provided for an authoritarian government to replace a democratic government. Perhaps we should not be surprised by the problems this caused later on. It was a recipe for disaster from the outset. The process was so poor, and there was so little thought, that a bad law was perhaps unavoidable.

Let us not repeat this fatal error. We need full debate and we must hear many views. We should deliberate in an air of calm reason. There is no emergency at this time. We have lots of time to consider what we are setting in place for future generations. It is the future about which we must be concerned, for if the War Measures Act shows us one thing it is that people suffer for past mistakes.

Following the Russian Revolution suspected dissidents were interned in Canada because of the extraordinary powers in the War Measures Act. The Communist Party was outlawed. Even Jehovah's Witnesses were suspect. The political and religious freedoms that we are bound to uphold in this place were denied to Canadians.

It is very serious when a democracy resorts to authoritarian methods in order to fight an authoritarian enemy or potential enemy. I know all Parties would agree that we cannot destroy our own democratic way of life or in any way diminish the democracy we have established in this country in our fight against subversion, insurrection or any other kind of threat to the national order. It is not easy to define law and regulations within those parameters, but it is something this Bill must do before it becomes law. It is the responsibility of the committee and the Minister to ensure that we achieve that balance between order and freedom and democracy.

During the Second World War, thousands of Canadians of Japanese origin were interned. Racism raised its ugly head. The bitter legacy of this tragic episode still haunts the government today, and Japanese Canadians are still waiting for redress and justice.

As I have already mentioned, many were arrested without warrants and held without bail in the October crisis of 1970. The Right Hon. Leader of the Opposition (Mr. Turner) will remember that well because I believe he was Minister of Justice at the time. Many other Members will recall that sorry episode.

I know that New Democrats remember it well. We have our own reasons. The public approved of the measure and Parliament favoured the proclamation by a vote of 190 to 16. The 16 were ridiculed at the time, but they stood firm and history has vindicated them. That is one reason that the memory of Tommy Douglas is held in such high esteem throughout the country.

Later, of course, successive Liberal governments recognized their error and tried to reform the War Measures Act. However, nothing ever came of this in the House. That is why it is galling to listen to Liberal Members criticize this Bill. They were in government for 14 years after 1970 and did nothing to correct this problem.

One effort to at least examine the problem came from the Task Force on Canadian Unity. It recommended that the government should have to seek parliamentary approval within a specified time for extraordinary powers. It also recommended that the government state the reasons for its actions and the duration of the emergency powers in its proclamation.

The task force further recommended that provincial powers and individual rights be safeguarded to various degrees, depending on whether the nation was at war or peace. I am happy to see the bones of some of those recommendations in the Minister's proposals. We will try to improve upon them in our committee deliberations.

Of course, we will have help. I do not pretend to have all the answers in this debate. I do not think anyone has all the answers. I hope that experts from such groups as the Canadian Bar Association, Canadian Civil Liberties Association and others will give us their suggestions. I would strongly advise that some of those Canadians who suffered from the excesses of the War Measures Act come before our committee as well. I want to know if they would feel any safer with this proposed law on the books. If this Bill would not prevent such disastrous mistakes from happening again, then it is not worth considering.

We should also look forward to hearing from the Minister in committee. It will be interesting to know what thinking went into this Bill. For instance, the McDonald Commission did not believe that the Government needed any additional emergency powers in peace time. What has changed since then? The Mississauga train derailment required mass evacuation, but that was carried out without resorting to the War Measures

Act. Why does the Government need such powers now? Obviously these are questions that will require a great deal of intensive examination of both the Minister and his officials as well as other interested witnesses.

I have other specific concerns about this Bill which I want to put on the record now. The part of the Bill dealing with public welfare emergencies speaks of an emergency as "a breakdown in the flow of essential goods, services or resources". This seems to have very serious implications for the right to strike. A recent Supreme Court decision stated that the right to strike is not protected by the Charter of Rights and Freedoms. Therefore, the Minister's assurance about this Bill, being subject to the Charter, is of no comfort to the working people. However, this morning the Minister alluded to an undertaking he would make to look into this specific issue once again at the committee stage.

Another recent example shows that this power may not be necessary, and it is the recent rail strike. While it was an unfortunate incident, it illustrates the point that I am making this morning. During that strike the Government brought forward legislation that returned the rail workers to their jobs. The Government was not prevented from acting quickly and it did not use the War Measures Act. Why, then, does it seek new special powers in peace time?

In response to the Government's back-to-work legislation, there were protests on Parliament Hill and elsewhere. Peaceful protest is the right of those affected. They had the right to register their displeasure, but under this Bill such a process could have been forbidden. Does the Government need such powers? Should it have them?

I do not want to argue the point, but I believe we could add the three or four minutes taken by the Hon. Member for Mississauga (Mr. Blenkarn) when he presented his report. However, if you want to call it one o'clock, that is fine with me.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member would want to continue, as he has quite some time left, once we resume debate this afternoon.

[*Translation*]

It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

WOMEN

FREE TRADE—FULL INTEGRATION OF WOMEN IN LABOUR MARKET

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the history of claims and struggles of women in Canada shows they simply cannot rely on the free play of market forces to gain their fair place in the country's economic life. Indeed the Royal Commission on Equality in Employment—The Abella Commission—did make it crystal-clear: "If we do not act positively to remove barriers, we wait indefinitely for them to be removed".

In other words, women's equality still depends on interventions which will change the rules of the game in their favour. How then can anyone imagine that in the context of the free trade agreement Canadian employers will readily agree to implement programs for pay equity, justification for which happens to be provided under Charter section 11? How can anyone believe that companies will refrain from pointing to costs and the need to compete with American companies as an excuse to refuse to acknowledge the equivalence of women's work?

Nobody is being fooled, Mr. Speaker. As drafted, the Mulroney-Reagan Canada-U.S. agreement is one more obstacle to the full integration of women in the labour market, an additional obstacle they can very well do without.

* * *

[*English*]

VETERANS AFFAIRS

REMEMBRANCE OF PAST AND PRESENT SERVICES

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, yesterday I was given a pink rose, symbolic of peace. It culminated an emotional week for me which involved two memorial church services and six parades to cenotaphs. It provided me with the opportunity of spending time with war veterans and Legionnaires who gave so much for their country and who continue to give so much to fellow veterans and to their communities.

Everywhere I went I was touched by the enormous respect veterans have for the Minister of Veterans Affairs (Mr. Hees) and the sensitivity his Department has for the concerns of veterans.

I was also delighted to learn that a new 56-bed hospital care centre is being planned for the greater Ottawa area to which veterans would have a special and primary access.

Our veterans, these men and women, have given so much to our country. They know what freedom is about. They know

what it is to sacrifice. As we continue our session of Parliament, let it always be a priority for us to remember them.

* * *

HUMAN RIGHTS

CHILE—PROTECTION URGED FOR PRESIDENT OF ASSOCIATION OF THE RELATIVES OF THE DISAPPEARED

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I know all Canadians who care for human rights will join me in welcoming to Ottawa Mrs. Sola Sierra, President of Chile's Association of the Relatives of the Disappeared.

The practice of enforced disappearance is one of the most odious and repugnant violations of the rights of the person that history records, but it continues today not only under military dictatorships such as that of Pinochet in Chile but also in some supposedly democratic countries whose Governments, through weakness, complicity or connivance, allow kidnappers and murderers free reign.

Mrs. Sierra's own husband is numbered among the disappeared in Chile. By leading the Association of the Relatives of the Disappeared, and by coming to Canada to publicize the brutality of repression in Chile, she exposes herself to grave personal danger on her return.

Canada should not only salute and, as far as practical, protect this courageous woman, but it should also ensure that our voice and influence are used in every available international forum to work for the stamping out of the hideous practice of enforced disappearance.

* * *

TAX REFORM

CORPORATE TAXES—COMMITTEE RECOMMENDATIONS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, as a member of the Standing Committee on Finance and Economic Affairs I want to highlight three key recommendations regarding tax reform affecting the corporate sector which were tabled today. We recommend an alternative minimum margin tax on all major banks, trust companies and life insurers, commencing January 1, 1988. Such a tax will generate approximately $650 million a year in federal revenue.

We also recommend the implementation of a broadly based alternative tax on major real estate companies.

Finally, the use of after-tax financing devices such as preferred shares has been a source of significant loss of tax revenues. Therefore, we recommend that the attack on these after-tax financing instruments be broadened to prevent erosion of taxes.

In closing, I want to commend the chairman of our committee for his leadership in this difficult task, the research staff, and Members from all three Parties for their constructive contributions to this comprehensive report which contains 81 recommendations within its 319 pages.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I cannot take credit for this poem which is the kind of poem that has been pouring in from across the country. It was written by S. A. Gannon of Belleville, Ontario. It reads:

DON'T LET BRIAN MUL-RUIN-EY CANADA.

Tears moisten my eyes, and roll unchecked down my cheeks,
My heart's filled with sorrow, my emotions are raw,
I just can't believe today what I saw.
Our Maple Leaf flag was being lowered from masts,
Gone is the symbol of freedom, from our Country's future and past.
"Look", I told my children, "they're folding it up and putting it away,
I want you boys to remember seeing it—one last time today.
Canada as we know it, will no longer be,
The home of the true, the strong and the free.
This is how Mulroney's Government Free Trade deal
Stole our country from you my children—

• (1405)

Some Hon. Members: Oh, oh!

Mr. Speaker: It is always interesting to quote poetry in the Chamber, but perhaps there are some limits on it. The Hon. Member will know why I interrupted her.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF ONTARIO PREMIER

Mr. John Oostrom (Willowdale): Mr. Speaker, the opponents of the free trade pact, led by the wishy-washy Premier of Ontario, should stop and think clearly about Canada's role in the real world. These individuals are ignoring the spirit which built Canada and, as a result, have contradicted the very values which have made Canada a great nation.

The Premier boasts that Ontario can compete as a world-class province on the global economic stage. Yet, in the same breath, he preaches protectionism for Ontario's industries. The people are not fooled by this double-talk.

This past week I went door to door in my riding asking my constituents their feelings and thoughts on the free trade pact.

The reaction was astonishing, for my constituents overwhelmingly contradicted the opinion polls to date, with very positive and enthusiastic support for the agreement.

Time and time again I was told by individuals from every age group how this pact would ensure a more secure future for their families. One constituent put the free tade pact in perspective when he said: "I went through the depression of the Thirties which was caused by trade barriers, and I do not want my grandchildren to experience the same". The Premier should take note.

* * *

TAX REFORM

FINANCIAL INSTITUTIONS—CALL FOR INTRODUCTIONO OF MINIMUM CORPORATE TAX

Mr. Simon de Jong (Regina East): Mr. Speaker, the Minister of Finance (Mr. Wilson) has often said that he is willing to look at anything members of the Finance Committee suggest on tax reform. It now appears that that is anything but a minimum corporate tax on banks and other financial institutions. Apparently the Minister develops a temporary blindness when considering recommendations like that.

But what else should we have expected from a Finance Minister who, in the name of tax reform, allows 60,000 profitable corporations to pay no tax? He seems content with a tax system that ensures a bank teller will pay more in taxes than the bank he or she works for.

How in heaven's name can this Minister and the Government claim that fairness and equity have been restored to the tax system when thousands of profitable corporations continue to avoid paying a single cent in tax? A minimum corporate tax is needed now to ensure that large profitable banks, insurance and trust companies pay their fair share of the tax load.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—NATIONAL ISSUE

Mr. Don Ravis (Saskatoon East): As a member of the standing committee studying the free trade agreement, Mr. Speaker, I wish to say we have spent over 160 hours listening to Canadian concerns. We will hear 20 more witnesses in the next few days, and soon we will be travelling across Canada for two weeks.

At the moment there are far too many emotional rhetorical statements being made portraying this issue as the PC Government against the rest of Canada. It is not. It is a national issue involving all Canadians. Quoting the latest poll results, 48 per cent of Liberals polled support free trade, while 41 per cent of New Democrats and 46 per cent of union members questioned favoured the concept of free trade.

Rather than arguing on partisan or ideological grounds is it not time we put on our Canadian hats in favour of maintaining Canadian independence, job creation, and a strong economy, which this economic agreement strives to accomplish?

To quote Mr. Donald Macdonald: "A move to greater protectionism is something that would only reduce the standard of living of Canadians, with very limited additional industrial benefit. The best prospect for improving the standard of living of Canadians is to become competitive internationally".

* * *

• (1410)

HOUSING

PLEA FOR THE HOMELESS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I wish to put on the record a letter that I received from the Windsor Coalition For Development. It is signed by Mr. Gerry Campeau. It reads:

> Congratulations on your forceful stand in helping the homeless, by your recent news release—
>
> How long will it be before the government realizes there is a serious problem with homelessness?
>
> As a non-profit housing agency, working basically with the poor, we are not being heard.
>
> I would like to see more M.P.'s speak out, as you have done.

The International Year of Shelter for the Homeless is coming to an end. The Government has yet to demonstrate its commitment to the plight of the homeless. In other words, it has done nothing yet.

I repeat the question of Mr. Campeau, "How long will it be before the government realizes there is a serious problem with homelessness?"

This Government knows that the homeless have no voice. That is why the Government is ignoring the problem. I call upon all Members of Parliament on both sides of the House to speak on behalf of the homeless. I urge them to pressure the Government into quick action.

* * *

[*Translation*]

FREE TRADE

THE LIBERALS AND THE SOCIALISTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, politics makes strange bedfellows, at least temporarily. The Liberal Leader is campaigning with the socialist Leader against free trade. The

Liberal Party's Quebec Lieutenant, the Hon. Member for Laval-des-Rapides (Mr. Garneau) turns his back on his long-standing solidarity with Bourassa, Macdonald, the Employers' Council, the bankers, and those who provide the jobs, to embrace the socialist lieutenant for the economy, the Hon. Member for Ottawa Centre (Mr. Cassidy)—a bizarre alliance with the Canadian Left, with compromises so astonishing that one wonders where their basic philosophy has gone!

The socialists paid by Bob White want to deprive Canadians of the advantages of free trade, amply proven since 1965 in the riding of Oshawa: $33 billion worth of auto parts and automobiles exported, 840,000 jobs and less than 3 percent unemployment.

The Liberals are so spineless that the country may well be split in two on the free trade issue. The Liberals didn't understand this country in 1982, and they still don't in 1987.

* * *

[*English*]

FISHERIES

EFFECTS OF UNITED STATES-CANADA SALMON TREATY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, when speaking in Seattle at the Pacific Northwest Conference on the Canada-U.S. Trade Deal, Canada's Trade Minister stated that the Pacific Salmon Commission is "the kind of partnership" that "has already brought considerable benefits to the Pacific northwest".

The commission allocates the salmon resource under the conditions of the U.S.-Canada Salmon Treaty. But both sports and commercial fishermen in British Columbia can question those "considerable benefits". Time and again their catch allocations have been reduced in the name of the treaty.

In my own riding, the Department of Fisheries and Oceans opened a fishery at the mouth of the San Juan River during the prime spawning period, thus sacrificing conservation measures. The reason given was that Canada needed to raise its catch in the San Juan area to discourage American claims for a greater share of future stocks.

The Yukon transboundary river was excluded from the 1985 treaty. Now the Americans have postponed November negotiations until next spring, further delaying any settlement.

The Americans take 90 per cent of the allowed salmon catch, but more than half of the American catch originates in Canadian waters. American stalling tactics are preventing growth in the Yukon's commercial fishery.

If the Minister for International Trade (Miss Carney) is using this as an example of what we can expect from the Mulroney-Reagan trade deal, it is no wonder Canadians are apprehensive.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF MANITOBA PREMIER

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, several weeks ago a United States Congressman introduced legislation to curb the flow of Canadian electricity exports to the United States. Although the Bill is not considered threatening at this time, it is another example of the harassment and protectionist measures that the U.S. is prepared to use against Canada without the free trade agreement. The agreement assures a secure market for Canadian energy free from tariff and non-tariff barriers.

Meanwhile, Premier Pawley not only goes cap in hand to the U.S. to try to sell Manitoba Hydro energy, he also pays a Washington lobbyist thousands of dollars to see that Manitoba Hydro receives fair access to U.S. markets. Yet Mr. Pawley will not support the free trade deal which will make his job easier. With such retromingent attitudes how can he possibly be representing the interests of Manitobans?

• (1415)

He has caved in to Bob White and Shirley Carr and is selling Manitoba's interests down the drain.

Manitobans can compete in the U.S. market and they want that opportunity. Manitobans are not afraid. Why isn't Premier Pawley standing up for the interests of Manitobans as he promised in the last election?

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF SASKATCHEWAN NDP LEADER

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the free trade issue deserves more than rhetorical accolades or condemnation. It deserves honest, thought-provoking debate. If one Premier supports free trade and another does not, the Canadian public has the right to see these two perspectives challenged. Those in favour of free trade are willing to debate. Why are those against free trade hiding?

Provincial Premiers who oppose free trade do not have the political courage to debate the issue publicly. Saskatchewan Premier Grant Devine recently challenged Pawley, Ghiz, and Peterson to a debate on CBC's "Morningside" or CTV's "Question Period". Each in turn declined the challenge.

At his recent coronation Roy Romanow, Leader of the Saskatchewan New Democratic Party, challenged Premier Devine to a free trade debate. When the challenge was immediately accepted, Romanow changed his mind. He states that he is not ready and that he must seek more information. The real reason was in the November 15 issue of *The Toronto Star* where the recently crowned Leader of the Saskatchewan

New Democrats said that although he has so far opposed the Canada-U.S. free trade deal, he is ready to consider changing his mind. What a flip-flop!

Unfortunately for free trade the exchange of ideas and the serious debate that this important binational agreement deserves are not forthcoming. The Premiers of Manitoba, Ontario, and Prince Edward Island, as well as the Leader of the NDP in Saskatchewan, refuse to practise what they preach. They refuse to debate free trade with those Premiers who support the agreement, choosing instead to debate only with those who share their somewhat biased views.

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

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF PRIME MINISTER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I should like to pose a question to the Prime Minister. This weekend we saw another example of the efforts by the Prime Minister and the Government to pit one region against another. From a Prime Minister who used to talk about national reconciliation, we now have a Prime Minister talking about regional warfare.

I want to raise a question with the Prime Minister on a statement he made in his speech when he said "various studies indicate free trade can do the same for the West as it does for Ontario".

Last week, the deputy ambassador for trade, Mr. Ritchie, said before the Commons committee that there are no studies. The Government has not done any studies to show that. Why is it that the Prime Minister continues to make these kinds of claims which he cannot back up? We want to know where the studies are to which he keeps referring that prove the point that cannot be proven. Why is the Prime Minister continuing to make these false charges when he knows that there is not one whit of evidence to back those claims?

In other words, Mr. Prime Minister, where's the beef?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, reports have been written in this regard by the Macdonald Royal Commission on Canada's Economic Prospects and the Economic Council. The Fraser Institute has dealt with the matter of regional disparities. The C. D. Howe Institute has looked at it very carefully.

I just want to tell my hon. friend that quite contrary to the suggestions he has made in regard to "regional warfare", to use his term, we have insisted from the beginning that the free trade agreement will benefit all regions of Canada including western Canada, Newfoundland, and the others.

In Alberta I said: "I am delighted with the strength of this great industrial heartland that has emerged in Ontario, and I know that Ontarians are Canadians first. They want the same prosperity they have enjoyed to be enjoyed by other regions of Canada and promoted by other resources in Canada".

Surely that is an indication of national leadership which benefits all regions.

FINAL TEXT OF AGREEMENT—TREATMENT OF TRANSPORTATION SERVICES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a supplementary question for the Prime Minister. He says that he has various studies. It would be very fortunate if he shared them with the gentleman negotiating the trade agreement who said before the committee that there were no such studies to prove any of these points. It would seem to me that if the Prime Minister has access to such documents, he might want to share them with members of the team negotiating the agreement.

We want to raise a further point with the Prime Minister. It concerns the fact that we are now in the sixth week since the agreement was initialled and we have yet to see any final text of what is being proposed for Canadians. Yet, on October 29, the U.S. administration shared with the transportation industry a new annex dealing with transportation. It proposes that the United States industry will have full rights of ownership, control, investment and establishment of all forms of transportation services.

• (1420)

As the Prime Minister will know, transportation is one of the largest employers in western Canada. This will totally destroy the trucking industry of western Canada. Why is it that the Prime Minister is allowing a new negotiation to take place on an annex dealing with transportation that will wipe out the trucking industry of western Canada? Is that the way he is helping the West develop, by wiping out one of its major industries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend has just contradicted the premise of his first question. He is now suggesting that this trade agreement will inflame regional hatreds and differences, totally destroying and wiping out the trucking industry in western Canada. It is an absolute inflammatory falsehood and my hon. friend knows it.

The trade agreement is designed to benefit all regions of Canada and consideration has been given to this by very eminent think tanks of various kinds across the country. They conclude almost unanimously that there will be a net increase in jobs in all sectors of the country.

In regard to concerns my hon. friend has about the text, surely there is nothing unreasonable in taking some time to

translate into a legal text an important trade document. It is our expectation that the final text—

An Hon. Member: Come on.

Mr. Mulroney: What is strange about that? What is wrong with that? The final text could have in the neighbourhood of 20 chapters divided into seven parts, and together with annexes and tariff considerations it would run to 1,000 pages. Surely we will want to examine that very carefully before we sign off on it and submit it to my hon. friend for his consideration.

CONTENT OF FINAL TEXT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the answer we are trying to get from the Prime Minister is simple. We do not have a final text in front of us. We are told by the trade negotiators that it will have somewhere between 20 and 25 new annexes attached to it. The United States administration is sharing with American industries major new provisions, not legal drafting but major new provisions that will affect trucking, the Maritimes, and the garment industry. Those negotiations are going on but we cannot find out from the Prime Minister or the Government any information or details as to what is being added, subtracted, or changed in those negotiations.

I ask the Prime Minister once again, where are the studies he cites to show jobs and growth? Where are the studies to show what kind of changes will take place in these industries? Where is the final text of this agreement? Canadians want to know what they are buying into before they buy the pig in a poke that this Prime Minister is selling as part of his PTL Club rendezvous across the country.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will take responsibility for a lot of things but PTL is not one of them.

The Hon. Member says that we do not have a final text in front of us. That is right. If that is the case, why is he so vehemently opposed to something that he has not seen?

Mr. Axworthy: Why are you in favour of it?

Mr. Mulroney: It may turn out that the Hon. Member from Winnipeg will be up here claiming paternity for the free trade agreement and saying that it is the best thing since bottled beer, forgive the expression.

In point of fact, the agreement was deposited in the House of Commons immediately after it was negotiated. The next day, the "elements of the Agreement" were filed. They are now being translated as they should be into a legal text. As soon as that legal text is available, as it should be very soon, this too will be filed and my hon. friend can take cognizance of it and give us his opinion on it. Perhaps he will change his mind and find it of value to the interests of western Canada, Ontario, Quebec, the Maritimes, and indeed good for all of Canada.

TAX REFORM

FINANCE COMMITTEE'S REPORT

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister of Finance. Today the Finance Committee tabled its report on tax reform, and what a report! It is a real vote of non-confidence in the Government. It consists of 355 pages, with 12 pages of recommendations.

• (1425)

Is the Minister prepared to go back to the drawing-board, rewrite his tax reform proposals which have been found by Canadians to be unfair, anti-family, anti-film development, anti-research and development, anti-farmer, and bring into this House real tax reform which will be accepted as a base for development in every region of the country?

Hon. Michael Wilson (Minister of Finance): First, Mr. Speaker, I would like to thank the committee, of which the Hon. Member is a prominent member, for the very good and hard work it has done. As well I would like to thank those who have contributed to the consultation in the committee hearings on the tax reform White Paper.

Contrary to what the Hon. Member has just said, I have taken the committee's report as a vote of confidence. The committee has accepted the broad thrust of tax reform which proposes to get tax rates down and to broaden the tax base. The general impact of tax reform has been well received. Eight out of 10 Canadians and nine out of 10 senior citizens will benefit from tax reform. All of this is well intact as a result of the committee hearings.

I must say that I do not accept the premise of the Hon. Member's question nor do I think does the committee itself in the report that it has put forward today.

[*Translation*]

REQUEST THAT MINISTER ACCEPT COMMITTEE'S RECOMMENDATIONS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the committee heard 174 witnesses and received over 500 briefs. All these people who appeared before the committee explained how unfair the tax reform proposals were to their specific sectors. The movie industry, for instance, and the mining industry that will have to give up its flow-through shares. There is also regional development and research and development.

Mr. Speaker, I want to ask the Minister of Finance whether he is prepared to, at least, consider essential parts of this report which concern our financial institutions, the movie industry, and expenditures for self-employed workers, and which propose changes in family benefits. Is the Minister prepared to set aside his initial proposal and accept the majority of the recommendations that have been made, as well as those in the two minority reports appended to the committee's report?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am surprised that the Hon. Member would draw attention to the minority reports. I think the minority reports themselves were somewhat contradictory within themselves, so I do not think that those particular reports stand up to much scrutiny.

The Hon. Member said that those who have come forward have had some criticisms of the tax reform White Paper. Certainly I would accept that individuals and groups have some particular concerns about this or that proposal. But invariably a majority of the people who came before the committee, certainly concerning the representations that I made, supported the direction of tax reform. They think that tax reform is going in the right direction and believe that the conclusions we drew in the tax reform White Paper are correct. Some people had a little change they wanted made which is the substance of some of the conclusions of the committee.

I want to take the time to study the recommendations of the committee, and my conclusions and the conclusions of the Government will be known when we table the Ways and Means motion some time before the end of this year.

REQUEST FOR INTRODUCTION OF MINIMUM CORPORATE TAX

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. The Minister just referred to the committee's report talking about a little change in tax reform compared to what the Government was promising to do. The little change to which the Minister referred is a proposal by the committee that the Government commit itself to a minimum tax on the profits of banks, insurance companies, trust companies and the real estate industry.

Is the Government now prepared to accept this all-Party recommendation for a minimum corporate tax on companies in these sectors? The people of Canada will see the Government of Canada getting some $400 million in additional revenue which should be paid if we are going to have tax fairness in Canada.

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Leader of the New Democratic Party would agree with me when I say that that is a proposal for very fundamental change. Certainly I would want to study that very carefully before commenting on it. I will go further than that and say that before any such change is made it should be the subject of consultation and discussion with the private sector and those affected.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has had consultations since the 1984 election. He knows that according to the so-called reforms which his Government produced there will be 60,000 profitable Canadian companies which will not have to pay a penny in income tax. That is tax reform Conservative style.

Will the Minister not agree that the time for consultation has passed and that companies which make profits ought to pay their share of taxes like anyone else? Will he now make a commitment to bring in a minimum corporate tax? Yes or no?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the point that I was making is that the committee has proposed a fundamental change. This proposal has not been made previously and before I would support such a change I would want to make sure that the people who are affected have a full opportunity to make their views known to the Government.

[*Translation*]

PROFITABLE CANADIAN CORPORATIONS—REQUEST FOR MINIMUM TAX GUARANTEE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government intends to table a Bill in the House of Commons before Christmas. Since senior citizens and the average family pay a lot of taxes and many companies do not pay a cent, could the Minister guarantee he will table, before Christmas, a proposal for a mininum income tax for all profitable Canadian companies?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I have answered the basic thrust of that question. I am trying to think whether there is anything different contained in it than was in the first two questions he put forward today. I do not think there is anything new.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—PREPARATION OF FINAL TEXT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. His trade deal with the United States was signed at the beginning of October. In the document setting out the elements of the agreement at that time it said very clearly that we would have the final text within three weeks. Six weeks have gone by and we still do not have the final text.

Why is there so much delay? What is the problem? Is it because while these secret additional negotiations are going on the Government is ready to cave in and give up some more vital Canadian interests?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, Canada is not caving in on anything nor have we caved in on anything to date. Negotiations are not going on at the present time. What is going on is the drafting of a legal document. The Prime

Minister mentioned the extent of that document earlier. We want to ensure that that document is correct and accurate and does reflect the agreement that we signed with the United States. That is what is going on. When it is done it will be tabled in this House and produced for the Canadian people.

[*Translation*]

Mr. Gray: Mr. Speaker, if there was a final agreement at the beginning of October, why is it so hard to draft the final text?

DISTRIBUTION OF FILMS—GOVERNMENT POLICY

Hon. Herb Gray (Windsor West): Mr. Speaker, I have another question for the Prime Minister. If the Government is not again caving in on our vital interests, where is the Government's policy on film distribution? Is the Government prepared to table this Bill right away? If not, this proves the Government is again caving in and giving up our vital interests.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member knows the policy of the Government. We intend to introduce legislation which will meet the objectives which my colleague, the Minister of Communications, has set out on film distribution to make it clear that we have a distinct market here and that Canadian companies will participate in the benefits of that market.

* * *

TAX REFORM

FINANCIAL INSTITUTIONS—MINIMUM TAX PROPOSAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance and also deals with the question of a minimum tax on banks and financial institutions which was proposed by the Finance Committee. The committee came to that conclusion because it found that the White Paper proposals of the Minister would not ensure that banks and financial institutions paid their fair share of taxes.

Is the Minister prepared to ensure, through his Ways and Means Motion in December, that the banks and financial institutions will pay their fair share, or does his talk about further consultations simply mean that he is an apologist for the deplorable situation of banks paying next to nothing in terms of tax on their profits?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear that the White Paper on tax reform set out a broad range of ways to ensure that companies, be they financial institutions or other institutions, and high income individuals who are not paying their fair share of tax, would pay their fair share of tax. That was a thrust of the reform which we stand by.

In response to the Hon. Member's question on a particular proposal in the report, as I have said in response to previous questions, I want to ensure that I give the benefit of a full and comprehensive study to what I think the Hon. Member would agree is a broad report with some comprehensive implications. Rather than make comments on the first day the report is out, I would like to take the time to study it.

COMMITTEE FINDINGS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the committee has done its work. The question is whether the Minister is now prepared to do his work in evaluating the committee's work and incorporating it into the Ways and Means Motion in December.

Is the Minister satisfied with the tax system as it relates to the banks which, in 1983, resulted in a teller working for the Royal Bank paying more in taxes than did the entire bank which had profits of over $300 million? Is the Minister satisfied with the situation which the committee found in which banks and financial institutions pay from 1 to 6 per cent of their profits in tax and no more? If the Minister is not satisfied, is he prepared to act in December on the proposals of the committee for a minimum tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are clearly not satisfied with that situation. That is why, in a broad range of ways, we have attacked that specific problem in the White Paper. Presumably the Hon. Member is speaking on behalf of the committee which has found a different way of attacking the same problem. I said in my previous response to the Hon. Member that I want to take the time to review this and ensure that I study it properly.

I underscore the response that I gave to his colleague, the Member for Laval-des-Rapides, that I do not want to proceed in a precipitate way with this or other proposals of this nature which are fundamentally different from the tax reform paper without having the opportunity to consult and take into account the views of those who would be affected before making a decision.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ALBERTA ASSOCIATE MINISTER OF AGRICULTURE

Mr. Speaker: I would like to draw the attention of Members to the presence in the gallery of the Hon. Shirley Cripps, MLA for Drayton Valley, and Associate Minister of Agriculture for the Province of Alberta.

Some Hon. Members: Hear, hear!

EXTERNAL AFFAIRS

UNITED STATES STRATEGIC DEFENCE INITIATIVE—CROWN CORPORATION'S INVOLVEMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Prime Minister. In September, 1985, after prolonged debate in the House, the Prime Minister promised, as part of Canada's contribution to the prevention of nuclear war, that the Canadian Government would not become involved in any star wars project or any research leading to star wars.

Yet on Friday last we learned that a Crown corporation, an agent of the federal Government, the Canadian Commercial Corporation, has acted as the prime contractor for a $306,000 U.S. value contract with the Pentagon toward star wars research.

Are we in or out? What are the guidelines with respect to Crown corporations doing work on star wars? Is it yes or no?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think the Hon. Member knows the answer to the question. The Canadian Commercial Corporation is required by law, which I assume was passed by a Liberal Government, and certainly before the introduction of the Strategic Defence Initiative, to act as an agent for Canadian companies that are involved in contracts with the United States Department of Defence. That is the exclusive and total nature of the role of the Canadian Commercial Corporation in this transaction. It is mandated by law, a law that predated the Strategic Defence Initiative.

It is entirely consistent with the policy of this Government that there will be no government-to-government involvement in the Strategic Defence Initiative.

GOVERNMENT POLICY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, if that is the case, will the Minister give his word to the House that he will amend the law? He cannot have it both ways. He cannot wash his hands of these kinds of deals and then allow backdoor participation. Either a Crown corporation which is an agent of the federal Government will become involved in a peripheral or direct way, or it will not. It seems clear to me that it is in violation of the Prime Minister's commitment to the House that the Government of Canada, which I believe includes Crown corporations, should not be involved in star wars projects.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think this is the first time I have ever heard a Liberal speak against a Crown corporation. I thought they were in favour of them as a matter of blind trust.

Mr. Axworthy: Be serious.

Mr. Clark (Yellowhead): I will be serious about the matter because it is serious.

Mr. Broadbent: I would like to hear you speak in favour of one.

Mr. Clark (Yellowhead): I speak in favour of the Canadian Broadcasting Corporation regularly, as one who never believes in reciprocity.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The policy with respect to the Strategic Defence Initiative is very clear. There will be no government-to-government involvement. There is no government-to-government involvement.

It was also made very clear in the decision by the Government of Canada at the time of the announcement of the U.S. program that we did not intend to use the fact that research or other activities that had previously been allowed between Canadian companies and American companies would be eliminated or prohibited simply because the Strategic Defence Initiative process was in place. We are dealing with an arrangement that predates the Strategic Defence Initiative, that uses the Canadian Commercial Corporation in its agency role exclusively, which is among the roles for which it was established.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON FILM DISTRIBUTION POLICY

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister. I would like him to comment on news reports in *The Globe and Mail* this morning which state quite clearly that changes in film distribution policy will be put on hold in order to protect the free trade talks with the United States and the agreement that has been reached. Has the Government in fact decided to delay this important legislation to help film distribution here, which will be of such benefit to Canadian movie producers and the movie industry in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not normally like to comment on a speculative story in *The Globe and Mail*—

Mr. Hnatyshyn: It is against the rules.

Mr. Wilson (Etobicoke Centre): My colleague tells me it is against the rules anyway. I take his guidance on this, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister cannot be pressed to comment on a story in any newspaper. However, the Hon. Minister cannot be stopped, if he wishes to do so.

Mr. Wilson (Etobicoke Centre): I do not know whether I should take that as encouragement or not. I think I responded to that question. The Government has stated its policy and we are committed to that.

Mr. Langdon: In fact the previous question did not deal with this issue of delay.

FILM DISTRIBUTION LEGISLATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, since the Minister is handling this issue, can he make a commitment to the House, one which was contradicted by people from the Ministry of Communications, that in fact there is to be no weakening of this film distribution legislation as a result of the trade deal?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me say again, which is very similar to what my colleague, the Minister of Communications, has said, that we intend to create a separate market for film distributors in Canada and to provide the opportunity for Canadian film distributors to take full advantage of that market.

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CANADIAN JOBS STRATEGY

ACCESS BY WOMEN TO JOB RE-ENTRY PROGRAMS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. There have been numerous programs in Saskatoon operated by the YWCA and Immigrant Women of Saskatchewan, under the job re-entry program of the Canadian Jobs Strategy. These programs are aimed specifically at women's training.

The first programs were very beneficial and they wish to continue them. Will the Minister assure the House that the Government will continue to orient further programs and funding in such a way that women will have access to training and upgrading, and enhance their opportunity to join the labour force?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I appreciate the Hon. Member's question. I am sure the Opposition will agree with me that women must be an important part of the labour market. The Canadian Jobs Strategy has provided many places for women in different parts of this program. I can assure my hon. friend that we will continue to deal with this question of increasing and upgrading the skills of women in the labour force. Furthermore, some two weeks ago I requested the provinces to open more apprenticeship places to women in terms of the availability of those opportunities because we believe they are too restricted for women. In other words, there are not enough places and we must improve that situation.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON EMPLOYMENT FOR WOMEN

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Prime Minister. In a recent speech, the Premier of Ontario referred to an Ontario study which said that women in manufacturing industries would be particularly hard hit by the Canada-U.S. trade agreement, and that over 100,000 Ontario women could lose their jobs as a result of that deal. Since that analysis can be applied to other provinces as well, when will the Prime Minister start taking these concerns seriously? If he insists on proceeding with this bad deal, will he at least put on the table a special readjustment and retraining program for these many Canadians who will lose their jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to an Ontario study. That document was widely panned and stands as a very disgraceful contribution to the debate. It was misleading. It was self serving, and it did not in any way withstand the scrutiny that one ought to bring to bear on documents submitted by public officials.

It is quite clear that Premier Peterson is as ashamed of that document as he is ashamed of comments made by Minister Quinter in regard to this debate, neither of which in any way contribute to illuminating the national debate in this regard.

In terms of the very legitimate concerns raised by my hon. friend in regard to employment opportunities for women, I am happy to point out to him that since this Government was sworn in it has created 1.019 million new jobs, over 55 per cent of which have gone to women. That is the kind of contribution we are trying to improve upon both here and across the country.

• (1450)

A number of studies, including one by Katie Macmillan for the Canadian Advisory Council on the Status of Women, conclude that free trade will offer women higher paying jobs with better employment prospects throughout the country. Surely that is a national objective to which my hon. friend can subscribe.

CONTENT OF AGREEMENT—PRIME MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, once again the Prime Minister has not answered the question. If he has better studies on job loss and job gains, let him make them public and put them before us.

Most experts will agree that the free trade agreement will hurt Canada more than it will the United States, that it will hurt employees more than it will hurt employers. In these circumstances, why did the Prime Minister not insist, as many experts suggested, that a readjustment and retraining program be written right into the agreement so that Canadians would have assurance of new jobs if their present jobs were done away with? Why did he not do that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have already indicated that, to the extent they are required, we and the provinces are ready to commit very important sums to assist workers in all areas to the extent this involves. We have already indicated that the studies available indicate net increases in just about every sector of employment and the economy. I think that is a very hopeful sign.

With regard to comments made, I would point out that on Saturday there was a report that Premier Peterson had a meeting with several American Congressmen, including the Chairman of the Small Business Committee of the House of Representatives, John Lafalce. He is very interested in free trade. He said, and I quote:

> As I read it so far, Canada came out ahead. There is a general feeling within the United States that the free trade agreement might be more favourable to Canada than to the United States.

I think Mr. Lafalce has made an important statement and my hon. friend, who often likes to quote the Americans, might want to quote that one.

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THE ADMINISTRATION

GOVERNMENT CONTRACTS—REPORTED REQUEST FOR CONTRIBUTION TO P.C. CANADA FUND

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Prime Minister. Canadians now speak about a sleaze fatigue factor in Canadian politics resulting from three years of kickbacks, influence peddling and conflicts of interest. In light of allegations from Jean Marie Chastenay that in 1985 he was asked to make a $2,500 contribution to the P.C. Canada Fund in return for two surveying contracts from the Department of Transport, will the Prime Minister tell us what he has done to ensure that this kind of toll-gating will never happen again in Canadian politics, and that the bidding system for government contracts will be open and honest, and that those who receive those contracts will not be subject to this kind of economic blackmail?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, first of all, the Hon. Member ought to know that an investigation is now under way and that the results bring out the truth about this matter. I may also remind the Hon. Member that most, if not all, advertising contracts were awarded on a very competitive basis and that there was never any compromise on the quality, price and delivery date agreed upon.

[*English*]

REQUEST FOR NEW ETHICS PACKAGE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Going back to the Prime Minister, Mr. Speaker, I want to say this incident happened two years ago. We have to ask why it has taken so long to get any information.

Last February the Prime Minister promised he was going to introduce a new ethics package. Why has that not been tabled in the House of Commons so that the Canadian people will see that the Government is determined to clean up its act? How much longer are we going to have to put up with this kind of dishonesty in government contracts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a very serious charge that has been made. There is an allegation apparently made by a citizen. The unsubstantiated allegation has now been transformed into an accusation and a hanging by my hon. friend who clearly does not believe in any of the fundamentals of democracy, including fair and free trial inquiry. I think if the New Democratic Party wants to contribute to an ethics package, it can begin by not violating the fundamental ethic of Canadian democracy, which is the presumption of innocence.

REPORTED EXISTENCE OF TAPE RECORDED CONVERSATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister. It concerns the same issue, that is, the toll-gating in the riding of Trois-Rivières where the campaign manager for Trois-Rivières is alleged to have pressured a Mr. Jean Marie Chastenay, a land surveyor, to give a 5 per cent commission of $2,500 in exchange for receiving a $50,000 government contract.

Given that Mr. Chastenay claims to have recorded on tape his conversation with the Tory campaign manager in question and passed it on to a Member of Parliament, and subsequently received a phone call from the Prime Minister's office, can the Prime Minister tell the House if his office received this tape, and if so, when? And what specific action did he or his office take in regard to the tape that was sent to his office?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can confirm that there is in fact an investigation under way by the Royal Canadian Mounted Police into this particular incident. As a result, there is nothing further I can say at this time until the investigation has been completed.

Mr. Boudria: Mr. Speaker, I was not asking about the investigation. I was asking about the tape.

I would like to ask a supplementary question.

[*Translation*]

AWARDING OF GOVERNMENT CONTRACTS—ALLEGED TOLL-GATING SYSTEM—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Pierre O'Neill, who writes for *Le Devoir*, mentioned in an article published on May 24, 1986, a system under which in return for Government contracts, five per cent was paid to the Conservative Party. Considering the Brodilaf case in Drummondville, the Wajax investigation, the Péloquin file, the Mirabel lands, Vincent Massey Place, the Met Life building, and of course Oerlikon and the Museum of Civilization, is the Prime Minister prepared to inform the House what he intends to do—

[*English*]

Mr. Speaker: I think I should point out, first of all, that Question Period is not a place—and we have been through this before—where, even by the use of a preamble, a lot of charges are made at large. Second, there may be a problem in the question asked by the Hon. Member with respect to whether or not the actual question has anything to do with any ministerial responsibility. As I heard it, it seemed to refer to the P.C. Canada Fund. My task as Speaker is to be careful with respect to what is or what is not in order.

If the Hon. Member is asking the Government whether it has anything further to say with respect to that particular matter, and I take it that is the general thrust of his question, that would be a question which the Government can decide whether or not it wishes to answer. However, the Hon. Solicitor General has already made a comment in that regard.

Taking the question at its best, and most in order as I have put it, I invite the Government to respond if it wishes to do so.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have already advised, the matter is under investigation by the Royal Canadian Mounted Police.

Mr. Boudria: That is not what I asked.

Mr. Kelleher: If there is a tape involved, I am sure that will be fully investigated. Surely to goodness the Hon. Member knows well that neither I, nor any other Member of this Government, should get involved in any way with an RCMP investigation. Next they will be accusing us of political interference. They cannot have it both ways. We have to stay out of it until their investigation has been completed.

Mr. Boudria: That is not what I asked.

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RAILWAYS

PRAIRIE GRAIN TRANSPORTATION SYSTEM

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Deputy Prime Minister who promised two weeks ago to look into the shortcomings of the prairie grain transportation system. The Minister will know that the Canadian National Railways system does not have the rolling stock required to keep Thunder Bay and the Seaway adequately supplied. Ships lie idly in our harbour and grain handlers are not called back to work. When does the Government expect to recognize its responsibility to ensure that CNR has the rolling stock it needs to move grain at capacity times? When are orders going to be placed for more hopper cars?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member should know that even considering that last year Canadians exported a record amount of grain, grain movement to date is moving well ahead of the record that was set last year. Just to give the Hon. Member some figures, if he is interested, Canadian exports are up 23.2 per cent and farm deliveries are up over 60 per cent.

What the Hon. Member says is true—we would like to do better and we are doing better. Both CN and CP have made arrangements to lease cars and they are going to be adding to their fleet so we can move additional gain. However, the Hon. Member should bear in mind that we are moving grain at a record clip over last year which was in itself a record.

COSTS OF WINTER-RAIL MOVEMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my supplementary question is directed to the Minister responsible for the Wheat Board who has just responded. He knows that farmers on the Prairies, particularly in Manitoba, are anxious that this will lead to winter-rail movement and that will mean higher costs which the farmers are afraid they will have to bear. Can the Minister assure us and them that the costs of winter-rail movement which will result from the inadequacies of the railways are not going to be carried by the producers, particularly his fellow Manitoba farmers?

• (1500)

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, we will cross that bridge when we come to it. I would ask the Hon. Member to bear in mind that this Government has very much supported the Canadian Wheat Board in its sales efforts. By the way, it is a very good Crown corporation. It has been doing a very good job.

We support other agencies that export grain and oilseeds on behalf of Canadian producers regardless of whether they are in western Canada or other parts of the country. Surely the Hon. Member should recognize that it is an over-all system. He should know, for instance, that the past two weekends were the first weekends in the current crop year that the elevator companies have unloaded cars in his own area which he represents. That is a part of the system that deserves to be congratulated as well. Surely he should get up to congratulate everybody connected with the industry to let people know that we are moving grain in record amounts.

Mr. Speaker: I want to advise Hon. Members that this will be the last question in Question Period.

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SOCIAL AFFAIRS

ELIGIBILITY FOR WELFARE AND UNEMPLOYMENT INSURANCE BENEFITS—GOVERNMENT POLICY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Prime Minister. It is about the Government's quest to reduce the deficit at the expense of our social safety net. The latest episode in this area is a recent statement by the Chairman of the Standing Committee on Labour, Employment and Immigration. He said that those who draw welfare and unemployment insurance benefits will have to work to continue receiving their benefits.

Is it now the policy of the Government that people will have to work to get their welfare cheques, that they will have to work to get their unemployment insurance benefits, especially when we know that people who are drawing unemployment insurance are drawing it because they cannot find jobs? Is this the new policy of the Government?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I should think that the chairman of the Standing Committee on Labour, Employment and Immigration has every right and authority to make the statements he likes, but it would be quite inappropriate for the Minister to comment on the views expressed by the chairman or the members of the committee.

The committee makes recommendations and the Government takes whatever action is deemed necessary. Once again, that comes within the committee's mandate.

QUERY WHETHER PERSONS WILL NEED A JOB AND WORK IN ORDER TO CONTINUE TO RECEIVE BENEFITS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, if I ask this question—and I note that the Minister did not contradict the statements of the Hon. Member for LaSalle who is the committee chairman, and we know it was not a coincidence that the Hon. Member for LaSalle was imposed as new committee chairman by the committee's Conservative majority—

I want to ask the Minister—

Mr. Speaker: Would the Hon. Member put his question, please?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I am getting to it. I want to ask the Minister if that is Government policy. Let him clearly say so. Again I ask him: Henceforth will people receiving social welfare or unemployment insurance benefits have to get a job and work if they want to continue to receive such benefits? Is that Government policy? Yes or no?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, my colleague has asked the question and he knows the answer. It is not Government policy.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at 1 p.m. the Hon. Member for Brant (Mr. Blackburn) had the floor.

Mr. Derek Blackburn (Brant): Mr. Speaker, just before we adjourned for lunch I was dealing with that part of Bill C-77 which I suggest to you may have some adverse impact on the right to strike, particularly strikes of a national nature or even of a provincial-wide nature. However, the Minister of National Defence in his remarks this morning said that he was, and I am paraphrasing him now, prepared to take a look at that part of the proposed legislation to see if it could be further clarified so that there would be no question that national strikes, peaceful strikes or legal strikes would in any way come under the constraints of this proposed legislation.

Probably the most contentious part of this Bill is that which deals with public order emergencies. This is the type of situation that gave rise to the use of the War Measures Act in October of 1970. This part takes its definition of a threat from the Canadian Security Intelligence Services Act. This fact alone should make us very cautious, because of the difficulties already encountered with CSIS in determining what is subversion and what is legitimate dissent. This was one thing, of course, that perpetually bothered or confused the RCM Police when it was in charge of intelligence or counter-intelligence, the internal security of this country, over many years.

I suggest to you, Mr. Speaker, that there is a very clear and definitive difference between subversion, which is clearly an illegal act, and legitimate dissent, which should not only be tolerated in a democracy but, indeed, should be encouraged. Again, the Minister assured us that the definitions of subversion and legitimate dissent would be clarified or at least explained more fully in committee. However, that does not obviate the necessity to call expert witnesses to help all

members of the committee, indeed the ministerial officials as well, in clarifying those two terms.

It has been very difficult over the years to come to a clear and understandable interpretation of what is subversion and what is legitimate dissent in a democracy. For example, the CSIS Act cites activities, and I quote, "in support of the threat or use of acts of serious violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state".

I would remind the Minister that the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) recently met with Oliver Tambo of the African National Congress. The ANC has not renounced violence in its fight against apartheid. I hope the Prime Minister and the Secretary of State did not promise to support the ANC, otherwise they might have to have themselves arrested. I said that in my speech of two or three weeks ago during the so-called abortive attempt to get Bill C-77 introduced at second reading. I did not do so in a frivolous way. If one looks at this proposed legislation, it is possible for lawyers, or people with legal training, to interpret the proposed Bill in that way. That is, of course, obviously ridiculous.

Others on the government benches have had contact with the Reagan administration which supports the efforts of the Contras in Nicaragua where they have used violence. President Reagan spoke of their cause in this very Chamber. Should that be illegal in Canada? Again, that is not a frivolous statement because within the parameters of this proposed legislation it is quite possible that someone could argue that point.

A public order emergency also gives Cabinet the right to prohibit public assembly. But how could a Canadian avail himself of the right to peacefully protest the declaration of the emergency powers? His right to disagree with Government policy would be severely limited. Again, that would be inhibiting or diminishing a person's right to dissent, in a country such as ours which is a democracy and which prides itself in being a liberal democracy.

Similarly, a legitimate process against the emergency declaration could be suppressed and no one would find out. The Government could censor the media or simply forbid travel to the troubled area. How could anyone find out if the declaration of an emergency was justified, if no one was allowed in or out of the area? How could parliamentarians rally public support against an unjust proclamation if the public were being kept in the dark? I suggest that those are all legitimate questions and concerns that all of us on both sides of the House should have at this time in the proceedings with respect to Bill C-77.

• (1510)

I also have concerns about the clause dealing with international emergencies. The definition of an international emergency is extremely broad. The Bill speaks of a threat to "any other country in which the political, economic or security interests of Canada or any of its allies are involved". That pretty well covers the global waterfront.

Our allies include the United States and western Europe, which have very extensive trade interests around the world. In fact, it is difficult to think of any country on earth where Canada, the United States, or western Europe does not have some type of political or economic interest.

At the present time there is a perfect example in the Persian Gulf. The United States is escorting tankers through one of the most militarily dangerous stretches of water in the world. Other European nations are also involved because they have an economic interest in oil from that region. What would happen if another *Stark* incident blew up into a major confrontation? Canada could become involved under the terms of this legislation.

There would probably be a great debate as to whether Canada's vital interests were involved, but the Government would have the clear right to mobilize first and answer those questions later. I would not want to wake up one morning to read that the Government had declared an international emergency and have to wait for the matter to come before Parliament at some future date.

One of the reasons I would not be comfortable in that situation is because of the other extraordinary powers that the Government could assume during a perceived international emergency. For example, Cabinet could authorize search and seizure without reference to the courts. Why does it need to bypass the justice system? Are the courts not to be trusted in an emergency? Have judges in this country ever shown themselves to be less than vigilant in their devotion to national security? It is their job to balance the interests and rights of the state and those of the individuals. Yet the Government wants the right to enter into any home without reference to the courts at any level.

Finally, Parliament must consider the total discretion granted to Cabinet under the terms of the Emergencies Act. It is difficult to see any difference between this clause and the current War Measures Act. I wonder why some powers could not be set out in the Bill. Canada has been in two world wars. Does the Government not have any idea of the powers it needs to mobilize the Armed Forces? Could they not be added to the powers listed in the other clauses of the Bill?

The clause on parliamentary supervision also needs to be debated. This is the real heart of the Bill where all the restraints on Cabinet authority will be tested. It is good that the Government must refer the matter to Parliament, set out the powers that it has assumed, and justify its actions by stating the nature of the emergency.

As I look across the House and see the huge government majority, I have to ask myself whether any majority government would see its powers checked by its own members. Somehow I doubt it. It did not happen when the Liberals were in power in October of 1970. We have just seen a Bill on refugees passed by the Conservative majority which many

Canadians feel may violate their rights. Yet the Bill passed overwhelmingly. One has to wonder if such governments are to be trusted with the absolute powers set out in the Bill we are presently debating.

Senate reform is also an issue in this Bill. The Conservative Government likes to rant and rave about the irresponsible Liberal Senators holding up a Bill to grant a monopoly to multinational drug companies. The Prime Minister blusters about abolishing the Senate, while he appoints his friends to that place. Here is the very same Conservative Government conferring new powers on that other place, the Senate.

This Bill proposes that a government declaration would have to be supported by both Houses. A body that is responsible to no one could block the actions of an elected Government. Similarly and more importantly, the Senate would have to concur in any motion of this House to revoke powers of the Government. I look forward to hearing constitutional advice on this matter. I also look forward to hearing the Government argue the case for giving more power to its political enemies in the most irresponsible chamber in existence today in the democratic world. In fact, I cannot conceive of any other democracy, as we practice democracy in the world today, that would tolerate an institution such as the Senate here in Canada. It is not elected and virtually is not responsible directly to any constituency in the country. Senators are appointed for life or until age 75.

I also have some difficulty with the provisions of the Bill that govern the parliamentary review committee. This body would be sworn to secrecy and review secret orders and regulations from the Cabinet. If getting the powers of a majority Government revoked in open Parliament is difficult, then getting them rolled back in a closed committee would be next to impossible. How could any parliamentarian raise public outcry against an unjust regulation if he or she were gagged by an oath of secrecy? That provision will have to be examined very closely.

If the provisions for scrutiny are doubtful, then the suggestions for compensation are virtually impossible. The Minister is setting himself up as judge and jury. He would set up all the rules governing compensation for damages. He could limit the Government's liability because he would have the right to put an absolute ceiling on all claims. He would not have to answer to anyone. The Bill does not even guarantee the right to appeal. It only states that the Minister may appoint an assessor. Even if the assessor were to overturn the decision of the Minister, he or she could not exceed the limits set by Cabinet. The person seeking damages would have no recourse to the courts if he or she were unsatisfied. This obviously must change.

We only have to look at the dispute between the Government and the Japanese Canadian community to see where trouble could arise and no doubt would arise unless this clause of the Bill were deleted or rewritten. We owe the Japanese Canadians something. I am talking not only about an apology or compensation; we owe them more than that. We must show those Canadians who have suffered that we have learned from the abuses of the past. We must show them our determination that such abuses will never happen again in this country. We must restore their faith in this country and its democratic, political, and judicial processes.

We can show Canadians that this country has grown and developed into a more fair, just, and honest society, and they can take heart in that growth. I would urge all Canadians to help us construct a new and better law to replace the War Measures Act. I would urge all Members of this House to listen to Canadians, hear their concerns, and put their ideas into this Bill.

My fear is that Bill C-77 if unamended or unchanged will simply and perhaps irrevocably enshrine already existing Orders in Council processes in statute law. I suggest that somehow the Government feels that that transition would cleanse it or make it respectable. When a Government takes arbitrary or indeed authoritarian measures, regardless of what the issue may be, that Government must be extremely careful that it does not do substantive or irreparable damage to the democratic processes in that country. Of course, we are here today discussing our own country, Canada.

As I stated this morning before the luncheon adjournment, we in this country have a tremendous responsibility that, in the struggle against obvious legal subversion, we do not in fact subvert the democratic processes along the way. That is a very delicate and difficult balance. Therefore, this Bill must be amended to make certain that we do not in any way impinge upon those basic freedoms that we cherish so dearly in this country, and which all Parties support.

I feel that it will take more discussion, and more intensive investigation and questioning of witnesses before this proposed legislation comes up to those minimum standards of maintaining the democratic processes in Canada during times of stress, during times of emergency, and even during times of war, although I concede that in an outright war, even in a democracy such as ours, there may from time to time have to be certain measures taken to reduce, diminish, or at least bring into focus and control some of those democratic processes. However, certainly in peacetime in regard to internal unrest or internal problems, I do not see any reason that any Government of any political stripe should have to lessen or diminish the democratic rights of Canadians.

• (1520)

In conclusion, once again I want to list the basic concerns which my fellow New Democrats and I have in respect of the Bill. I want to make very clear that we intend to put up many speakers at second reading so that we will have an opportunity to put across various points of view, all of which are related to the Bill.

My personal concerns are the following ones. Does public welfare emergency infringe on the right to strike? This

morning the Minister said that he would look into that more thoroughly at committee stage.

In terms of public welfare emergency and of CSIS's definition of a threat, there is a difficulty in discerning subversion from dissent. For example, raising funds for the ANC or the Contras could be illegal.

How could people protest public order proclamations if the right to assembly were denied or suspended?

How could the press report on abuses if it were restricted by travel constraints in the Bill and/or its news items were censored, which is provided for in Bill C-77?

The international emergency definition is very broad. Where do allies like the United States not have interests? Where do our European allies not have interests? Where do we not have interests? We virtually have economic and, at times, political interests world-wide.

International emergency removes search and seizure authority from the courts. I think this is extremely important. Why do we not establish faith in our judicial system which is separate from the political or independent of the political? I cannot think of a more objective and non-political route to go than to allow the right of search and seizure to remain with the courts or to entrench that right with the courts, with the judicial system. I have much more faith in the judicial system than I have in perhaps some future Minister of National Defence, Prime Minister, or Minister of Justice of whatever political stripe who may wish to abuse his rights, privileges, and powers. I have far more faith in the judicial system than I have in individual cabinet Ministers if they were tempted in any way to usurp power beyond the powers already provided for in the Bill.

War emergency, for example, is another problem because it gives total discretion to Cabinet. It is only after the fact that Parliament itself, the legislative branch of the House, would be apprised of the details.

I am worried about the new powers being conferred on the Senate. These days we talk about Senate reform, but we do not know which way Senate reform will go. In fact—and I am speaking personally here, not on behalf of my Party—I abhor even the thought, or I shudder at the thought of an elected Senate. I honestly do.

People tell me every day in my own constituency—and no doubt Hon. Members hear it in their constituencies—that we are already over governed. We have municipal Governments, regional Governments, provincial Governments, and a federal Government. Now we have First Ministers' Conferences with tremendous clout and influence to bring to bear regional concerns on the Government in Ottawa, and we want an elected Senate. Obviously, if we have an elected Senate, it will demand a lot of powers that we have in this Chamber. The Government may complain today that it takes so long to pass Bills, for example, the pharmaceuticals Bill. Does anyone in the Chamber have any idea how long it would take to get a Bill like that passed if we had an elected Senate?

All one has to do is cast one's eyes to the South, to the United States. They envy our system up here, particularly the administration in Washington, because relatively speaking we get things accomplished much faster in our system than they do in the United States. However, we have people talking about an elected Senate. If there were a choice, obviously I would advocate the abolition of the other place. Quite frankly, I do not think it does any good on balance. If we must have a Senate, for Heaven's sake leave it the way it is.

Mr. Crofton: I thought we were talking about Bill C-77.

Mr. Blackburn (Brant): I am talking about Bill C-77. Bill C-77 gives the Senate equal powers with the House of Commons, and it is not directly accountable to any constituency in the country. That is what is so deplorable about it. Maybe this is sort of a backhanded way of pushing us toward an elected Senate. That is the point I was getting at. If that is the intent, then Heaven help us if we have one more elected branch of our legislative process.

Finally, how could Members of Parliament protest orders if they were gagged by secrecy oaths taken upon entering or accepting a position on the committee?

That is all I have to say for the time being at second reading. There will be many other speakers from the New Democratic Party who will enter the debate at this stage. We look forward to pushing forth some substantive changes at the committee hearings. I hope the committee hearings will not be rushed. I hope we will proceed with them slowly, in a reasonable way, and over a lengthy period of time so that everyone who wishes has a right to be heard.

Mr. Hopkins: Madam Speaker, I rise on a point of order. The Hon. Member for Brant (Mr. Blackburn) made a statement at the beginning of his speech which was inaccurate. I am sure he would not want to leave it on the record as such.

He said that on November 2 there was no Liberal in the House of Commons to speak on this Bill when it came up on that date. If that were the case, then why did the Hon. Member for Vanier (Mr. Gauthier) appear as the first speaker on Bill C-77?

The Hon. Member for Brant knows full well that the procedures on that day were such that they were erased from the record. He knows that bad procedure was used on the particular day.

The reason for this is that debate on the previous finance Bill which was before the House dropped because NDP Members who were intending to debate it all day failed to put up a speaker. All of a sudden we were faced with the next order of business in the House, Bill C-76. The Hon. Member for Brant could not have been here then because his name does not appear. Nobody's name appears for Bill C-76 because no one was expecting it to come up.

However, by common courtesy in the House, it is normal that official critics or spokesmen for political Parties are given some warning so that they can get into the House from other duties to speak.

In all fairness, the proceedings with regard to Bill C-77 on that day were erased from the record. In fact, on November 4, the following appeared in *Votes and Proceedings*:

> By unanimous consent, it was ordered,—That, notwithstanding any Standing Order of this House, the proceedings on Bill C-77 an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, which took place in the House on Monday, November 2, 1987, be nullified, and that, the entry on the Order Paper and Notices under "Government Bills (Commons)" be changed to indicate that the motion for second reading and reference to a legislative committee of the Bill had not been duly moved, seconded and proposed.

As a result Bill C-77 was listed again as an order of business on the Order Paper for November 5.

Finally, I was in my place in the House when the Hon. Member rose to speak that day. The only reason he was recognized ahead of me was that the Hon. Member for Vanier had spoken first. He knows that. I am sure he would not want to leave that inaccuracy on the record, saying that there was no one in the House or that he was the only one in the House when the Bill was introduced that day.

• (1530)

Mr. Blackburn (Brant): Madam Speaker, I thank my friend for raising this point of order. I apologize to him. I did not see him in his place, but I want to clarify one point, if I may. It relates to the same point of order.

The Hon. Member refers to the Hon. Member for Ottawa—Vanier (Mr. Gauthier) as having made an intervention with respect to Bill C-77. We all know what happened. The Hon. Member stood up and asked a question. He said, "What's the Bill about?" If that is an intervention, an intelligent intervention on a Bill, then I would like to know what a real intervention is in debate. That is why the Hon. Member who just spoke did not have a chance to get up. His Whip pre-empted him by asking, "What's it all about?" Had he not got up, then the Hon. Member would have been recognized and he could have spoken. That is the explanation.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Hopkins: Madam Speaker, on the same point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member will understand that that is not really a point of order. The Hon. Member has had a chance to give his version of the events that day. The Hon. Member for Brant (Mr. Blackburn) gave his version. Now that the Bill is before the House to be debated today, we should proceed with the debate.

Resuming debate, the Hon. Member for Lévis (Mr. Fontaine).

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Madam Speaker, I am pleased today to speak on this emergency measure legislation which is to replace the War Measures Act. With this Bill Parliament will have the authority to phase in preventive and preparatory measures to deal with potential national disasters.

The War Weasures Act is considered too sweeping and too drastic a legislation for peace time crisis or emergency situations. Quite extensive powers were thereby granted to the governor in council which could proclaim the existence of an emergency situation, then make such orders or regulations which it deemed necessary or advisable for the security, defence, peace, order, as well as welfare of Canada.

The purpose of the new bill which the Government has introduced is to eliminate the need to react to national emergencies by adopting hastily drawn special legislation which are excessive or improperly drafted because of the commotion and confusion surrounding any crisis.

The Emergency Act will apply only to national emergencies. A national emergency is defined as an urgent and critical situation of a temporary nature that imperils the well-being of Canada as a whole or that is of such proportions or nature as to exceed the capacity or authority of a province to deal with it and thus can be effectively dealt with only by Parliament in the exercise of the powers conferred on it by the Constitution.

Madam Speaker, what are the major areas of application of this legislation? I will mention four. First, public welfare emergencies, including natural catastrophies and serious accidents which affect the welfare of the people, which exceed the capacity or authority of the provinces to deal with them. Public order emergencies: those are emergencies which arise from threats to the security of Canada and that are so serious as to be national emergencies which exceed the capacity or authority of any province to deal with them. International emergencies: they are emergencies involving Canada which arise from acts of intimidation or coercion or the real or imminent use of serious force or violence and that directly threaten the sovereignty, security or territorial integrity of Canada or any of its allies. War emergencies: they are armed conflicts, real or imminent, involving Canada or any of its allies.

The legislation contains several safeguards which make it an obligation for the Government to answer to Parliament for its use of these emergency powers. Parliament shall be convened within seven sitting days after a declaration of emergency is issued. It shall be given a concise explanation of the reasons for issuing the declaration; and opportunity to debate the question and to adopt or reject a motion for confirmation of a declaration of emergency; further details on specific measures the Government intends to take to deal with the situation; and a opportunity to revoke the declaration of emergency, with its orders and regulations.

Where the emergency situation applies to only one province, the federal Government may not declare a state of emergency

until the province concerned has indicated it is unable to cope with the situation. The Government has an obligation to consult the province before declaring a state of emergency.

Madam Speaker, we have heard representations by the Liberal Opposition and socialist Members. Members of the Liberal Opposition should make it clear to Canadians that our Bill is quite different from the 1970 legislation which the Liberals used to give themselves the authority to enter our homes without an invitation.

The House will recall that the legislation was particularly hard on Quebecers. This legislation opened people's purses and broke into their homes and private lives. This legislation was abused by the very same people who today are against changes, by the people who were there in 1970, some of whom are still here today which is, unfortunate for this country.

Our Liberal colleagues are opposed to replacing the War Measures Act they themselves used with unfortunate results, creating divisions between Canadians. Madam Speaker, that seems to be a specialty of Hon. Members opposite. Liberals seem to specialize in trying to split Canada in two. We saw what they did in 1970. We saw what they did in 1982, in Victoria, and today, we see this shameful association with the socialists, again to divide this country, and I am thinking of the free trade issue which is so important to Canadians. One wonders whether they really want a country, a Canada from sea to sea, or prefer a country that is split in two.

The Liberals wonder whether, despite the unprecedented guarantees offered in this new legislation, it might not be subject to abuse. Where were their scruples when, for instance, they were about to apply the War Measures Act in 1970? The Liberals are trying to amalgamate the existing legislation with the new Bill. They would have us believe that Part IV of the Emergencies Act is practically identical to the War Measures Act. They have also said that since the Charter applies to the War Measures Act, there is really no difference between the two texts. They even believe that the temptation to resort to the Emergencies Act will be greater since according to them, this legislation gives the impression of providing more guarantees than the War Measures Act and would be easier to invoke.

Such statements are totally unfounded. Emergencies Act Part IV has to do with, and I quote:

"War or other armed conflict, real or imminent".

The War Measures Act has to do with, and I quote:

"War, invasion or insurrection, real or apprehended".

Pursuant to the new measure, enforcement of the law may require justification and may be contested. Under the existing legislation the declaration of a state of emergency is contingent upon, and I quote:

"Conclusive evidence that war, invasion or insurrection, real or apprehended, exists".

According to the Government proposal, decrees and regulations will be subject to parliamentary scrutiny, and Parliament will be free to reconsider and cancel a declaration of a state of war. There is no such provision in the existing legislation.

The Emergencies Act will be subject to the Canadian Charter of Rights and Freedoms; not so for the War Measures Act. The provisions of the new legislation will be limited to 360 days; there is no such time limit on the implementation of the existing law.

The new measure includes provisions concerning compensation for victims of damage or injury resulting from the implementation of the Emergencies Act. There is no such provision in the existing legislation. Finally, before the new act is implemented, the provinces will be consulted and their views will have to be endorsed by Parliament, which is also a first. As to the remarks made by the socialists—so very few of them are in the House today to debate this legislation—they seem to have been inspired by the presence of the Moscow Circus in our region. Madam Speaker, it is probably a matter of affinity between socialism and Moscow's system. Indeed who can ask why they support everything likely to weaken Canada and criticize what strengthens our country?

They have the same attitude about disarmament. They are for it on the condition that it be carried out unilaterally by the Western countries. You rarely hear, for instance, the Hon. Member for Brant (Mr. Blackburn) speak about what he thinks of the Warsaw Pact. However, you hear him speak about NATO, which is equivalent to speaking against the international credibility of Canada. On the other hand, strangely enough, their former External Affairs critic, who has been replaced, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), is for arming certain countries, not Canada of course, when such countries want to interfere in the affairs of other countries in a war like and aggressive fashion, and I am thinking about south Africa. Indeed, this is why the leader of the socialist Party replaced his former critic for External Affairs by someone a little less bellicose.

The NDP is agressive when it suits the purposes of the socialist system. They quite approve of having the pacifists in the West and the rockets in the East. This is also the position of the Hon. Member for Brant, Madam Speaker. This reminds me of the very ironic words of a famous socialist, the President of the French Republic. And what does the NDP say about the testing of our own defence system, about the Cruise missiles, for instance?

Having said all this, it is normal for them to oppose legislation which will provide better protection for the Canadian population in case of a serious national emergency? They should honestly recognize, as should our colleagues of the Official Opposition, that there is no cause for concern about the Emergencies Bill, quite the opposite!

This Bill provides a maximum of safeguards. In addition to being subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights and to being in compliance with the International Covenant on Civil and Political Rights,

the Emergencies Act will be governed by other mechanisms to prevent abuses. All that we want, Madam Speaker, is that the arbitrary detentions which we witnessed in October 1970, especially in Quebec, a province about which the socialists know very little, a province which they have never understood and where they do not have and will never have any roots, will never happen again, and that is why this Bill should unite us instead of dividing us. The abrogation of the War Measures Act and the adoption of the Emergencies Act should mark a time of peace, in French, *Le temps d'une paix*, to use the words of an author from Charlevoix.

Madam Speaker, I hope that the members of the Opposition, including the socialists, will help us and stop trying to postpone passage of this Bill.

• (1540)

[*English*]

Mr. Orlikow: Madam Speaker, no one would question the right and necessity of a government in a democratic country to have the power, when there is a real threat to the welfare of the people and the democratic system, to deal with the problem through legislation.

I want to remind the Hon. Member that in October, 1970, the then Liberal Government invoked the War Measures Act and used its power under the provisions of that Act to put 250 Quebecers in jail because there was, supposedly, a threat to the Government of Quebec. They were held incommunicado. They were not permitted to consult with their lawyers. Eventually, after days or weeks, they were released. Not a single one of those individuals was ever charged, tried, or found guilty. It is obvious that the Government over-reacted at that time.

I am not an expert on Quebec, but I am told and have read that many of the people who were locked up at that time were nationalists but had not been supporters of independence for Quebec. Yet, to a large extent as a result of that very sad experience, they later became very active, some of them becoming leaders, in the independence movement in Quebec.

Is the Hon. Member saying that if this Bill, which changes the War Measures Act which we have had since World War I, is enacted the actions which the Liberal Government took in 1970 would not be permitted, that the rights of the citizens in Quebec or in any other province in a similar situation would be protected, that they would have the right which all Canadians should have of being in contact, almost immediately, with their lawyers, et cetera? Is that what the Member is saying? That is not the way we read this Bill and that is not what the Canadian Civil Liberties Association has said.

[*Translation*]

Mr. Fontaine: Madam Speaker, I am grateful to the socialist Member for Winnipeg-North (Mr. Orlikow) for this opportunity to illustrate once again the difference between this legislation and the one that was enacted by the Liberals in 1970, which made it possible for atrocities to be committed in 270 cases, which made it possible for the police under instructions from the Liberals here to enter the homes of Canadians, with no charges being laid later under that Act, as mentioned by the Hon. Member for Winnipeg-North . . . No one was convicted, but it gave the Liberals an opportunity to enter the homes of Quebecers. The same Liberals who in 1982 ignored six million Canadians in Victoria when they had an agreement signed to which Quebec was not a party. They were the same people. I am very grateful to the Hon. Member for Winnipeg-North for this opportunity to remind Canadians of the atrocities with which those Liberals were involved in the 1970's under a Liberal administration, the former Prime Minister's Government.

Our legislation is designed to prevent the repetition of such atrocities, and I would be very much surprised if the NDP Members were against our legislative process getting more democratic.

[*English*]

Mr. Orlikow: Madam Speaker, I would like the Hon. Member to answer the question which I put to him a few moments ago. In his view would the passage of this Bill prohibit, or at least limit, the type of activities which took place in Quebec in 1970 or which took place with respect to Japanese Canadians in the 1940s?

The Member has mentioned again, as have many, the comments supposedly made by my colleague, the Member for New Westminster—Coquitlam (Ms. Jewett), about South Africa. South Africa does not have a democratic system of society such as we and many other countries have. The great majority of people living in South Africa who are black do not have the right to vote and have very little right to carry on legitimate opposition to the apartheid laws administered there.

• (1550)

I am not saying for a moment that I advocate violence or armed insurrection. If there are not the changes that I hope all Members of the House would like to see, what other ways are there besides violence and armed conflict, which is one of the ways some of the groups opposing the present system in South Africa are using? It is easy to say that we are opposed to the use of violence and force, but what other methods exist except those if the kind of change we all believe should take place in South Africa is to be achieved?

[*Translation*]

Mr. Fontaine: Madam Speaker, I will then try to answer the two questions asked by the Hon. Member for Winnipeg-North (Mr. Orlikow). His first question dealt with the purpose of this legislation. Indeed, the purpose of this legislation is to limit and prevent the abuse that led to the atrocities that were committed under the previous Liberal Government's legislation in 1970. And when the Hon. Member for Winnipeg-North talks about South Africa, he certainly has in mind the position

taken by his colleague formaly responsible for External Affairs, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), who had proposed aggressive, armed intervention in South Africa, and in this respect credit must be given to the Socialists that their leader found such an attitude would not be supported by the electorate. He decided to muzzle his Member. I hope this will answer his question.

[*English*]

Mr. Blackburn (Brant): Madam Speaker, I want to make one comment with respect to violence and oppression. I want to remind the Hon. Member and others who question the Hon. Member for New Westminster—Coquitlam (Ms. Jewett), our former external affairs critic, that at the outset of World War II, when the Nazi hordes overran Holland, Belgium, France, Denmark, Norway and other countries, they took away liberty, freedom and democracy in countries where democracy flourished and the rule of law had been strong and vibrant. During that occupation formerly law-abiding citizens who were Members of Parliament and members of trade unions went underground. In their fight and struggle to restore democracy and gain liberty they had to resort to violence. That is what we are talking about. Sometimes there is no other way.

That is the situation facing blacks in South Africa today. As they see it, there is virtually no other way to gain freedom, equality and liberty. Let us not cast the first stone. Our European brothers and sisters did the same damn thing in World War II and I applaud them for it.

[*Translation*]

Mr. Fontaine: Madam Speaker, I would like to make a very brief comment. When I hear the Hon. Member for Brant, (Mr. Blackburn) comment my own interventions in this House, I feel like asking him whether he is a Member of Parliament in Canada or in South Africa, Europe or Guatemala. Does he represent Canadians in this House or did he receive his mandate from a socialist regime or from some other country?

As Members of Parliament, we should represent the interests of Canadians. What are the socialists doing? They refer to all sorts of countries. I understand that these countries have problems, but we have departments that take care of such matters, we have international organizations and we have an excellent reputation as defenders of world peace. What are the NDP Members think they are doing in this House when they speak for various socialist countries?

[*English*]

Hon. Bob Kaplan (York Centre): Madam Speaker, I want to begin by calling on Members to assert some discipline in the debate. It is difficult enough to decide when the rights and liberties of our fellow Canadians should be taken away, which is the subject of this Bill, and when the Government should be given such extraordinary powers. In my opinion, to discuss events in other countries and to discuss history is a lack of respect for the subject before us, if I may say so.

The use of the War Measures Act in 1970 has been challenged. I was a member of the Party that introduced it, and subsequently a member of the Government that defended it. I defend it today.

However, I do not want to be distracted. I believe there is a lot to learn from history. We ought to be attempting to improve the Bill and provide a proper piece of legislation in this field. However, I regret very much the debate being used to rehash the use of the War Measures Act in 1970.

I want to make a point about that. Members of the Government and members of the New Democratic Party have taken the occasion to criticize the former Government for not repairing the defective War Measures Act during the time we were in office. What we have just witnessed shows at least one of the serious difficulties that the Government had in considering and scheduling a replacement for the War Measures Act. Time after time, past Parliaments used occasions like this to hammer the Government for something that happened in 1970, rather than to address any attempt which the Government might have made to have a modern, contemporary new War Measures Act or replacement for it. I believe that one thing the change of government has permitted is an Opposition which is cooler about emergencies and wants to look at this legislation being brought forward in cold blood, which is the way I propose to view it and the way our critic, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins), has looked at it.

This debate should not be used as a vehicle for attacking the Government, attacking the Opposition or rewriting history. I am fed up with that type of debate. It is one of the features of past Parliaments that prevented the Government from dealing with the issue.

Our criticisms of the Bill are considerable and profound. In fact, I suggest that we would prefer the War Measures Act to this piece of legislation if it is not amended, as I will explain in a moment. However, we are not accusing the Government, as the Opposition was constantly accusing us when we were government, of wanting some special or emergency power to declare an emergency and suspend the rights and freedoms of Canadians at that moment. That was the atmosphere of past Parliaments when emergencies were discussed.

I recall being hammered day after day in the House to reveal to Members of Parliament where I, as Solicitor General, was building my civilian concentration camps and what budget allocation was being made to them. The absurd suggestions made by the Opposition in the past coloured every effort that could have been made by the Government to replace the War Measures Act. Now that we are about to see a replacement, I hope we will replace it without using this debate to try to hammer Mr. Trudeau, who does not deserve it, for bringing in the War Measures Act when some Members of Parliament feel it was not necessary.

• (1600)

I would like to say that I welcome an effort to introduce a properly nuanced War Measures Act replacement. I approve of the idea that there should be a set of circumstances defined in the law of graduated seriousness and dangerousness, each of which permits the Government to call upon a corresponding set of powers that are needed and will be used and can be used to counter the emergency situation.

What I would like to say about the Bill which has been introduced is that the descriptions of the series of circumstances are so vague and the powers that are correspondingly awarded to the Government are so large that the War Measures Act is better. At least, with the War Measures Act—and I do not mean to approve of it—the Government knows it is taking a very serious step when it invokes those powers.

The way emergencies are described in this Bill under all four categories—and I am not accusing the Government of anything—one could presently find a trigger for invoking the powers the Bill would give. I remember that when the Bill was introduced there was a postal strike. I am not accusing the Government of bringing in the Bill in order to declare an emergency in relation to the postal strike. But it could have done so because it fit right within the definition of the public welfare emergency, the lowest category of emergency definitions. Surely a draftsman can do better. Surely in committee we will do better.

On the other extreme, with respect to the war emergency, in the week the Government brought forward the Bill, the tiny country of Kuwait had asked our closest ally, the United States, to protect its vessels in an area of danger in the Persian Gulf where its vessels were being shot at. That fits the definition of the most serious emergency for which the largest powers, exactly equal to the powers under the War Measures Act, could have been arrogated by the Government to itself.

I do not stand here suggesting, as I know members of the Opposition in the old days would do, that this is our secret reason for bringing the legislation forward, that we want to declare an emergency. I am not suggesting that. What I am suggesting is that the Government could declare an emergency out of these serious events. Yes, a postal strike is serious. The shooting of a vessel carrying energy to North America is serious and prejudicial to us. However, surely the Government can do better.

I would like to suggest some particular ways in which the Government can do better and I would like to say that unless it does do better, I will vote for the War Measures Act. I want to take a moment to commend the Civil Liberties Association for the first rate brief it submitted to the Government. That organization should be our first witness when the committee is formed. I hope that association will come and flesh out and even add to the suggestions it made for amendment. I think it is worth quoting from the brief, and I read the following from page 2:

> —Bill C-77 contains vague definitions, overbroad powers, and inadequate safeguards. There is too little effort to link the powers it would create with the perils for which they are designed. There is too little effort to achieve proportionality between available powers and anticipated perils.

In a nutshell, that is what is wrong with this Bill. That is why the War Measures Act is better.

[*Translation*]

When I hear the Hon. Member for Lévis (Mr. Fontaine) defend not only the initiative of the Government in going forward with this Bill, but also the position of the Government by saying that they are satisfied and happy with this Bill in its present form, in spite of the questions raised by the Opposition, it gives me serious cause for concern. I hope that we will get a better reaction from the Minister and that the Government will eventually consider and accept suggestions not only to clarify the various emergencies, but also to define the powers of the Government in each case.

[*English*]

The Charter of Rights and Freedoms applies to this legislation. That is very welcome because when a former Conservative Government introduced the Bill of Rights under the leadership of John Diefenbaker, in those days it specifically decided that the War Measures Act would take priority over the Bill of Rights. Those were different times and one always has to welcome a change of heart in a political Party. The fact that the Conservatives recognize now that the Charter of Rights and Freedoms should apply and prevail over this new legislation is a welcome step. One has to add, though, that when the Charter of Rights and Freedoms was brought forward by the same Mr. Trudeau who was so criticized a moment ago by members of the Government, the Charter was specifically made to prevail over the War Measures Act. Therefore, already, in the bringing of the Charter and the patriation of the Constitution, we clearly did put an important safeguard on the War Measures Act.

When I say I prefer the War Measures Act to this Bill, I am taking account of the fact that the War Measures Act does not give the Government the unrestricted, unlimited power it once had under that very piece of legislation, but that it is constrained and limited and to be interpreted in the light of our Charter of Rights and Freedoms. I welcome the continuation of that safeguard by the Government.

I want to ask a big question that has not been addressed by the Minister in his statements about the Bill and of which I do not believe the Bill takes adequate account. We need to know in a very clear way what powers are available to deal with each of the emergencies that are already defined in this Bill. Under existing law—and I do not mean under existing emergency law, but under existing normal law—why should the Government ask us for special powers to do things in emergencies when, in many cases, those powers are there under ordinary existing law? If in committee when we study the Bill we discover that there is a perfectly good power in the existing law to achieve the necessary result, I think we ought to go for the

existing power and hope that the Government, when an emergency arises, will not need to declare the legislation.

Let me give an example one way and an example the other way. I remember worrying during the Mississauga crisis that we might need the War Measures Act because there was a spill of dangerous and explosive chemicals and gases in a highly populated area in Toronto. If there had been an explosion, which, thank God, there was not, with the kind of legislation we have to protect the rights of Canadians at present, we might have needed to declare an emergency in order to give the Government special power to deal with the situation. There was no disaster, but if there had been an explosion and hundreds of people needed to be taken to the hospital and buildings needed to be conscripted to be used for that purpose, the Government under the present law could not just walk into someone's building and declare that that building is now a hospital. It would need to have a special emergency power to do so, unless the owner of the building here willing to go along. However, if the owner insisted upon his rights, and what we are talking about here are rights and the rule of law, that right would have to be respected and the Government would have to declare some kind of emergency power. In a case like that, the Government would have needed some special power.

Looking through the Bill, however, at a sample of things for which the Government is asking for special powers, I have to ask myself, why does it need a special power to do this? For example, in Clause 17(1)(a)(i) of the Bill the Government has asked for the power in a certain emergency situation to suspend the right of assembly. If Parliament is being asked to take away from our fellow Canadians the right of assembly, it needs a pretty good reason. I would like to hear from the Government why, in the kinds of circumstances it has described, it wants to suspend or otherwise constrain the right of assembly. But I want it to do it in a very special context, that is to say, what is wrong with the present police powers that exist for dealing with assemblies? The police have quite a lot of power to deal with an assembly when it gets dangerous, when it gets violent, if participants in it threaten to go out to cause property damage or injury to individuals, or if someone begins to plan at the assembly the commission of a serious crime.

• (1610)

Whatever happened to the riot Act? We have a riot Act in this country. There are all kinds of ways in which the Government can deal with assemblies. I would like to hear from the Minister when the time comes why the right to suspend an assembly in any circumstance, given the existing powers that the police have, should be awarded to the state in such circumstances.

Another provision under another kind of emergency is contained in Clause 28(1)(d). Under this clause the Government would have have the right to establish special inquiry procedures for conducting inquiries. As it happens I know a little, as do some other Members here, about the powers that the Government has under the Inquiries Act which are not triggered by an emergency. They are just plain, ordinary powers existing now under a regular statute of this Parliament in which the Government can set up an inquiry. What is wrong with that provision? What is wrong with the type of inquiry that the present law permits in circumstances in which the Government decides that it wants an inquiry? I would like the answer to that question.

One of the things that worries me is that in the present Inquiries Act if a finding is to be made against an individual then that individual has to be given a hearing. That is contained in Section 13 of the Inquiries Act. Does the Government want to suspend that very fundamental right in some circumstances, and in what circumstances? What other reasons and what other limitations does the Government want to place on the kinds of inquiries that can be held?

I use these two examples with respect to the inquiry and the assembly to illustrate that Parliament has already given a great deal of power to the police, to Ministers, government Departments and individuals under existing law. If one is going to have a proper discussion about this legislation, then we will need to know why extra powers are needed. We will have to know why the ones we have now are not good enough, as well as why the emergencies to which they apply are alleged to justify them. So the Government has a great deal of explaining to do. I think it also has a great deal of amending to do as well as tightening up of some of the definitions.

I want to turn to a couple of other definitions. By the way, emergency itself is not defined. It should be because it is a key concept in the legislation. It has been left undefined. What is limiting in the Bill on the present characterization of an emergency is that all one needs is that "in the opinion of the Governor in Council this emergency exists". I am a member of the Standing Committee on Regulations and Other Statutory Instruments. I am the Chairman of it, and the Minister of National Defence (Mr. Beatty), who has brought this legislation forward, is a former Chairman of that committee. He knows that when a statute contains the expression "of the opinion that" or "in the opinion of" it is a very hard decision to review. I think that something as key and critical as whether the emergency exists ought to be reviewed. It ought to be judiciously reviewed.

We have statutes, for example, that state, "when, in the opinion of the Minister, the carrot crop is ready for harvesting . . . " Our committee now, as well as at the time when the present Minister of National Defence was Chairman of it, has always taken the position that "in the opinion of" should be removed from a statute such as that because either the carrots are ready for harvest and are being harvested or they are not. If the Minister wants to take the power to determine that in his own opinion, it makes one wonder whether it will be applied when the carrots are ready for harvest—

Mr. Frith: Or when tuna is ready to go out in cans.

Mr. Kaplan: Or will it be used as a way of giving power to the Government when the actual circumstances do not justify them, when a court would find that the actual circumstances do not justify them? I think that the words "in the opinion of" or "of the opinion that" should be removed. I hope that the Government will be amenable to a suggestion that they be removed.

In the moment I have left I also want to turn to the compensation provision. There is a page or two on compensation, but compensation is not required. Compensation is allowed to be provided. I want to urge the Government to make the right to compensation a right and not simply something that the Government can allow and set up if it chooses to do so.

The Acting Speaker (Mrs. Champagne): Are there questions or comments?

Mr. Orlikow: I would like to ask the Hon. Member a question, Madam Speaker. He knows, as I know, that on the use of the War Measures Act by the Liberal Government in 1970 there were very sharp divisions of opinion which cut across Party lines to a large extent. It is no secret that Frank Scott, a giant in the legal community in Canada in the last 50 years, one of the most prominent defenders of civil liberties, one of the strongest opponents of Premier Duplessis of Quebec and his authoritarian regime, supported the Liberal Government in its imposition of the War Measures Act. I ask the Member this. This Bill, at least in part, is an amendment of the War Measures Act which has been in place since World War I. The provisions of it were used to evacuate forcibly thousands of Japanese from British Columbia. It was used again in 1970 and, as I indicated a few moments ago, led to the incarceration for several days or several weeks of over 250 people who were not permitted to consult with their lawyers.

I understand it is a provision in the present Charter of Rights that every Canadian has the right to consult with his or her lawyer. The incarcerated were then released. Not one of them was ever charged, prosecuted, tried or found guilty of any violation. A former Minister in the Liberal Government, Mr. Marchand, talked at the time of thousands and thousands of supporters of the FLQ, about which we learned later there were never thousands—in fact there were probably never hundreds.

Given the fact that the Government used the War Measures Act at that time in ways in which I think most people now realize was a mistake, surely we have to discuss the history and how the War Measures Act was used on other occasions if we are going to discuss in a realistic way what should be in a Bill which, in at least part, replaces the War Measures Act.

Does the Hon. Member really think that we can discuss this Bill seriously and adequately in some kind of vacuum as if we had no history of ways and times in which the rights of many Canadians to express their views in speech or in writing were in fact violated?

• (1620)

Mr. Kaplan: No, of course I do not. It is only a question of what is made of history. It is important to make use of history to be sure that past shortcomings of the legislation are covered in the drafts that are before us. Where the law was found to be defective, where rights were compromised, they might not have been with more careful, more detailed legislation, and that we learn from that. Certainly, that is true.

What I found in the exchange that took place between two members of the former Opposition, one in the NDP and one in the Conservative Party, was that Mr. Trudeau was hammered and an attempt was made to identify the Liberal Party as the bad guys who are against civil liberties, against the rights of Quebec, and for the atrocities of signing and patriating the Constitution without Quebec being a participant. I felt it was unconstructive to make those allegations, and some Liberal Members of the House may feel obliged to stand up and rehash the record about rights and wrongs. That is what I regretted about the exchange.

I agree that it is important for us to look at the victims of inadequate legislation in the past, and try to make certain that for our time we improve the legislation. My very great fear is that the legislation before us is not an improvement, but that it could give way to a situation in which we can always be found, by a Government that wishes to do so, to be in an emergency situation. Therefore, a package of powers not available in normal times can be arrogated by the Government to itself to do the job.

I made the point that the compensation provisions which did not exist in the prior War Measures Act give the impression of providing compensation, but there is no assurance that compensation will be available. If the Government chooses to do so, it gives the Government the machinery for establishing compensation.

One of the appalling features of the provision, apart from its total voluntary nature on the part of the Government, is the provision that the Government has the unfettered discretion under the Bill to describe classes of people who will not receive compensation at all. I cannot understand that. I cannot see why the Government would want so much power, and what the justification is, especially considering that the whole provision for compensation is only window-dressing if it is not a guaranteed right of people to receive it.

Mr. Frith: I wish to ask the Hon. Member a question relating to his last comments concerning the issue of compensation. I agree with the Hon. Member that there is an exclusion in the Bill of certain groups seeking compensation. It is my understanding that it is only at the whim of the Government whether or not to allow a compensation case to arise. If that does proceed, it proceeds under the jurisdiction of the Federal Court of Canada.

The Hon. Member has had expertise in previous government positions in years past, and I wish to ask what recommendations he would make to augment or strengthen those clauses of the Bill to allow victims the right to have their case heard? There will be victims whether they are victims of the War Measures Act or of this new Bill C-77 before us. I am sure that at some point in the future, there will be some misalignment as a result of those emergencies. What would the Hon. Member recommend?

Mr. Kaplan: There are many models for us to take to be certain that the rights of compensation are provided. One of the shortcomings in that area is that in the essential services suspension agenda where there is the lowest grade of emergency taking place, the Government has the authority to order people to provide the service. To take the example of the postal workers, the Government could declare the emergency and order the postal workers to start delivering the mail for free, if it wished. There is nothing in the Bill that states that the postal workers have to be paid anything for doing that work. They can be compelled to do it by the police. This is in the lowest grade of emergency provided in the legislation.

Surely, in a situation like that, we are entitled to know and have it entrenched in the legislation that people who are ordered to provide their services will not have to provide those services for free, and that they will be entitled to compensation. The Canadian Civil Liberties Association states that the legislation should provide for a labour adjudicator to come in and give some fair compensation, or continue the wages that they were formerly receiving.

I wish to illustrate how very arrogant this legislation is in its present form from the point of view of the Government. It is important that for the people who are victimized first of all by the emergency and then by the legislation, because the legislation can take away more from them than the emergency, we do everything that we can to try to put them in a fair position and ensure that they will be given fair treatment. That is the function of Parliament. We do not want the Government, in situations where the rule of law is inadequate, to deal with the problem. That is true. That is why we have emergency legislation. Therefore, even in an emergency there is a rule of law and people have rights.

We are not serving our nation if we bring forward legislation that turns the rule of law into a licence for the Government to do whatever it wants, whether or not it is necessary, with no thought at all for the consequences for ordinary Canadians.

That is the purpose that the Liberals will have in this debate. As the legislation goes to committee we will be seeking to achieve a rule of law that is more than a tissue of legitimacy for the exercise of arbitrary power by the Government, that is a real study and a balance of rights that are needed in fairness to the citizens who are affected by losing their rights in order to permit the emergency to be dealt with.

PROCEEDINGS ON AJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, persuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Thunder Bay—Nipigon (Mr Epp)—Railways— Delay in grain deliveries to Thunder Bay—Need for more hopper cars—Dominion Marine Association's request for action; the Hon. Member for York Centre (Mr. Kaplan)—Auditor General's Report—Grant made to Edmonton Amusement Park Project—Order in Council query; the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly)—External Affairs—Visits by nuclear powered vessels to Esquimalt—Results of government inquiry.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate the opportunity to join in this very important debate. We can use the word "historic" too easily, but I feel that perhaps it is not an abuse of the term to talk about an historic debate on Bill C-77 this afternoon. I am pleased that a couple of weeks ago the Leaders of the various Parties in the House decided to begin it afresh and to do it properly on this day. I particularly appreciate the opportunity to speak at this early point in the debate.

In speaking to the Bill this morning, the Minister was kind enough to refer to the debate which I precipitated in Private Members' Hour last spring when I put forward a motion for the repeal of the War Measures Act. He quoted at some length from my comments at the time, and then noted what had been stated by some other people in that same debate.

I used that occasion to focus particularly on the shortcomings of the War Measures Act legislation that allowed arbitrary and dangerous action, dangerous to the rights of Canadian citizens. I used that occasion last spring primarily to focus on that. For that reason, in part, I will not say very much in retrospect about the War Measures Act of 1914 and the manner in which it has been used over the years, because I have already had my say on that matter.

This afternoon I wish to focus more particularly on the merits and the dangers of Bill C-77 which the Government brought forward for second reading debate this morning, afternoon, and I am sure for some time following that.

When I proposed the Private Member's Motion for debate last spring, I focused my attention exclusively on the shortcomings of the legislation and called for a repeal of that particular Act, recognizing the abuses that had occurred, which, in my opinion, could be debated. The Hon. Member for York Centre (Mr. Kaplan) did debate the motion that day.

This afternoon I wish to respect the spirit of debate that he has called for, and which he largely exemplified in his own comments in speaking to the shortcomings of Bill C-77. At that time I called simply for repeal. Part of his unhappiness with my observations that day—they reflected on earlier Liberal Governments—related to the fact that the Hon. Member thought that I should be making suggestions for the type of legislation that might replace the War Measures Act, if I wished it repealed.

• (1630)

I think it is a perfectly respectable position for a Private Member to have in that one simply wants to get rid of abominable legislation. One hesitates to make suggestions for a replacement recognizing the very great dangers that exist in whatever is put forward. Bill C-77 exemplifies some of those dangers. It certainly justifies that kind of concern. What in England is known as the Defence of the Realm Act can be very, very dangerous legislation no matter when it is passed.

The most important thing that the Minister said this morning, in speaking to the Bill, in putting it forward for debate, and in calling on us to give it second reading so that it could go to committee for detailed consideration, was his statement that he was open to proposals for amendments of this particular Bill. I suppose he was prepared in principle, without shouting the point from the roof-top, to admit that there might be shortcomings in the Bill which we would want to have improved. He recognizes and respects the committee system which is basic to that kind of detailed consideration.

We have already had from various speakers—certainly from friend, the Hon. Member for Brant (Mr. Blackburn)—a number of criticisms. The Hon. Member for York Centre who has just spoken pointed to some of the weaknesses in the Bill which call for action. Similarly, I want to devote my comments almost exclusively to the Bill we have before us and to the dangers which could flow from the way it has been drafted.

I also want to urge the Minister to remain faithful to the position he took this morning that there will be opportunity to deal with the Bill critically and carefully to ensure that the particular Bill, when it finally comes back to the House for third reading, has achieved the kind of shape it should have achieved and to ensure that Canadians are not worried that their liberties are in danger from the abuse by Government if there is poorly drafted law, or the abuse by Government if it has been given in statute the kinds of unlimited powers which are sought in some of these areas.

I want to note at an early point—and I will make some further reference to it—that the Canadian Civil Liberties Association, which has an honourable standing in these matters that I think all Hon. Members of the House would respect, has provided something in the way of a detailed critique. I have some reason to think that the Minister of National Defence (Mr. Beatty) has received that brief. I would urge him to look very carefully at it.

I note from the brief an extensive discussion of the question of what might precipitate the invoking of this Act once it has been passed, or what would allow the Government to take action in one situation or another that it regards as an emergency.

If I may look back for just a moment to October 1970, an apprehended insurrection was declared by Government. The War Measures Act was invoked and a large number of regulations were published, some of them with a retroactivity feature which has already been commented upon. However, let me just note as a reality that the Canadian Civil Liberties Association, in addressing this particular problem, pointed out—and I think it is one of its most important observations—that there should be a definition of an emergency. We should not be dependent on the preamble which, as the Minister noted, says something about a national emergency. I should like to quote the following from the second paragraph of the preamble:

> —that is to say, an urgent and critical situation of a temporary nature that imperils the well-being of Canada as a whole or that is of such proportions or nature as to exceed the capacity or authority of a province to deal with it—

The suggestion that something imperils the well-being of Canada as a whole would appear, from the preamble, to be the basis for regarding something as an emergency.

I take against that a suggestion from the Canadian Civil Liberties Association in its 1979 brief to the McDonald Commission considering wrongdoing by members of the Royal Canadian Mounted Police. It suggested that the Government should have the power to invoke the emergency power "at the point where it could reasonably anticipate the outbreak of illegal violence so intense, so widespread, and so continuous that the Government itself would be overthrown or it would be powerless to govern". In the politics of 1970, that was the assertion of the Government to justify an action.

Leaving aside public welfare and the international and war emergency possibilities for a moment, we have a definition of emergency in the Bill. It is a definition, not simply a description in the preamble of what might be regarded as an emergency. In any case, it is much broader and it must be something that threatens the well-being of the country. However, it does not raise the possibility, which would be obvious to all except perhaps those somehow involved in perpetrating the matter, that Government itself might be destroyed or rendered powerless. Such a definition of emergency in this case is a very strong one. Surely it would be a useful addition to the Bill at

an early point to discourage Governments from looking to this in cases where matters could be dealt with otherwise and where the infringement upon the liberties of Canadians should not become a football in the political arena to be used against the political enemies of the Government. Surely there was some of that taking place 17 years ago. This is one of the vital points to be considered.

I note incidentally on this matter that we have quite a substantial Bill. It is a great improvement on the War Measures Act of 1914, which was so brief but so sweeping in its assertion of the powers given to the Government. I notice in a way that drafters will do—and it strikes one as a little odd—that subclause 2(2) reads as follows:

> For greater certainty, nothing in this Act derogates from the authority of the Government of Canada to deal with emergencies on any property, territory or area in respect of which the Parliament of Canada has jurisdiction.

It is odd that there should be this residual dealing with emergencies power when we are told that we must have this in the public welfare area, as well as in international and war emergencies areas, in order to have the Government properly empowered. Of course this suggests to me that the Bill has been drafted over whatever period of time by people who were in the patent attorney business. One puts in an application which might just about cover anything that vaguely resembles the invention that someone has put forward. Then the patent office begins considering it very carefully to refine it down to what the person has actually come up with, so that when the patent is finally put on it, it is really that development and not all sorts of other things. Of course this arouses one's concern.

When the Bill began to lay out the various kinds of emergencies which might face us, a much more careful attempt was made to relate the regulations that might be published to the kinds of emergencies that could exist. Some of that has already been recognized.

The nuances include various lengths of time that a declaration would regularly take effect. In the case of a public welfare emergency we are looking at 90 days' effectiveness. In the case of a public order one, it is actually 60 days that it would be in effect. The international emergency would be expected to be 120 days. Of course when we have a war emergency, the first declaration would have a regular effectiveness for 360 days.

It is interesting to have these numbers which smack of the old Babylonian system rather than the Arabic one in some of the units that have been given to us as numbers. I trust that we do not have any of the spirit of the old Babylonian laws which the Old Testament at one or two points carries over. It is just to avoid that kind of danger of broad and sweeping power that we want to confine this matter.

In noting some of the particulars, I note, for example, Clause 17 which deals with a public order emergency and the kinds of regulations that might be published there. It has already been noted that not only does the Government have the right to regulate public assembly but the Bill includes "or prohibit" public assembly. There is an obvious case of a change that the committee might consider. The committee should propose the deletion of those two words so that there is not in this Bill any possibility of the Government having that kind of blanket authority to prevent all public assemblies in an area where there are dangers. Let an assembly that gets out of hand be controlled. Let us have provisions to control it. That is what "regulate" means.

● (1640)

At one time we saw freedom-loving Canadians, presumably, the mayor of Vancouver and others, thinking that here was an opportunity as soon as the War Measures Act had been invoked to clamp down on undesirable elements in society. I would have thought that in 1970 there was some appreciation of freedom after an era that had been tarnished by neo-conservatism in one western country after another. But what if in 1970 we had had that kind of reaction by the authorities if they had that simple right to prohibit public assemblies?

In the area of international emergency, dealt with in Clause 28, I noticed that the Minister this morning suggested that there is no danger of censorship in this Bill. It is up to us all to read carefully—and I do not mean to reflect on the Minister when I say that—but in Clause 28 we find:

> The control or regulation of any specified industry or service, including the use of equipment, facilities and inventory.

I am not a lawyer. I have not had the obligation of applying law in Government, but it does not take much imagination to realize that the media, be it the newspapers or the electronic media, would be regarded immediately as an industry or a service. If the Government had the power to control or regulate there would be every possibility under that provision to put controls on the press. It seems to me that the Minister and government members of the committee will need to be sensitive to these points.

Then we come to the war emergency section which, you will pardon my saying, Madam Speaker, I take a particular interest in given my desire to have the War Measures Act repealed. I found that it took a little while to read the provisions of the 1914 Act to my history class, but it does not take very long to read Clause 38. Let me do so now. It reads:

> While a declaration of a war emergency is in effect, the Governor in Council may make such orders or regulations as, in the opinion of the Governor in Council, are reasonably necessary or advisable for dealing with the emergency.

In one paragraph it says you have *carte blanche* to do anything. When emergencies have not been defined and when there are apparent residual powers to deal with emergencies, this is pretty frightening when you consider what might be done under this legislation. What kind of balance do we have for it? A provision for review by a parliamentary committee is one of the safeguards, but what does this review involve? The members must swear an oath of secrecy. A schedule attached to the Bill includes that oath. I will not read it, but all of the review committee's meetings are to be held in secret. How can a parliamentary review committee, the members of which have sworn not to release anything they have said without authority, carry out its review if it is hemmed in that way and has to do

all its work in secret? That is an infamous section. That is no review.

What about the possibility of debate? We could have 15 Members of Parliament convinced of the advisability of reconsidering the decision, but what are we given? We shall have debate without interruption and, at the end of the third sitting day, the question shall be put. Debate without interruption, I take it, means throughout the night, not bound by the usual sitting hours. I asked my good friend, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), how he would interpret that. Does it mean without interruption all the way through? His observation was, "It is fast", an appropriate observation to make. Sure, it is fast but what kind of a climate does one have in the House if the House is sitting around the clock for two and a half days and then the question is put? That is not the way to deal with these matters. Why limit it to the third sitting day if there is to be serious consideration? These are not safeguards.

There is a possibility under the Bill now for the Government to open the door to compensation, but that probably has always been in existence. It would not have been impossible to have a regulation in 1970 under the declaration to allow people to apply for, and so on. This provision, with no real opportunity for appeal from the actions of the assessors or judges of the Federal Court of Canada will simply not do.

It was clear from government Private Members speaking last spring that we would work to repeal the War Measures Act and we would have something that would have far-reaching powers given to Government. In fact, in various nuances of this Bill there are even more threats to the liberties of Canadians.

The committee has an enormously important job to do, assuming that government Members will carry this at second reading and send the Bill to committee. I call on the Minister, here in spirit I know, to stand true to what he said. He wants to give us legislation in which Conservatives in opposition one of these years, sooner than they like to think, will not find the basis for attacks on a Government of another colour. The Government wants to be very certain that when this Bill comes back for third reading it has been cleaned up the way it should be. After all, the war emergency Bill of 1914 still exists 73 years later. Let us make sure that what we do in 1987-1988 is a Bill that we can live with indefinitely.

The Acting Speaker (Mrs. Champagne): Questions or comments? Resuming debate. The Hon. Member for Scarborough West (Mr. Stackhouse).

Mr. Reginald Stackhouse (Scarborough West): Madam Speaker, I rise this afternoon to speak in support of Bill C-77 and draw the attention of the House to the title of the Bill, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies, first, temporary; second, safety and security; and third, emergencies. They are the key words. I would like to group my remarks around those key words.

First, I will speak about temporary emergencies. The intent of this legislation is to prescribe special measures and powers for Government when there is an emergency on a temporary basis. All democracies must provide, on the one hand, for the rights of their individual citizens but, on the other, for the safety and integrity of the state during a time of emergency when the state is threatened. That has been true since ancient times. We have found in our own century more than once the need for this kind of special legislation. The Government should be able to take firm and speedy action that will be adequate to meet the needs of the hour, but to the extent that the special powers infringe upon the normal rights and freedoms of its people, it is important that the exercise and the enjoyment of these special powers be temporary.

• (1650)

This Bill is before us in order that particular emphasis can be given to the temporary nature of the legislation. This Bill provides, for example, that in the instance of a public welfare emergency there will be an endurance of only 90 days of the special powers that the Government will enjoy, in the instance of a public order emergency, 60 days; of a national emergency, 120 days; and of a war emergency, 320 days. There is no way by which the Government could use this legislation to do what an opposition speaker suggested today, namely, take over the direction of the country under this legislation and run it by fiat.

Not only is the authority of the Government limited by the periods which I have reported, the Bill also provides that Parliament itself will have a direct voice in the implementation of the special temporary measures, their review, and, if necessary, their termination, for the Bill provides that if Parliament is not sitting when an emergency takes place and the Government wishes to invoke the emergency legislation, Parliament is to sit within seven days and address itself immediately to the emergency at hand.

Second, this Bill provides for the initiation by Parliament of the revocation of the special emergency authority of the Government. Third, there will be a review process through which Members of the House of Commons and the Senate can participate actively in assessing whether the continuation of these measures is required.

It should be evident to us all that any Government, regardless of Party, facing the type of crisis which can confront this country and has confronted it within this century, will need authority of this kind on a temporary basis. In 1914, the Hon. C. J. Doherty, then Minister of Justice, within the very first month of World War I introduced the War Measures Act, to which frequent reference has been made today. The reason he gave for introducing it was that the law provided the Government with no clear legal authority to undertake the steps and measures that were required by the emergency at the time.

If we move ahead a generation we find that in 1939 the Liberal Mackenzie King Government announced that it would invoke the War Measures Act and that if it did not possess

such legislation it would move to introduce it in the House of Commons because when a country is at war it must give priority to the salvation of the state and take those measures that are required to protect the security and integrity of the nation.

Frequent reference has been made today to the FLQ-inspired October crisis of 1970. I recall that at that time the invocation of the War Measures Act, with the support of the majority of Members of Parliament, was justified by the Prime Minister of the day, Mr. Trudeau, by pointing to the fact that public officials had been kidnapped and killed, that large supplies of dynamite had been reported as taken by agents of the FLQ, and that the Governments of Quebec and Montreal were seriously concerned about a possible insurrection in that province.

I do not think it was difficult for fair-minded and reasonable citizens, on the basis of the information given them by the Government of the day, to believe that such temporary measures had to be invoked. We are concerned that there now exists legislation which specifically constricts the exercise of such measures to a limited period of time and ensures that the exercise of those special powers be under the direction and with the approval of Parliament.

The first thing in favour of this legislation is that it authorizes the Government to take the necessary special measures and authority on a temporary basis only. There is not the slightest hazard of this Government or any of its successors abusing and misusing this authority to supersede Parliament and normal democratic processes.

Let us now turn to the second part of the title of the Bill, "An Act to authorize the taking of special temporary measures to ensure safety and security". The War Measures Act was passed in 1914 and exercised throughout World Wars I and II to authorize the Government to impose censorship, arrest, detention, exclusion, and deportation, and to control harbours, territorial waters, transportation, trading, and expropriation. When he introduced the Bill of Rights in 1960, the Right Hon. John Diefenbaker said—in my judgment quite rightly—that the Bill of Rights which he was introducing that day would protect and defend the rights of Canadian citizens except as they might have to be pre-empted in a time of war.

As Mr. Diefenbaker reminded the House of Commons, when the state is threatened by conflict it is necessary for all of us to put the nation and the state ahead of any right or interest of the individual. There can be no reasonable challenge to that. Whatever flights of rhetoric enable us to soar, the reality in a time of war, in a time when the state is threatened as many of us in this Chamber have seen it threatened, will demand that the Government of the day be prepared to take those measures needed to protect it.

That is why there is a provision in the Bill before us that in a war emergency the Government will be authorized to take whatever measures are reasonably required to deal with the emergency. In a time of war, in a time of invasion, there is a need for action that will defend the state, that will defend the interests of the Canadian people as a whole, action that the Canadian people would expect their Government to take and which it would be judged for not taking.

Let us put this Bill into the context of Canada in 1987, not 1914, in the context which the preamble to Bill C-77 recognizes, namely, that since 1982 we have had not only a Bill of Rights which has the authority of any other Act of Parliament, but as well a Constitution which includes within it the Charter of Rights and Freedoms as well as the Canadian Bill of Rights. This Charter and this Bill have the standing, authority, and integrity of the Constitution.

It is said specifically in the preamble of this Bill that the Governor in Council in taking such special temporary measures would be subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights and must have regard to the international covenant on civil and political rights, particularly with respect to those fundamental rights that are not to be limited or abridged even in a national emergency.

We are recognizing in this Bill, therefore, that imperative as is action to defend the state in a time of war, a time of conflict, possible invasion, threatened defeat, the rights guaranteed by the Constitution will not be pre-empted. Consequently, we must recognize the sweeping powers which this Bill apparently gives to the Government in a time of a war crisis. Nonetheless, those powers must be related to the limitations imposed on the Government by our Constitution.

We have here special powers given to the Government in a time of emergency to enable it to deal with the emergency at hand. In dealing with Bill C-77, I would ask all Members of the House to review the powers that are given and recognize that in the four instances, the powers are appropriate to the kind of emergency with which the Government must deal in that time. They do not exceed the demands of the emergency.

• (1700)

For example, the powers with respect to the special kind of public welfare emergency are explicit. They are appropriate to the kind of emergency being dealt with. In a public welfare emergency, the Government would have the authority to regulate or prohibit travel to, from or within any specified area. While that may interfere with the rights of Canadians to travel from one part of the country to another when there is no emergency, it is surely a reasonable authority for a Government to exercise in a time of real emergency and real threat to the safety of people in that area. This is normal in any civilization.

I was in a country that was attacked by a hurricane. When one is threatened by a hurricane, one is quite pleased that the Government has the authority to take action to ensure the safety of people in that region. In the particular place where I was, we first received the advice of the Government to move. I must say that I did not need to be advised again, but within

two hours that advice was translated into an order. The police came to every residence and required people to move. They had the authority to seize vehicles and to take any kind of measure they required to deal with that emergency.

Bill C-77 deals with the kind of authority which would be given to the Government in a public welfare emergency that is appropriate to deal with that kind of crisis, as with the other types of emergencies that are included in the Bill.

I suggest that we look upon this Bill as appropriating to the Government authority that does not go beyond the demands of the emergencies that are under consideration.

There are other limitations which this Bill imposes on the Government. With respect to expropriation, there is provision in the Bill for the Governor in Council to provide for compensation of any person whose property, equipment or other assets are seized by the Government. The citizen in question may apply for that compensation and, if not satisfied with what is offered by the Government, can appeal to an assessor who has been appointed by the Governor in Council and who is from the federal court.

The cost for that appeal may be awarded to the Crown or against the Crown. Therefore, there is serious respect paid to the right of the individual who has lost assets or the value of assets to have due compensation. I submit that it is great progress to protect individuals in a time of emergency against their property being seized with no just compensation to them. The rights of individuals are not ignored even though the pre-eminence of the state is respected in a time of emergency.

The four kinds of national emergencies described in this Bill are public welfare, public order, international emergency and war. Public welfare emergencies are those dealing with natural disasters or with other disruptions to the normal, civilized, necessary, routine direction of life within this country. Public order emergencies are threats to the security of Canada that are so serious as to be a national emergency. In both the instances of public welfare crises and public order crises, it has to be established that not only is there a disturbance or disruption, but that it is so serious as to be a national emergency.

The Hon. Jean Marchand, speaking in this House about the FLQ crisis of 1970, said that proclaiming the War Measures Act was like bringing up a canon to kill a fly. That is how he described it 11 years later. If this legislation becomes law, it will be necessary in the future that the Government, in each instance, be able to establish that the disruption is so serious as to be a national emergency threatening the nation as a whole. Under these conditions, I hope the House is prepared to accept the principle of this Bill, for that is what we are debating at second reading.

The Minister has already indicated that he is prepared to consider seriously reasonable and constructive amendments to the Bill dealing with particular flaws or inadequacies, for no document is ever perfect. Every draft of legislation invites amendment, and that is the purpose of the committee process. The Minister has quite reasonably and properly recognized that.

However, in this debate we are primarily concerned with the principle and the intent of the legislation. I believe it meets two needs that cannot be ignored by any responsible Government or Parliament. One is to provide the Government with sufficient authority to deal with a crisis that cannot be foreseen, for which there cannot be planning to prevent, and which must be dealt with immediately. The second is to recognize the pre-eminence of the Constitution which protects the rights of people. This Bill brings these two needs together in a way that I hope will be found acceptable to the House as I am confident it is acceptable to the people of Canada.

• (1710)

Mr. Orlikow: I would like to direct a couple of questions to the Hon. Member. I do not think there is a single Member of this Parliament who would not agree that the War Measures Act, which has been statute on the laws of Canada since World War I, has outlived its usefulness and goes far too far in the power and authority it gives to the Government. In a brief, the Canadian Civil Liberties Association said in part that it:

> —appreciates the initiative which the Government has taken to replace the War Measures Act. No conceivable emergency, including bloody war, could justify such unfettered powers and inadequate safeguards.

However, it continues:

> Unfortunately, Bill C-77 contains vague definitions, overbroad powers and inadequate safeguards. There is too little effort to link the powers it would create with the perils for which they are designed.

It goes on to make 23 recommendations as to how the Bill could and should be improved. I would like to read a couple of those recommendations into the record and ask the Hon. Member if he agrees with these suggestions. First, the CCLA recommends:

> A definition for the word "emergency" which, in all the circumstances contemplated by the Bill, would require imminent and serious perils to the lives, limbs and health of widespread numbers of people.

The CCLA would like that spelled out. Second, it recommends:

> A requirement that emergency proclamations explain why, in the circumstances, it was necessary to avoid the enactment of a special statute.

It further suggests:

> A re-definition of public order emergencies so as to eliminate the reference to the CSIS Act and to require that the Government reasonably anticipate the outbreak of illegal violence, so intense, so widespread, and so continuous that the Government itself would be overthrown or it would be powerless to govern.

And finally:

> The elimination of the power to prohibit and regulate public assemblies during public order emergencies.

I wonder if the Hon. Member would be prepared to comment on just a few of the recommendations made by the Canadian Civil Liberties Association?

Mr. Stackhouse: Mr. Speaker, in response to the Hon. Member's inquiry and invitation, I would like, first, to remark that no Member of this House would want to see the War

Measures Act continued, although I have heard one member of the Liberal Party say that he thinks the War Measures Act is much better than this legislation and, *ipso facto*, he would want it to continue. I do not believe that the move to rid ourselves of the War Measures Act has yet universal approval, although it may gain that before long.

With regard to the recommendations of the Canadian Civil Liberties Association, I would say, first, that the committee is the proper place to review each of those recommendations. I hope the committee will give them serious consideration and implement such recommendations for amendment as it deems advisable after that review. However, I would point out that the definition of public welfare emergency contained in the legislation is one that surely commends itself to the House of Commons even though it may well be improved in committee. The definition of public welfare emergency in Part I, Clause 3 of the Bill reads:

> "Public welfare emergency" means an emergency that is caused by a real or imminent
>
> (a) fire, flood, drought, storm, earthquake or other natural phenomenon,—

There is nothing vague or misleading there. It goes on:

> (b) disease in human beings, animals or plants,
>
> (c) accident or pollution, or
>
> (d) breakdown in the flow of essential goods, services or resources and that results or may result in a danger to life or property, or social disruption, so serious as to be a national emergency.

A possible flaw in this has already been pointed out in debate today, and the Minister has indicated he is prepared to review and consider an amendment which would improve the clause. However, it seems to me that a very impressive beginning, at least, on a definition of a public welfare emergency has been made. It is a great improvement in the interests of the people of Canada to have this kind of legislation available to become the law of the land and to authorize this Government and succeeding Governments to deal with such emergencies.

With regard to public order emergencies, I take it there is some objection to the reference of declaring an emergency against an action that might overthrow the Government. I am sure that no one has in mind the democratic process, which is a way of replacing one Government with another. Basic to civilization is the right ordering of Government and a changing of Government by due process of law and not by violence or rebellion, and any duly elected and constituted Government must have the authority to deal with any violent threat against its integrity and its ability to carry on the Government which has been entrusted to it by the law of the land.

Mr. Frith: Madam Speaker, I would like to ask the Hon. Member opposite a question, and I do so because I respect his opinion. I have sat on committees with him and it disturbs me to take from his response to the Hon. Member for Winnipeg North (Mr. Orlikow) that, in his opinion, "emergency" is properly defined. He went on to list under Part I, public welfare emergency, the definitions for emergency. I think anyone who has been in Parliament for any number of years respects the viewpoint of the Canadian Civil Liberties Association, and that association indicates that the greatest weakness of the Bill, in its opinion, is its failure to define "emergency". It went on to state that the provision that allows for the declaration of an emergency, when it is considered to exist "in the opinion of" the Governor in Council, is what it determines to be one of the major flaws in the legislation.

I want to indicate to the Hon. Member opposite that that ought to be one of the first things the legislative committee asks of the Canadian Civil Liberties Association. It should give its ideas on what ought to be a definition of "emergency". None of us on this side of the House are arguing that to some extent this Bill does not improve the War Measures Act. The Hon. Member took, I believe, the wrong idea from the justice critic of the Liberal Party when he said that he believed the War Measures Act is a better law than the one being proposed. What he was indicating was that without amendments, it might be better for Parliament to leave the existing legislation in place until the amendments are dealt with, and I will allude to this in my speech later on. I just caution the Hon. Member opposite that he ought to take into consideration these kinds of concerns by such eminently qualified people and groups as the Canadian Civil Liberties Association.

Mr. Stackhouse: Madam Speaker, I thought I had done that by saying that the recommendations of that association should be studied carefully by the committee which will review this legislation, and where that committee believes the Bill can be improved, its recommendations should be adopted. I believe my remarks would have to indicate that I would want the representations to be considered very seriously. However, I am sure that the Hon. Member is not arguing just on the basis of an appeal to an authority. We are dealing with the legislation itself.

I hope that the Hon. Member would recognize, as I have already mentioned, that a very impressive beginning, at least the beginning of the definition of what a public welfare emergency is has been made in this legislation. It has been spelled out explicitly and with particularization. If that can be improved in committee, then that should be something that all Members of this House, myself included, would welcome.

Hon. Douglas C. Frith (Sudbury): Madam Speaker, let me preface my remarks this afternoon by indicating to the House that I believe that the Canadian Civil Liberties Association should be commended for the brief it has developed for the House of Commons. In the past, I have had the greatest of respect for its opinion and that is why, in my question to the Hon. Member opposite, I attached such import to the issues raised by the Canadian Civil Liberties Association. Clearly, the repeal of the War Measures Act is a response to an abuse of the law that threatened the civil liberties of Canadians when it was applied during wartime and during peacetime. For that reason, if we are going to replace the War Measures Act, we ought to ensure that the viewpoint of the association that best

represents the civil rights of Canadians should be of paramount importance when we deliberate on this particular Bill in the legislative committee.

I think the words of the justice critic of the Liberal Party of Canada ought to be well received in committee because he is a former Minister of the Crown. He dealt with the particular aspect of the Bill and is aware of the harshness of the existing War Measures Act and the fact that it is a very Draconian piece of legislation. When one has that type of legislation available, it is very important that the Minister of the Crown who chooses to exercise that particular right, do so with full awareness of what he is about to do. Because most people recognize the fact that the War Measures Act is a very Draconian, harsh use of the legislative body, Governments in the past have been reticent to use it. It has been pointed out here this afternoon in debate that the War Measures Act has only been applied once in peacetime and three or four times in other periods in which we have had a threat to national security.

• (1720)

The reason that it has been only used in such limited times in the past is the fact that it is a harsh and very Draconian type of legislation. Any Government would be very wary and would only use the legislation if it believed that an insurrection existed. However, the point that the justice critic was making is the following. When we bring forward legislation in the House the very first question we have to ask ourselves is why the legislation we are about to enact is being tabled in the House of Commons and what it will change. When one asks oneself what it is we are changing about the War Measures Act, then that is when we have to take into account all of the views of the various groups in our society about changing from an existing law to another.

I think that there are areas about which there is common agreement in this country, whether among Liberals, New Democrats, Conservative Members of the House, or members of various associations across the country. The Bill is welcomed in the sense that it does replace the War Measures Act. I think most of us agree that that Act is an antiquated Act that gives too much power to the Government. Because it does give too much power to the Government, when we change it we must ask ourselves if it will be used in a different way and to what extent we will safeguard civil liberties as a result of changing it.

Let me just give some of the points of view that I think we all agree upon. I think we agree that this legislation is an improvement, that the Charter of Rights takes precedence over the measures that are being applied in Bill C-77. By and large, it has been generally well received. It contains safeguards in terms of the type of emergency. I will come back to that in a moment because there are four definitions of the type of emergency, as you have heard from previous speakers, Mr. Speaker. But there are still flaws in the definition of emergency within the type of emergency that is being contemplated by the Government's Bill.

Over-all, there is a welcome acceptance of the fact that it does contain safeguards on the type of emergency. It then goes on to define the length of time that the emergency can exist. It gives Parliament the right of review. I think that is an improvement that is generally acknowledged. It also allows and defines geographic boundaries. So all of those items indicate to me that, yes, there is an acceptance of the need for a change from the War Measures Act, which has existed since 1914, to this new Bill, Bill C-77. But unless all of the issues that are of great concern to a number of individuals and associations in this country are addressed, it may become a more dangerous Bill as a result of too loose a definition within the framework of the law of Bill C-77.

Let me explain that. I think that the Hon. Member for Winnipeg North (Mr. Orlikow) was dead on in his assessment of where the Canadian Civil Liberties Association feels the major weaknesses or flaws in the legislation exist. It bothers me when such an eminently qualified association states that in its opinion the powers are too broad, the triggering circumstances are too vague, and the safeguards are too weak. I think that when that type of association, along with the Canadian Bar Association, signals that that is a major flaw in the legislation, then all Members of the House should take that into account when the Bill goes before the legislative committee which will deal with it.

In addition, the Canadian Civil Liberties Association stated that during a public order emergency the Government would acquire power to regulate or prohibit public assemblies. It went on to say that this is a particularly dangerous power. In so many ways the right of peaceable assembly serves as a prerequisite to the existence of other freedoms. I think that is an area of the legislation which should preoccupy the committee when it deals with this matter.

As I said earlier, this Bill is an improvement. I think most Canadians recognize that the War Measures Act had such wide, harsh, Draconian powers that it would be better to have legislation come forward with a better definition. That has been accomplished to some extent in dividing the types of emergencies into four categories. I am not going to go into those again since they have been alluded to by previous speakers.

As I pointed out to the Hon. Member from Scarborough, the greatest weakness in the Bill is its failure to define emergency, not the type of emergency. I think we all agree on that. Frankly, one ought to realize that when we are debating this Bill it is not that we do not have other Acts of Parliament to deal with other types of emergencies. We just had a catastrophic occurrence of a tornado this past year in Edmonton. Lives were lost. I think that the work of the City of Edmonton and the fact that the Mayor and his emergency team did such a tremendous job in such a short period of time in dealing with that type of emergency shows the Canadian

public that the existing laws that allow that kind of power to be given to the civil authority is in place today. It is not as if no laws pertaining to emergencies, civil, provincial or municipal, existed. In fact, they do exist. They have been used in the past to deal successfully with emergencies such as I mentioned in Edmonton, or with the train derailment in Mississauga and in other areas over the last 73 years. So it is not that we are without legislative powers to deal with emergencies.

Therefore, let us not proceed hastily on the basis that we have no laws to deal with emergencies. In fact, we do have such laws. However, when the Government brings forward a Bill that fails to define emergency and, in particular, brings forward a provision that allows the declaration of an emergency when it is considered to exist in the opinion of the Governor in Council, then that is a dangerous flaw. I would argue, as I believe various Members of the House from all three political Parties who have served on the standing committee which deals with regulations have argued, that "in the opinion of" is a phrase in law that connotes tremendous power. I would urge that when this matter goes to legislative committee that particular section be dealt with in depth.

In the area that deals with power under the war emergency the Bill states that it is an emergency in Canada when an ally is threatened. Even in the legislation it does not go on to define what is an ally. Under that war emergency it states that "the Government is allowed to acquire the power to do what in its opinion . . . " Again, that is a very loose legalistic phrase that allows the Government the use of wide measures. I say that that can be an infringement of liberty when a Government allows the Governor in Council to use that kind of phrase to justify all kinds of acts. That to me is very dangerous. In the legislation under war emergency it states that the Government has the right to do what in its opinion would be reasonably necessary. Let me ask you this, Mr. Speaker, and you are a lawyer, I believe. In a court of law that would allow a lawyer total sanction to do as he wished. It goes on to state that that can be done with no judicial review. I think that it is a very dangerous precedent to establish in Canada, and it is another area that I would hope the legislative committee would look at in some detail.

• (1730)

With my colleague from Brant, I wish to ensure that when it goes to the legislative committee it is given the proper review by those parliamentarians. In the last three years too often we have witnessed the use or abuse of the majority of members in those committees not to listen carefully to the viewpoints put forward. This afternoon I am not advocating that we filibuster the Bill. But with all sincerity and conviction I caution my fellow colleagues from the Conservative Party that when this Bill is referred to the legislative committee the first witness that they ask to come before that committee ought to be a representative of the Canadian Civil Liberties Association. I think that they should listen with care to whatever recommendations that association makes to improve the Bill.

The justice critic for the Liberal Party has indicated that he has concerns with those areas of definition of emergency. I share those concerns. He has indicated that he has concerns in the area of compensation, the fact that classes of people are excluded from the right to appeal to a higher court to receive compensation for the abuse of powers given to a Government under this proposed new legislation.

I hope that the legislative committee will deal with this Bill in depth. I believe that my colleague from Brant has spoken on this issue before the Standing Committee on National Defence where he said that the committee should not give only a brief or cursory examination to this legislation as it is such an important Bill. Good heavens, Mr. Speaker, we have had the War Measures Act in place since 1914 and it has taken 73 years to put forward a draft Bill. I think all Members of the House are aware of the difficulties of previous Governments in the use of the War Measures Act, and the problems that were created by the imposition of the War Measures Act in 1970. Because the law was so Draconian and harsh, and the Governments of the day were very wary of enacting a War Measures Act, it is still no reason for us to deal quickly with Bill C-77, even though we agree that the War Measures Act is in need of repeal.

Certainly, the committee has to tighten up the definitions and install a stronger review and check on the powers of the Government in that legislation. There should be a more cognizant view of the need for the judiciary in this country to review government decisions, particularly where they relate to civil liberties. When there is such loose phraseology and definitions in the law, it is open to abuse by Government.

Surely, above all, all of us as parliamentarians seek to ensure that in all Acts that we pass through the House of Commons the liberties and freedoms of individual Canadians are ensured. When dealing with the law that deals with civil liberties in this country, we should take the time that is necessary to ensure that all of the considerations of our citizens are complied with, listened to, and dealt with by amendments.

That is why I hope that the majority of the members of the committee, which will be on the government side, take into consideration some very well though out and constructive criticism not only from members of the Opposition, but from members of the Canadian Bar Association and the Canadian Civil Liberties Association who, in the past, have dealt in a very effective and constructive way with all issues relating to civil liberties in this country.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I am pleased today to deal with Bill C-77 and, like all my honourable colleagues in this House, I am here to serve the Canadian people better. As a Quebecer, I feel it is our common duty to repeal the War Measures Act, a legislation whose damaging effects are still vivid in the memory of a great many Quebec men and women. The old legislation which was

much too sweeping and drastic in scope provided the Government with overwhelming powers without protecting the rights of the individual. We here are in a good position to know whether the implementation of that law is unfair, particularly the Right Hon. the Leader of the Opposition (Mr. Turner) who was Minister of Justice in the Liberal Government and who decided to invoke the War Measures Act in Quebec in October 1970.

I should like to repeat some of the comments made earlier this morning by the Minister. Some critics have tried to combine the old act and the new act in an attempt to make people believe that Part IV of the Emergencies Act is practically identical to the War Measures Act. They have also stated that since the Charter applies to the War Measures Act there is really no difference between the two legislative texts. They go as far as to say that temptation to resort to the Emergencies Act will be stronger because, they say, it gives the impression that it offers more guarantees than the War Measures Act and that it will be easier to invoke it.

Such statements are totally unfounded.

Emergencies Act Part IV has to do with war or other armed conflict, real or imminent. War Measures Act provisions deal with war, invasion or insurrection, real or apprehended.

The War Measures Act was adopted for the first time in August 1914 when Canada declared war. The federal government then needed legislation to pass all regulations required to prepare the country for war and take measures against the enemy. Lacking time to decide what specific powers might be needed, Prime Minister Borden chose to introduce in Parliament a piece of legislation giving unlimited powers to Cabinet which would define the powers to be used as the need for them became apparent with the passage of time.

Parliament readily endorsed the measure, but the fact remains that it gave Cabinet full powers in this country. Even the British Government did not have all the powers the Canadian Cabinet obtained as a result of this legislation. Furthermore, the British legislation limited the time during which it could be in effect, while the Canadian legislation did not, so that the Government was able to keep those powers as long as it felt was necessary, and subsequently leave the legislation on the books, although its application was suspended.

The War Measures Act was proclaimed again in 1939. The Government could have adopted new legislation that would give it sweeping powers. However, it preferred to use the legislation that was used during World War I and was still on the books. It is these sweeping powers that, unfortunately, were used to justify the internment of Japanese-born Canadians after Japan entered the war at the end of 1941.

At the end of the war in 1945, the War Measures Act was suspended but never revoked, and thus remained on the books. In 1960 it was amended in case it was used again. The last time the legislation was applied, as Quebecers especially will remember, was in 1970 during the October crisis.

The War Measures Act was proclaimed at 4 a.m. on October 16. Under the Act, regulations concerning public order were announced, giving the police special powers to search and make arrests without a warrant. According to the regulations, the FLQ was declared an unlawful organization, members of that organization could be arrested, and furthermore, and this is very serious, people suspected of being members or supporting the organization's cause could also be arrested. The police then proceeded to arrest more than 500 people, many of whom had no connection at all with the organization. Some were arrested simply because they were nationalists.

That morning on October 16, 1970, a motion asking the House to approve the proclamation of the War Measures Act was passed, although the Minister of Justice at the time admitted there was a great deal of uncertainty about the magnitude of the threat.

Canadians have often told us, and they did so again quite recently, that they are concerned about the impact of the civil rights legislation. Both Claude Ryan, former Leader of the Liberal Party, when he was editor of the newspaper *Le Devoir*, and the late René Lévesque, former Leader of the Parti Québécois, who was then a reporter, expressed their concern about how the Government was dealing with this problem, and opposed the application of this legislation.

After the situation had relaxed, the public, the press and Members of Parliament questioned the statements that had been made about the seriousness of the problem and the fear of an insurrection. However, the damage had already been done and many innocent people had been arrested.

In this very House, representatives of all political parties expressed the same wish. To refresh our memories, I can quote the words of a Liberal Minister, the Hon. Mitchell Sharp, who said on October 29, 1975 that the Government intended to present legislation to replace the War Measures Act.

The intentions were good, but this legislation did not materialize. As for our Prime Minister (Mr. Mulroney), he promised during the election campaign to abolish the War Measures Act and to provide adequate emergencies legislation for Canada.

The difference is that our Prime Minister is keeping his word and will assume his constitutional responsibilities by guaranteeing the safety of Canadians.

Abrogation of the existing Act and its replacement by an appropriate piece of legislation meet the wishes expressed by Canadians as a whole. Indeed, it is a paradox for Canada, which has an enviable worldwild reputation as concerns human rights, to be the only democratic country not to have legislation to deal with national emergencies.

The War Measures Act still scares people seventeen years after it was last applied. It haunts the dreams of too many Quebecers. It still has the power to harm, and this power will disappear only once this Act is abrogated.

There are cases where the search for the common good and our national interests require that we go beyond party politics. Abolition of the War Measures Act is such a case.

I am not naive to the extent of believing that the bills we are debating today will be unanimously endorsed, but I am sure they will elicit favourable comments and constructive criticism from the Opposition benches. This is how we will succeed in putting the finishing touches to the Emergencies Act which is already far ahead of the War Measures Act.

Undeniably, whenever circumstances so dictates, Emergencies Act provisions will sometimes be as biting as a scalpel. Unfortunately interventions do become necessary, so better use a surgeon's knife rather than a chain saw, as the War Measures Act would have us do.

More specifically, Madam Speaker, the Emergencies Act will enable the Government to take action in times of national crises, with exceptional means which are nonetheless limited with respect to space, time and field of application. The War Measures Act did not have any such safety catches.

The various guarantees featured in the Emergencies Act are likely to reassure the most skeptical and most difficult people to convince when it comes to respect for human rights, and I count myself among them.

My statement is borne out by the fact that the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights will take precedence over the new legislation, and that the provisions of the Emergencies Act will be in keeping with the International Covenant on Civil and Political Rights.

Parliament—all of us here—will have a say on the use of emergency powers. The Government will be accountable to Parliament for the use it will make of those powers. Such guarantees do not exist in the present legislation.

The other Bill, the Emergency Preparedness Act, has had an initial beneficial impact since it has led to the revocation of the Emergency Planning Order of 1981, almost as heavily criticized as the War Measures Act because of its legal basis and ambiguous wording—a highly controversial document.

Once passed, the Emergency Preparedness Act, as mentioned by the Minister responsible and some of my colleagues, will enhance the Government's capacity to prepare for coping with emergencies. It will clarify the respective responsibilities of the federal Government and the provincial governments with a view to achieving closer co-operation, and will improve the coordination of emergency measures and emergency preparations by departments and federal agencies. It will not require new resources.

Madam Speaker, this Bill, like the Emergencies Bill, is a credit to this Government and to all Hon. Members, and I therefore hope that all Members of this House will vote in favour of the Bill.

• (1740)

[*English*]

Mr. Orlikow: Madam Speaker, I should like to direct a question to the Hon. Member. She knows that this Bill is part of a package of Bills to replace the War Measures Act which was first enacted by Parliament in 1914. In other words, it is a Bill which has been in existence for over 60 years, and we now realize that it is a Bill which has been misused at times of perceived emergency.

I should like to refer to just two examples. The first would be the evacuation or forcible removal of thousands of Japanese from the West Coast of British Columbia during World War II despite the fact that we now know there was not a single Japanese spy in British Columbia. The other example would be the one to which the Hon. Member referred, namely, the use of the War Measures Act in Quebec in 1970 which led to the apprehension and incarceration for some days and weeks of more than 200 Quebecers, some of whom may have been nationalists, some of whom may indeed have been separatists, but none of whom was in fact a terrorist, since not a single one of them was ever charged, tried, or convicted.

I am sure every Member of Parliament would agree with the Hon. Member's statement that we ought to get rid of the War Measures Act. However, does the Hon. Member really believe that the Bill we are being asked to endorse in principle will do away with the legitimate concerns of many people about the way in which the present War Measures Act could be used?

Would she give some consideration to just a few of the more than 20 recommendations for amendments and improvements made by the Canadian Civil Liberties Association?

I will put on record just a few of them. First, the inclusion of limits on the nature and duration of the duties that can be ordered pursuant to emergency powers. In other words, no Government should be permitted to invoke the new Bill and to use its provisions for an indefinite period of time. Second, the inclusion of danger to life, limb, or health as a defence to the refusal or failure to perform duties that have been ordered pursuant to emergency powers. Third, a requirement to indemnify those who inflict injury on others as a consequence of performing duties that have been ordered pursuant to emergency powers.

I go back to the War Measures Act. Surely the Hon. Member knows that the Japanese people living on the West Coast of British Columbia were not only evacuated. Their property, including homes, cars, businesses, was confiscated and sold off with no attempt to ensure that the owners who had been forcibly removed would get the actual value or anything near the value of the property which had been taken away.

• (1750)

What about the elimination of the provision enabling the Government to create entry and search powers during international emergencies? We know now the kind of search

powers that the Government has. Just last week—and I will not discuss this in detail now—we learned that the RCMP, and I presume its successor, the Canadian Security Intelligence Service, has monitored the activities of a citizen of Winnipeg, Nick Ternette, for 14 years. Those of us who live in Winnipeg know Nick Ternette very well. We know he has views that are not supported by many people. He is a member of my Party but most of his ideas are rejected by members of our Party. Surely, though, he has a right to his opinions. There is not the slightest bit of evidence that anything he has done could be termed subversive. Yet here is one case of a person kept under surveillance for 14 years. I hate to think of the time, the effort and the cost of that surveillance which, as far as anybody can tell, was completely useless and unnecessary.

I say to the Member that it is not enough to say that we are getting rid of the War Measures Act and bringing in something else. We want to make sure its replacement will achieve the objectives which we think need to be achieved.

[*Translation*]

Mrs. Duplessis: Madam Speaker, I am delighted to see that the Hon. Member of Winnipeg North (Mr. Orlikow) is also very sensitive to the problems experienced by the Japanese during the last war and more recently by the people of Quebec during the October crisis. I want to give the Hon. Member the assurance, once again, that the Bill before the House today will be subject to the Canadian Charter of Rights and Freedoms, the Canadian Bill of Rights and the International Convention on Civil and Political Rights. This guarantee, as the Minister assured us this morning, is included in the Bill, which the Hon. Member should find reassuring.

As for the particular case to which he was referring, Madam Speaker, I am not in a position to reply.

[*English*]

The Acting Speaker (Mrs. Champagne): Any further questions or comments? Resuming debate. The Hon. Member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Madam Speaker, I want to begin by giving the Government credit for attempting an action which the former Liberal Government promised on many occasions after the difficulties we experienced in 1970, namely, to bring in legislation which would remove the War Measures Act, which was first enacted in 1914, from the statutes of Canada and replace it with an Act or Acts more able to protect the people of Canada in times of emergency without giving any Government which might be in office the kind of blanket authority to do almost anything that Governments have been able to do under the present War Measures Act.

Having said that, I have to agree with the Canadian Civil Liberties Association which, in its submission in dealing with this Bill, first commended the Government for bringing forward a Bill but then went on to list in some considerable detail the deficiencies in the Bill. The association finally made over 20 recommendations to improve the Bill.

I believe, as the Canadian Civil Liberties Association does, that Bill C-77 still contains far too many arbitrary powers which a Government could use for a country such as Canada, a democratic country. After all, we cannot, as the Hon. Member for York Centre (Mr. Kaplan), the former Solicitor General in the Liberal Government, tried, to deal with this Bill in a vacuum and in a very theoretical way. We are debating a Bill to remove the War Measures Act and replace it with another Act because our history and experience tell us that the War Measures Act has been misused, and if it continues to be on the statute books of Canada it may again be misused.

Given an emergency or a perceived emergency, any Government may make a decision which infringes on the democratic rights of the people in ways which are much more restrictive than need to be because it is difficult for any Government, regardless of which political Party forms a Government, to deal with the situation in an emergency. The time to give approval and dispassionate, rational thought to what a Bill should contain is when there is no emergency.

I remind Members that the former Prime Minister of Canada, Mr. Trudeau, before he was a Member of Parliament was one of the strongest, most powerful critics for all the right reasons of the very authoritarian, dictatorial Government of Quebec headed by Premier Duplessis. He was the same strong defender of civil liberties, the same opponent of the oppressive regime of Premier Duplessis, who when he was the Prime Minister, when he perceived there was a threat and a danger to democratic society in Quebec, used the War Measures Act.

I do not want today to redebate whether that was a necessary or an unnecessary action to take, I simply use that as an illustration of my belief that now when there is no emergency is the time to discuss a Bill which is to replace the War Measures Act.

The War Measures Act was passed in 1914, 15 days after World War I began. It was modeled on an Act passed by the British Parliament, also in 1914, called the Defence of the Realm Act.

• (1800)

The Acting Speaker (Mrs. Champagne): It is with regret that I must interrupt the Hon. Member.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 is deemed to have been moved.

Adjournment Debate

RAILWAYS—DELAY IN GRAIN DELIVERIES TO THUNDER BAY—NEED FOR MORE HOPPER CARS/DOMINION MARINE ASSOCIATION'S REQUEST FOR ACTION

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I appreciate this opportunity to take a few moments this evening to consider further questions which I directed to the Government on November 2. I will quote from my question at that time to make it quite clear what we are dealing with. Speaking to the Deputy Prime Minister (Mr. Mazankowski) in the absence of the Minister of Transport (Mr. Crosbie) I said:

> He is undoubtedly aware that for more than a month the railways have failed to deliver enough grain to the Port of Thunder Bay to meet commitments there. Ships have been lying idle in the harbour and workers on lay-off when they would like to be at work moving grain into the ships.

I then asked:

> When does the Government intend to recognize the need for more hopper cars on the Prairies in order to move grain? In particular, when does it plan to ensure that the CNR is up to the challenge it faces in keeping our grain moving?

Those are the questions, Madam Speaker, which become more and more important. The focus here is specifically on the situation in Thunder Bay but I fear the problem will become worse as the grain transportation system we operate in western Canada faces increasing demands on it. I want to be very sure that we do not have to discriminate in any direction in dealing with this particular challenge.

We want to be sure that the railways have the rolling stock to get the product there when it needs to flow to market. We want to be sure that no markets are lost. We want to be sure that farmers have the satisfaction of knowing that their produce is moving. We do not want to see the wastage of ships lying idle in harbours. Certainly in Thunder Bay we would like to see as many grain handlers as possible working in the elevators.

I am concerned, as a Member of Parliament from Thunder Bay, about this issue. We must solve it in a way which will recognize the needs of people on the Prairies, the concerns of the producers, the desire of grain farmers to get their produce to market. We must do that in a way which will save us from having to discriminate against the Seaway in favour of the West Coast or, conceivably, for us in Thunder Bay to be arguing for a slow-down on the West Coast, which has a year round operation, in order that we can get it in before the frost comes. I do not want to be forced to make that kind of argument.

I recognize, of course, that we are in a situation, at least briefly, of large sales. How could I be anything but very happy about that on behalf of the farmers and everyone involved in transporting the product? I would like to think that the present situation is likely to continue in the future and that we are going beyond the slow times which we have known in the last couple of years. Let this be the new reality. Assuming that it will be, we face a very real challenge.

In Thunder Bay this fall the Wheat Board was calling for movement which would require as much as 6,000 cars a week. In fact, by the end of October we really needed 7,000 cars weekly at the elevator in Thunder Bay in order to meet the demand. We did not get those. We rarely topped 4,000 cars per week during September and October. As a result, the people of Thunder Bay began to see ships lying idle in the harbour again.

From one perspective there was a happy feature to that. We had been told at the beginning of July that Thunder Bay was going to be residual in the grain movement system. We began to worry. A lot of concern was expressed in Thunder Bay during July that all the emphasis was on the West Coast. We were concerned about where that would leave the Seaway. It was, therefore, nice to know that there was so much demand from the Atlantic markets through the Seaway that we could not meet it.

However, we do not want to be content with that. We want to be sure that we are up to the demand. When the CNR closed Churchill it released 3,000 cars and, as the media reported, it may be capable of bringing us 1,500 a week in Thunder Bay. If we had hit 4,200—and I pick that number because it is over 4,000, although I am not sure we would actually hit 4,200 in one of those weeks—and if we add 1,500 rather smaller boxcars to it, we are still at only 5,700 or so. If the need by the beginning of November was for 7,000 cars weekly, the railways were clearly not up to it. CP Rail apparently did better at this particular challenge by turning to U.S. railways to lease the hopper cars or whatever rolling stock was required. It managed to keep up. CNR clearly did not.

• (1805)

The Minister spoke of records, but I am not sure if those records extend back over all the years of terrific movement. However, we are doing very well on a daily or weekly basis. Let us be ready for that and not have to depend on American railways being able to release rolling stock to us.

Let us also recognize that old boxcars are being taken out of service. There is clearly a need for the Government to recognize this not only as a challenge but as an opportunity. Rolling stock could be produced in factories in this country. It is a marvellous opportunity to put the Trenton Works to use. I am not arguing for CanCar in Thunder Bay because it is busy with subway cars and so on. Let us provide the work in a place in Atlantic Canada where the Government also wants to see more people employed. People on the Prairies and the Maritimes can be satisfied at the same time. That is all Canadian.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, through the middle of September, sales projections for October/November at Thunder Bay stood at 2.2 million tonnes, and the railways had planned accordingly.

Also, my friend is aware of the very sophisticated process that generally works very well for predicting the cars, allocating them and moving grain to the ports. That system works very well as a result of several hundred people working very

closely together and with a high level of goodwill and co-operation.

As my colleague, the Hon. Minister of State for Grains and Oilseeds (Mr. Mayer), stated earlier today, Canadian exports are up some 18 per cent over last year's and last year in itself was a record year. I suppose these are the problems we would like to have. If we could solve the price problem we could have the country hitting on all cylinders as compared to now when we are experiencing some problems in the West. Indeed, I believe that Canada's market share is up to 24 per cent from 17 per cent in spite of the enormous battle between the EEC and the United States. That is good news for Canada, subject to price.

CP has some 3,000 leased cars and is bringing its total fleet to approximately 14,000 cars, approximately 7,000 of which are in service to Thunder Bay. CN's total grain fleet is 14,700 cars with the 3,000 boxcars from Churchill, about 6,000 in service now in Thunder Bay. A very tight North American lease market for hopper cars has limited attempts to add further to the fleets.

One must consider whether the railways should be staffing for these peaks that were unpredictable. Of course, we should be making changes for the future and I would be interested to hear my friend's view as to where that money should be obtained, whether in the public domain or by the railways. How does one then justify the carrying costs of the cars if shipments should decline? These are problems that are being addressed by the system.

The Grain Transportation Agency is currently undertaking an extensive review of the system car capacity to determine current and future car needs. At present, a fuil review is being undertaken by the Minister through the Grain Transportation Agency and he is monitoring the situation carefully.

I am sure this can be resolved. I believe some 6,200 cars were unloaded last week and 6,500 are expected this week. Hopefully that will help to alleviate the problem.

• (1810)

AUDITOR GENERAL'S REPORT—GRANT MADE TO EDMONTON AMUSEMENT PARK PROJECT/ORDER IN COUNCIL QUERY

Hon. Bob Kaplan (York Centre): Madam Speaker, on November 3, I asked the Government about the $4.5 million contribution which had been made to Fantasyland in the West Edmonton Mall. I asked the question because I had studied the legal background of the Government's authority to make the grant and I had read the Auditor General's Report. I came to the conclusion that as far as I was concerned there was no legal basis for making that grant.

This morning I received a letter from someone who lives in Edmonton accusing me of being anti-west and arguing that I had no business attacking something that was so important to Edmonton and so valuable to the people there. It was a basis for tourism and so on. What happened today is that I am already beginning to harvest the poisonous crops the Prime Minister of Canada (Mr. Mulroney) sowed about this issue when he accused people who criticized that grant of being anti-western.

My enthusiasm about western Canada I think is pretty well known. I have been to the West Edmonton Mall, I like it, and I am appalled that I have to write a letter to those people defending my belief that western Canada should have its aspirations supported by the Government. This is what I was talking about. It is just this simple. The Auditor General of Canada, whom I do not think even the Prime Minister accuses of being anti-western, analysed the contribution and found it was made in violation of the regulations.

The Industrial and Regional Development Act authorizes the Minister of Regional Industrial Expansion (Mr. de Cotret) to make a grant or contribution to a commercial operation in respect of a project carried out or to be carried out for a purpose set out in any of paragraphs 4(1)(a) to (d) of the Act. I am reading from an anti-western tract. As per Section 2 of the Act, a commercial operation is a commercial operation as defined by the regulations. To qualify, if it is a service industry, it has to be designated by order of the Minister pursuant to subsection 7(2) of the Act. Well, there is no order designated pursuant to subsection 7(2) of the Act.

As a member of the Standing Committee on Regulations and other Statutory Instruments, I have easy access to the list of all the orders and all the publications and it does not appear. What that means, in my examination of the law, is that this contribution cannot stand and, as the Act says, when a contribution is made in violation of the Act without authorization under the Act, it has to be treated as a loan. The recipient has to give it back. That was the question I asked.

What is appalling is that when a Member of Parliament stands up to ask a question like this based on what the Auditor General says about the law, and on the fact that the Province of Alberta felt that this project did not need any money from the Government—and the Province of Alberta is not anti-western—and the fact that the former Government refused it because it did not think it came within the terms of the Act, it is said that that member is anti-western. The officials of the Government told the Minister that he did not have the authority under the regulations to make that grant. The Minister failed to pass the order, to have it published in the *Canada Gazette*, which could have validated it.

There was another illustration over the weekend of a Prime Minister and a Government which is determined to have their way, dividing this country by going out west and telling westerners that the reason Ontario is against free trade is because it does not want to see the west prosper.

That type of approach is so damaging to our country that I think again and again Members of the House have to stand up and criticize the Government for doing this. If it cannot defend its policies on the basis of national reconciliation, which is the platform the Government ran on and promised to deliver, if it cannot find ways of strengthening national unity, it seems the

only way it can sell its act is on the basis of pitting one part of Canada against the other when there is no foundation for doing so.

• (1815)

This is a country made up of diverse regions. Very often issues arise. When we have an extra dollar in the till of the Minister of Finance (Mr. Wilson) to spend, it has to be decided what region is going to get it, where will the CF-18s be built. It is tough enough when something like that comes along, but to go around inventing them gratuitously to try to get westerners feeling that the Hon. Member for York Centre and the people of Ontario are against them realizing their aspirations just because we want to be the only ones in Ontario who are well off is a form of regional racism. To see a Government go ahead and make arguments like that is so unworthy that one can only hope that members of that caucus at their regular meeting on Wednesday will read the riot act to the Prime Minister and ask him to get his act together and stop making false accusations that amount to a form of regional racism.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Madam Speaker, the distinguished Member's argument is sophisticated. He is trying to do by one means that which he could not do by another. That is to say, justify the grounds for his question to the Government of the other day. The former Minister has suggested that he has researched the law. The fact of the matter is that he has not researched the case at all. I say that with some deference to the hon. gentleman.

The response I wish to give to the Hon. Member is precisely that which I gave in the late show on November 2. If the hon. gentleman is particularly interested he can refer to page 10658 of *Hansard*. I will quote from the position put forward by DRIE. Let me just say as a preface that the application in 1983, when it was received, was clearly eligible as a tourism operation under the regulations that were in effect at that time and continued to be eligible for consideration after the November, 1984 amendments, since no rejection was ever communicated to the applicant. Accordingly, no order in council was required. The hon. gentleman is a learned scholar of the law. I suggest he either overlooked that or found it convenient not to complete it.

The position of DRIE at the time, a position which continues to the best of my knowledge, is as follows, and I quote from *Hansard:*

> —the application for assistance for this project was received on December 7, 1983 and while tourism was dropped from IRDP on November 9, 1984 the application was protected under the grandfather provisions. It is clear from file documentation that the necessary permits, construction contracts and actual construction on this project was/were not entered into prior to December 7, 1983 and therefore the project was not prior committed within the terms of Section 29(1) of the pre-November 9, 1984 regulations to the IRDP. DRIE's position remains that the project continued to be eligible for assistance consideration under IRDP, notwithstanding the fact that the construction was well advanced in August, 1985 when the DRIE Minister made the actual decision to assist... The IRDP contribution facilitated the company in arranging the additional financing and consequently ensured that the project was completed within the originally proposed scope and timing. If DRIE had not offered the assistance at that time, it is highly probable that construction would have been delayed and the significant contributions that have accrued to Canada's economy over the past two years from this tourism facility would have been substantially lessened.

EXTERNAL AFFAIRS—VISITS BY NUCLEAR POWERED VESSELS TO ESQUIMALT/RESULTS OF GOVERNMENT INQUIRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on November 5, I asked the Government for its response to a study done by Professor Jackson Davis of the University of California at Santa Cruz on the possible effects of a nuclear accident involving a nuclear-powered and/or a nuclear-armed submarine happening to visit Esquimalt, British Columbia. The possible effects of that as outlined by Professor Davis are absolutely horrendous.

He predicts two scenarios. The first deals with the incineration of a single nuclear warhead on a shipboard fire. The second deals with a hypothetical nuclear reactor accident. I would like to read about the possibility of an accident involving a nuclear warhead. The report states:

> Such an accident would produce a radioactive cloud containing plutonium-239, which would be carried toward the northeast, directly over Esquimalt/Victoria, by the most probable prevailing winds. The plutonium concentration in the cloud would exceed U.S. federal (NRC) limits for air contamination (10 CFR 20) by up to ten thousand times. Ground contamination from fallout would exceed U.S. federal (NRC) limits for unrestricted public use by up to one million times. Radiation exposure from inhalation of the plutonium would exceed U.S. federal limits for "routine" releases by up to one hundred thousand times.
>
> Prompt fatalities have not been considered here; instead casualties calculated here would take the form of latent cancers fatalities and genetic defects. Latent cancer fatalities incurred during the accident would range from 15 to 3,413 depending on thermal lofting, atmospheric stability and the radiation risk factor used, with an equal number of additional fatalities from severe genetic defects. The greatest contamination would occur nearest the accident site, although both air and ground contamination would remain well above the NRC limits up to 50 km from the accident site and beyond... Under unfavourable meteorological conditions the effects of such an accident could be experienced as far away as Vancouver.

• (1820)

Jackson Davis points out the excessive costs that would be involved in any attempt to clean up after an accident of this type. He also points out that we are completely lacking in any type of public program to deal with that type of emergency.

Last week in Victoria some 2,000 school children were involved in an emergency preparation involving the possibility of an earthquake. There has not been a major earthquake in Victoria of the type that they are considering within the recorded historical period, but it is a possibility and it had to be considered with children being involved.

For any accident involving nuclear vessels in Canadian ports, the emergency procedures are not made public so that the public does not know what is expected of them or what is to be done. Any worth-while emergency procedure has to be made public.

In view of the findings of Professor Davis' study, I raised three recommendations. The first was that the Government should discard its plans to purchase nuclear submarines for Canada. This is not only an expensive boondoggling exercise that will not contribute to Canadian security, but it also poses a real danger and threat to Canadian ports. Second, we should cease to honour the United States refusal to confirm or deny the presence of nuclear weapons on board vessels visiting Canadian ports. Third, we should review the entire policy of allowing nuclear powered vessels to visit Canadian harbours. The visit of foreign warships to the harbours of another country is an old established practice, and no doubt it had some value as a gesture of friendship in earlier times.

But today when we are talking about nuclear vessels that are powered with nuclear reactors, it is the same as siting a nuclear reactor within a densely populated urban area. Admittedly, the probability of an accident is low, but there has been Three Mile Island, and there have been accidents aboard nuclear powered submarines in the past.

Countries such as New Zealand and Iceland have taken a stand against allowing nuclear armed vessels to visit their harbours. Australia prohibits nuclear powered vessels from visiting the large Port of Sydney. There are only three ports in Canada which allow nuclear powered submarines to visit, namely, Esquimalt, Nanoose, and Halifax, which is right next to the riding of the Hon. Parliamentary Secretary.

• (1825)

If the Government decided that it was to allow these visits to continue, it should very seriously consider the recommendations of Doctor Jackson Davis when he said:

> Evacuation plans should be established, co-ordinated and rehearsed periodically . . . Decontamination plans in the event of an accident should likewise be formulated—The data needed to ascertain empirically the probability of nuclear accidents should be obtained from the U.S. military so that the risk to the Canadian public can be estimated as closely as possible . . . Detailed liability and indemnity regimes in the event of an accident should be negotiated in advance . . . Existing emergency response institutions, procedures and documents should be evaluated in light of accident analyses such as the present one.

In response to an early concern about this, the Secretary of State for External Affairs (Mr. Clark) said that Canada had done its own study and assured me that Canadians were protected. I would ask that the Government release the study to Canadians so that they can determine for themselves how well they are protected.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Madam Speaker, first of all let me point out to the Hon. Member that nuclear propulsion is not new technology. Second, there has been no nuclear accident in the 34-year history of the allied nuclear naval program. Nuclear powered warships have steamed over 100 million kilometres and have accumulated over 3,200 reactor-years of operating experience. In that connection, I do not think that these ships or vessels or submarines carry anywhere near the size of the nuclear plant facility as was suggested by the Hon. Member.

The study recently released by Greenpeace on port safety is less a description of reality than a hypothetical model and, as such, can be manipulated to demonstrate any point that a speaker or author might want to make. Given the preconditions, assumptions, and pure guesses of what might happen, or what might influence conditions if an accident occurred, most of the resulting conclusions are necessarily speculative.

The model presented in the Greenpeace study does not support the need for an inquiry. What it does support is the need to make proper provision for safety co-ordination. Although the model suggests that, in a worst case scenario, thousands of Canadians could be put at risk, even the study recognizes the extremely low probability of such an accident. Finally, it should be borne in mind that accidents which have occurred to nuclear propelled and armed submarines have not resulted in radioactive pollutants being released into the environment.

Let me also assure you, Madam Speaker, that the Canadian Government is committed to keeping the Canadian public well informed on all safety related aspects of such naval visits and its own program to acquire nuclear propelled submarines. As a start in this process, general information briefing sessions have been initiated by DND. Two, one in Ottawa and the other in Esquimalt, have already taken place.

Furthermore, these media and background briefings will continue to take place until the final decision on the country of origin of the submarine is made. After that time the briefings and information dissemination will concentrate on explaining safety elements peculiar to the selected type. It should be noted that both of the submarines now being evaluated have impressive safety records and, security questions aside, a considerable amount of information supporting the safety of nuclear propelled submarines is already in the public domain.

The Government does not underestimate the need for detailed consideration of all safety aspects of nuclear propelled submarines and the elaboration of the highest standards for their safe operation. The Government is already actively engaged in an in-depth evaluation and planning process that is being carried out by specialized units at DND, ACEL, and AECB. The Hon. Member will be made aware of these detailed plans as they proceed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House in now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, November 17, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

OFFICIAL LANGUAGES

GOVERNMENT RESPONSE TO FOURTH REPORT OF STANDING COMMITTEE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, in accordance with the provisions of Standing Order 99(2) I have the honour to table copies, in both official languages, of the Government's response to the fourth report of the Standing Committee on Official Languages.

* * *

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF FORTY-FIRST REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the forty-first report of the Striking Committee.

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

* * *

STARRED QUESTION

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, would you be so kind as to call starred question No. 204?

[*Text*]

SECTION 37(4) OF THE PUBLIC SERVICE EMPLOYMENT ACT

Question No. 204—**Mr. Gauthier:**

During 1985, 1986 and 1987 to date, did any person having been employed as Executive Assistant, Special Assistant or Private Secretary to a Minister, or in any of those capacities successively, take advantage of the provisions of section 37(4) of the Public Service Employment Act which provide for appointments without competition and, if so (a) how many (b) how many have been so appointed (c) in which departments have the positions been filled?

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism: Mr. Speaker, I have been given the following information by the Public Service Commission:

During 1985, 49 persons having been employed as Executive Assistant, Special Assistant or Private Secretary to a Minister, were entitled to take advantage of the provisions of section 37(4) of the Public Service Employment Act. During 1986 and 1987 to date, no person with such a position has been entitled to take advantage of the provisions of section 37(4) of the Public Service Employment Act and, therefore, no appointment flowing from that section of the Act has been made.

b) Among the 49 persons employed in 1985, 10 have been appointed under the provisions of section 37(4). It is to be noted that all of the 49 persons concerned acquired the priority entitlement conferred by section 37(4) of the Public Service Employment Act as a result of the change of Government in September 1984.

c) The ten (10) persons who were appointed under section 37(4) in 1985 were appointed to the following departments:

.Canadian Radio-Television and Telecommunications Commission : 1

.Department of Communications : 1

.Employment and Immigration Canada : 4

.Fisheries and Oceans : 1

.Revenue Canada—Taxation : 1

.Transport Canada : 1

.Treasury Board Secretariat : 1

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

• (1110)

[*English*]

MOTION TO ADJOURN UNDER S. O. 29

GATT RULING RESPECTING THE EXPORT OF WEST COAST SALMON AND HERRING

Mr. Speaker: I wish to bring to the attention of the House that I have an application for an emergency debate and I will

hear the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I apply under Standing Order 29 for permission to debate an emergency.

Yesterday evening it was learned that a preliminary ruling by a panel of the General Agreement on Tariffs and Trade has come down against Canada with respect to our laws governing the export of West Coast salmon and herring. I suggest that this is a specific and important matter requiring urgent consideration. If the ruling is confirmed later this month it will jeopardize the jobs of some 6,000 to 8,000 shore workers in a Canadian industry.

Women and small coastal communities in British Columbia are vulnerable. A woman working in the fishing industry is most likely to be a plant worker. In a number of West Coast communities, the processing plant is the major employer. Communities such as Prince Rupert, Port Hardy and Alert Bay depend on the income brought by these enterprises.

All British Columbians know that this is a serious threat to the fish processing industry in our home province, but it is much more than just a regional issue. While this ruling only applies to the export of West Coast salmon and herring, similar export restrictions on the East Coast make it ripe for further American challenges.

In the recently concluded trade deal with the United States, Canadian negotiators agreed not to maintain or to introduce import or export restrictions except in accordance with the GATT. If this ruling is confirmed the Canadian Government has lost its right to manage its own resources. Canada's sovereignty and its independence to set our own resource policy will have been surrendered.

This debate that I urge you, Mr. Speaker, to grant is not about a simple regional issue, nor solely confined to fisheries. It is a present and urgent threat to Canadian independence. I know you will agree that this is an urgent issue and that it should be debated in the House now. I look forward to your favourable ruling.

Mr. Speaker: Earlier this morning I received the application of the Hon. Member for Cowichan—Malahat—The Islands with respect to this matter and, obviously, given my own interest in my own province, I certainly agree with the Hon. Member that it is a very important matter. However, I do not think it is appropriate at this time to go into an emergency debate. There are other opportunities for the Hon. Member to raise the matter.

Having said that, it is not to be construed by anyone in this House and certainly not by the public who are watching and listening that this is not a matter of very grave concern to the Province of British Columbia and, as the Hon. Member pointed out, it may well be a concern to our fellow Canadians on the Atlantic Coast. However, at the moment I do not find that it is appropriate to have an emergency debate.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed from Monday, November 16, consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the War Measures Act, which was passed by the Canadian Parliament in 1914, has become Canada's all-purpose emergency legislation. Using this Act, it was possible to intern thousands of Canadians during World War I and to outlaw organizations such as the Communist Party and Jehovah's Witnesses. The War Measures Act made it possible for the internment of thousands of Japanese during World War II and the displacement of some 20,000 Japanese from their homes and properties which were subsequently sold. It was possible, using the provisions of this Act, to forcibly detain hundreds of Canadians during the FLQ kidnappings of October 1970. It was also possible at that time to use the legislation to authorize police raids on students and peace activists in Manitoba and Ontario.

Once the Act had been invoked and the powers given, Governments were very slow to remove them. The Act invoked in 1914 was in force until January 1920. The War Measures Act was invoked during World War II and was in force until 1951. Following the invocation of the Act in 1970, it was kept in force until April of 1971.

It has obviously been very easy for a Government of Canada to invoke a crisis atmosphere. In 1970, it was done very quickly and easily and, in the minds of many people, often for the wrong reasons. It was not because the Government feared an insurrection or an apprehended insurrection, but that it wanted to choke off legitimate democratic dissent in Quebec. It tried to permanently stop the growth of the independence movement in that province and, as some people said, to put Quebec in its place.

We know, Mr. Speaker, that it did not stop the growth of the independence movement. In fact, I would maintain, and many people would agree with me, that it was the incarceration of more than 200 people, none of whom were terrorists or revolutionists, but obviously nationalists, which led, to a large extent, to the rapid growth of the Parti Québécois and to its winning of an election using democratic means. Those were political aims and were not security matters at all.

Of course, as I indicated in my earlier remarks, it is very difficult to deal fairly, objectively and cooly with an issue when there is what the public perceives to be a very dangerous situation. It is very difficult for a government or parliament to deal with that. I know because when I, and most of my colleagues who were Members of Parliament at the time, voted against the War Measures Act, our constituents thought we were doing wrong. Nearly all the provincial Governments supported the then Government. We were alone. But later, the then Leader of the Official Opposition, the Progressive Conservative Party, the Right Hon. Robert Stanfield, praised our Party. He did not do that when we voted against the measure, he did it much later.

• (1120)

It is obvious to me and to others that the position we took was to a large extent vindicated and proven correct by subsequent events. I say that because, despite the claims made by the then Minister in the Liberal Government, Mr. Marchand, that there were thousands of members in the FLQ organization, the fact is that there were only a handful of people and there was no danger or threat of a revolution. It was the present Leader of the Official Opposition (Mr. Turner), the then Minister of Justice, who promised that the reasons the Government imposed the War Measures Act would be explained at a suitable time. That suitable time never came. We still have never had from him or from the former Solicitor General any explanation as to why the War Measures Act was imposed at the time.

As I have already indicated, even the political aim of smashing the separatist movement failed. In fact, the action was counter-productive because it was responsible to a large extent for the election of a PQ Government in 1976. It is perhaps easy to be right with hindsight but, in this case, members of the New Democratic Party were right at the time. Some of us paid for it politically.

Having had that experience, I would want the successor legislation which we are discussing at the present time to be far better than what we had. In this way the kind of misuse of the Act and the way in which people have been mistreated, for example, the Japanese, the Jehovah's Witnesses and the people in Quebec who were mistreated and lost their democratic rights, would not happen again. We are not satisfied that the Bill we are discussing today will accomplish those aims or see that the excesses which were permitted on using the War Measures Act will not be used again.

Let me point out some of the difficulties we see with the present Bill. The public welfare emergency which is dealt with in Clauses 3 and 6 of the Bill directly affect the provision of goods and services in Canada during an emergency. As such, it is seen as legislation which can be used to end legitimate labour stoppages. The Canadian Civil Liberties Association stated in its submission to the Minister of National Defence (Mr. Beatty) on October 5 of this year the following:

> Despite the economic disruptions which may be inflicted by strikes in the post office, the railways, or even the auto industry, we would be loath to see them become ready targets for emergency powers.
>
> While there may be some circumstances in which some strikes have to be terminated in the public interest, we believe it is preferable that such action be taken in the context of well-balanced labour legislation or by specific statutes narrowly addressed to specific circumstances.

I point out to Hon. Members that that is precisely what we have done with regard to the Post Office and the railways and what we might very well do in respect of the current airline dispute at Air Canada. We do not need that type of provision in this Bill.

Public order emergency is defined in Clause 14 of the Bill as "threats to the security of Canada" based on the Canadian Security Intelligence Service Act. How can we be sure that the distinction between subversion and dissent will be respected? CSIS is having great difficulty in doing so.

As I pointed out earlier, we have as an example of that the surveillance performed by the RCMP and CSIS of poor Nick Turnette in Winnipeg. Many things can be said of him, but he has certainly never said or done anything no one who knows anything about Winnipeg or Nick Turnette would suggest it for a moment—that could be classified as subversive. It would be ludicrous and laughable if it were not so sad to see how the activities of CSIS are being misused.

International emergency is defined as a threat to any country in which the political, economic or security interests of Canada or any of its allies are involved. That is contained in Clause 25 of the Bill. It is far too broad a power. Who would want to threaten someone with sanctions for simply carrying out normal business practices that could be construed as against the interests of Canada or its allies? The Canadian Civil Liberties Association points out that there are few places in the world in which Canada or its allies do not have political, economic or security interests.

War emergencies in this Bill are virtually unchanged from the provisions of the War Measures Act. Is this really good enough for a country which has seen such rapid development in human rights legislation and organization over the past 20 years?

In conclusion, I want to say that the Minister was quite critical of the excesses of the War Measures Act in his remarks, and quite properly so. A body which acted against the War Measures Act in 1970 is the Canadian Civil Liberties Association. If the Minister is sincere about wanting to remove the excesses of the War Measures Act he should listen carefully to the association. It certainly does not support the Bill as he has drafted it.

In its submission to the Minister the association has asked time and time again for more precise drafting and specific definitions of the powers being granted to the Government under the provisions of this Bill. In the end, it makes 23 recommendations to improve the Bill. The recommendations are as basic as wanting a simple definition of the word

"emergency" so that the law can only be invoked when there is imminent and serious peril to the lives and health of many people. It also asks for an independent adjudicator appointed by the Canadian Labour Relations Board to award compensation for those ordered to perform duties in connection with the use of emergency powers. It also asks that the Government accept the duty to provide compensation for those injured by the exercise of emergency powers. Surely, if the experience with the Japanese Canadians is to mean anything, then there must be a clear-cut responsibility to negotiate compensation—not just the power to do so but the duty to do so. After all, the Japanese have been waiting 45 years, and they still have not received compensation for the injustices perpetrated upon them.

Finally, the association makes a request to limit the Government's power to prohibit and regulate assemblies during public order emergencies. As the association states, the right of assembly is fundamental to a democratic society, and perhaps it is the key right to achieve the goals of democracy. In the words of the association:

> In so many ways, the right of peaceable assembly serves as a prerequisite to the existence of other freedoms. It represents one of the most potent ways that citizens can challenge excesses of government power. Indeed, one of our concerns is that this power might be used to prevent legitimate critics from effectively calling into question the very declaration of a public order emergency.

In the end, democracy must hold sway, if our form of government is to mean anything at all. If a government limits or even threatens to limit the power of assembly we have the very real possibility that force will be substituted for democratic principles. I remind Hon. Members that that is precisely what the Government of South Africa does in order to maintain the power of the white minority over the huge black majority in that country. We do not wish that situation to even be possibly used in Canada.

• (1130)

We ask, do we not have confidence in our democratic ways? In this legislation can we not say that the democratic rights of Canadians come first and limitations on them must always be tightly drafted to cover specific situations in order that the climate of repression and fear, which has too often been used by Governments in the past, will be replaced by confidence in our people and in their inherent democratic sense?

For the reasons that I have outlined, we will not vote for this Bill, certainly not in the form in which it is drafted at the present time.

Mr. Blackburn (Brant): I listened with interest to the Hon. Member's speech on Bill C-77. Would the Hon. Member care to comment or expand upon an issue that I raised yesterday in my speech when I questioned whether this type of legislation should come in under the auspices of the Minister of National Defence (Mr. Beatty) rather than the Minister of Justice (Mr. Hnatyshyn).

My feeling then was that this legislation would be used mainly in peacetime; it would deal with disorder and disruption within the country when we were not at war. War is certainly the most unusual and most unlikely type of situation in which this legislation would be used. In stating that, I do not in any way cast negative aspersions on the integrity, honesty, or ability of the Minister of National Defence. I meant it more in an academic manner.

I wish to ask the Hon. Member for Winnipeg North (Mr. Orlikow) if he agrees that legislation like this should be in the civilian domain as opposed to the military.

Mr. Orlikow: I certainly agree with the Hon. Member for Brant (Mr. Blackburn). I can only speculate and guess as to why it was the Minister of National Defence who brought in this Bill. I suppose the reason is that once the Bill is imposed it is the Armed Forces that carry out its provisions.

I certainly agree with the Hon. Member for Brant, both in principle and in fact, that this is a matter which deals with the whole question of justice, controls, and a reduction of the democratic rights of the people that are involved in the use of this Act. Therefore, I believe that this Bill should have been brought in and a decision to implement it should be made by the Cabinet on the recommendation of the Minister of Justice (Mr. Hnatyshyn) rather than the Minister of National Defence.

My view has nothing to do with how I feel about the present Minister of National Defence, the Minister of Justice, the Solicitor General (Mr. Kelleher), or any other Minister. It is pretty obvious to me that this Bill should have been dealt with as a matter of our whole system of justice and how it affects the democratic rights and freedoms of the people of Canada.

Mr. Hopkins: I wish to ask the Hon. Member for Winnipeg North (Mr. Orlikow) if he believes that the clauses dealing with international conflict and war are strong enough or too strong, and if he agrees that strong measures are needed for direction under those particular circumstances?

The second question I wish to pose deals with the compensation part of the Bill where, under Part V, a Federal Court judge becomes the assessor to assess cases when complaints come requiring compensation for citizens of Canada. First, they decide whether the citizen has a case in point, and whether he or she deserves compensation. They have the authority to make that decision under this Bill. After the case is heard, and if the citizen is not satisfied with the decision, the only manner in which the case can be appealed is back to the Federal Court where the decision came from in the first place. The Federal Court assessor or judge will then make a recommendation to the Government.

The one thing that the assessor cannot do is increase the amount of money as far as the Government is concerned, because it has already put a ceiling on what it will pay by way of compensation. Clause 50(3) states in part:

(3) The decision of the Assessor on any appeal under this Part is final and conclusive and is not subject to appeal to or review by any court, except in accordance with Section 28 of the *Federal Court Act*.

That latter part simply means that there is no appeal as long as the court follows the due process of law and the rules of natural justice. If the court does not base its decision on a mistake of fact or law, or interpretation thereof, in essence what it means is there shall be no appeal.

Does the Hon. Member feel that in this particular clause the Government is in fact setting up its own legal system to manage this Bill? Indeed, is it being its own decision maker in the end? It is the one that will decide whether or not a Canadian citizen deserves compensation.

It is interesting to note that under the War Measures Act a Canadian citizen had the right to take a case to a county or district court and from there they could automatically go to the Supreme Court of Canada. We know that that is a long route, but a citizen did have that option. Is it fair that a Canadian citizen should stop at the Federal Court of Canada and not have access to the due process of law throughout the legal system of Canada from the bottom up to the Supreme Court of Canada?

Mr. Orlikow: I am not a lawyer, and obviously I am not an expert. I am hesitant to give answers to the somewhat technical questions asked by my hon. friend. However, let me state that I am very doubtful that I would wish to support any legislation which states that there can be no appeal from a decision made by any judge. I certainly have reservations about that question.

In respect to the question on involvement in international matters, I wish to put on the record the view of the Canadian Civil Liberties Association in one of its recommendations for changes in this Bill. It states:

A re-definition of international and war emergencies so as to avoid situations made possible by the current Bill in which emergency powers could be invoked in Canada in response to innumerable and various circumstances elsewhere in the world that only remotely, if at all, affect Canadian interests.

In their brief they use an illustration that Canada has some business and commercial involvement with companies in Indonesia. They say that if there were some kind of emergency or revolution in Indonesia our involvement there, which would be very tenuous, might be used under the provisions of this law to invoke the Emergencies Act in Canada.

• (1140)

I do not feel I could give a more specific answer than that. It points out my feelings and the feelings of the Canadian Civil Liberties Association and the Canadian Bar Association, that before the Bill is passed a great deal of very careful consideration must be given to it clause by clause.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Madam Speaker, the second reading of the Emergencies Bill has helped to put some distance between us and the memories of the War Measures Act that still come back to haunt us.

When the Emergencies Bill and the Emergency Preparedness Bill were tabled on June 26 this year, the Minister of National Defence (Mr. Beatty) laid bare the fundamental defects of the present legislation.

"Experience has shown", he said, "that the War Measures Act does not provide for the desired moderate response to national emergencies in peace time. History's painful lesson has been that the Act gives the Government sweeping powers without any guarantees for the fundamental rights of Canadians".

The time has come, not to rewrite history but to prevent a tragic repetition. By adopting this new legislation, we will also bring Canada's laws in line with this country's international reputation. The Summit meeting of heads of state and heads of government from Francophone countries held recently in Quebec City demonstrated the prestige Canada enjoys among both rich and poor nations. Canada owes its reputation to the hospitality, the readiness to share and the respect for the differences of others that is customary among Canadians.

In this context, the War Measures Act is shockingly out of place. It is surprising, to say the least, that Canada is practically the only democratic country—unlike its provinces and territories—that does not have appropriate legislation to deal with emergencies.

The Emergencies Act will correct this anomaly so that the Government will be able to respond to national emergencies through the use of means that, while extraordinary, will be limited to what is strictly required. The Government will be in a position to deal with four main types of national emergencies: public welfare emergencies, public order emergencies, international emergencies and war emergencies.

The Emergencies Act will provide for parliamentary review of the use of emergency powers and their revocation. It will oblige the Government to return to Parliament for any renewal or amendment of a declaration of emergency and to answer to Parliament for the use of these powers. The legislation will limit where and when emergency powers are used and will make it possible to respond appropriately to each type of emergency. Finally, it will enable the Government to act quickly, thus limiting physical injury or material damage.

The *Emergency Preparedness Act* will also reflect the federal Government's desire to be able to respond more appropriately to the needs of Canadians in a state of emergency. It is in this perspective that the legislation will define the role, responsibilities and mandate of Emergency Preparedness Canada.

Furthermore, with the tabling of this Bill, the 1981 *Emergency Planning Order* has been repealed. The Order was criticized because of its wording, which was very open to misinterpretation, and its legal basis. In fact, it was based on a royal prerogative, not a statute, and has now been replaced by

a Cabinet directive until orders arising from the new legislation can be drafted.

There are times when the subject matter of certain Bills is so important that unanimity should prevail over partisan concerns.

The legislation we are considering on second reading today fits this category.

Madam Speaker, the abolition of the War Measures Act and replacing it with new legislation means the end of a nightmare for those of us who are from Quebec and comes in response to a requests made by Members of all Parties represented here, requests that still echo between the walls of this House.

Madam Speaker, as a Quebecer and a Canadian, I am proud that I and, with me, all Members of this House are being asked to turn a stormy page in our history and write another, more peaceful chapter.

The Acting Speaker (Mrs. Champagne): Questions or comments. Resuming debate. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

[*English*]

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I welcome the opportunity to make a few remarks on Bill C-77 respecting the Emergencies Act. We should begin by recognizing that all Members of the House and most members of Canadian society would agree on certain basic principles. I think it is helpful if we begin from a recognition of those principles.

If we take the most minimal definition of government, we would agree that it exists to provide for the good order and security of our society. We would agree that a government must have adequate power to protect society from threats to good order and security. We would also agree that in granting such adequate power to government Parliament must build in adequate protection for the rights and liberties of groups and individuals.

There is a recognition that emergency powers themselves can create a threat to the good order of society if those emergency powers are abused. Indeed, the Canadian Civil Liberties Association suggests that the abuse of the War Measures Act in 1970 was a contributing factor to the subsequent abuse of human rights by the RCMP. It quoted the testimony which RCMP Sergeant Robert Potvin gave to the McDonald Commission. When referring to the War Measures Act, he said:

> And so, in our minds, while the Act had been revoked, the situation had not changed, and that to some extent many of the same measures that had been used at that time seemed to us to be still necessary. And so there was a kind of attitude, if you will, that prevailed among those of us that were doing the work.

It is absolutely essential that adequate power for government to protect against threats to society must be balanced by adequate protection for groups and individuals so that these powers are not abused.

We all know the saying of Lord Acton: "Power tends to corrupt; absolute power corrupts absolutely". It is a fact that in a time of crisis a panic atmosphere often develops which allows the Government and the authorities to take action which would not be allowed in a time of more sober reflection.

• (1150)

This measure gives the Government much wider latitude to deal with situations than Canadian people would wish, in a time of reflection. Individual rights would be ignored or trampled upon. Right now we are in a time of comparative calm when we should be able to look at Bill C-77, the Emergencies Act, in a spirit of reason, looking at both sides of the question.

In general, while maintaining the balance between the requirements of the state and the need to protect the rights of individuals, Members of the Opposition might be expected to champion the rights and liberties of individuals and to oppose strongly the increase of government bills at the expense of those rights. Conversely, government Members might be expected to insist on broad enough government powers to deal with any conceivable emergency. These are the traditional roles that the Government and the Opposition have tended to play in Parliament when dealing with this kind of emergency legislation. Perhaps this might be a very good time to have this kind of a debate. We are not that far away from an election when it is very likely that we will be changing which side of the House we sit on. It is a good time for us to be thinking about the arguments of the other side.

New Democrats, as we contemplate the possibility of being in Government, will want to ensure that government will have adequate authority to deal with emergencies even as we continue to be concerned about the need to protect individual rights and liberties. I am sure that government Members will want to be thinking of the time not too far distant when they will be sitting in opposition. They will not want the Government to have undue powers. I urge government Members to have that medium term point of view—not a long term point of view but a medium viewpoint, instead of an exceedingly short term one.

We can look at the way in which the old War Measures Act has been abused. I think all Members here recognize that fact, and feel it is long overdue for the scrap heap of history. When we look at the old War Measures Act we see a couple of very shameful incidents in Canadian history, perhaps the foremost of which is the deportation from British Columbia and the internment of the Japanese during World War II. This is something that cannot be considered by intelligent Canadians without a sense of shame.

I said that we should be conducting this debate this morning in an atmosphere of a spirit of reason. At the same time we have to bring a certain degree of commitment and emotion to

this debate. When we look at the way we treated the rights of Japanese citizens in Canada during the Second World War we cannot feel anything but shame. These people were forcibly evicted from their homes, their homes were seized, their businesses and properties were expropriated, they faced restrictions on travel and their families were separated. Ken Adachi in his book *The Enemy That Never Was* points out that no Japanese was ever convicted of espionage and yet we treated the Japanese as being enemies of Canada solely on the basis of race, a most shameful example of the way in which we trampled upon the rights and liberties of Canadians. The native born nisei and the naturalized issei, that is the Japanese who had been born in Japan and had come over here and taken up Canadian citizenship, were treated worse than the issei aliens, that is the Japanese who had come over here and had never taken out Canadian citizenship, because the issei who had never been naturalized were under the protection of the International Red Cross and the Spanish embassy. We treated our own citizens more shamefully than the aliens who were still citizens of Japan, a country with whom we were at war at the time. That was a shameful incident in Canadian history.

We could look at the false emergency of 1970 when the War Measures Act was proclaimed, and yet the reasons for the proclamation of that War Measures Act have never been justified. We have heard many times what the then Minister of Justice who is today the Right Hon. Leader of the Opposition (Mr. Turner) said, that it was his hope that someday the full details of the intelligence upon which the Government acted can be made public because until that day comes the people of Canada will not be able to appreciate fully the course of action which has been taken by the Government.

Certainly the Members of our Party, the majority of whom voted against the imposition of the War Measures Act at that time, would very much like to have the details of that shameful situation made public. From everything that can be determined right now there was absolutely no justification for that Draconian law being applied at that time. Four hundred and ninety-seven people were interned, in most cases for no other crime than the crime of believing in Quebec nationalism, having exercised their democratic right to speak and organize in favour of Quebec nationalism. Fewer than 20 of that 497 were convicted, mostly on minor charges to which they pled guilty. Indeed, René Lévesque pointed out that we cannot help thinking and saying that this degradation of Quebec was intended quite deliberately. He says that "the half Government", referring to the Bourassa Government, "we had until now has been swept away by the first hard blow". He added that:

> the Québécois are witnessing an operation aimed solely at 'disorganizing and dislocating, or at least trying to compromise and demoralize as much as possible, most of the groups and organizations that give a democratic expression to the Québécois' most legitimate aspirations and collective needs".

That is the way in which René Lévesque saw the imposition of the War Measures Act at that time when he was working for what he considered to be the best future of Quebec, a person who the present Prime Minister (Mr. Mulroney) spoke of as being perhaps the greatest democrat that Canada has ever seen. Perhaps that is the typical hyperbole of the Prime Minister but certainly René Lévesque had a great commitment to democracy. Yet he saw the imposition of the War Measures Act as a deliberate attempt to trample the rights of the Québécois into the ground.

It is this completely unjustified use of power under the War Measures Act that we objected to at the time. Finally the then Leader of the Opposition, Robert Stanfield, admitted that he had been wrong in supporting the War Measures Act when it was imposed in 1970. It is well past the time when it should be disposed of. It should no longer be in the statute books of Canada. If for no other reason, I welcome the introduction of Bill C-77 for the statement in one of its clauses that the War Measures Act is hereby repealed.

We have, however, a lot of problems with Bill C-77 itself. As the Canadian Civil Liberties Association points out, it in turn gives very sweeping powers to the Government in times of emergency. It defines four different kinds of emergency. It talks about public welfare emergencies, times of civil disorder, international emergencies and war emergencies.

Clause 38 gives the Government complete *carte blanche* in terms of war emergencies. Let me read Clause 38:

> While a declaration of a war emergency is in effect, the Governor in Council may make such orders or regulations as, in the opinion of the Governor in Council, are reasonably necessary or advisable for dealing with the emergency.

The preamble says this Act has to be subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights. We can ask whether Clause 38 does not give the Government such complete power that the Charter would have very little effect. Indeed, it is questionable whether this does not give the Government the kind of power which would have allowed it to treat the Japanese in the shameful way in which they were treated in World War II had this been the law of the land at that time.

• (1200)

The Civil Liberties Association points out that the powers that are granted to the Government under this legislation tend to be too broad and too sweeping for the crises with which they are supposed to deal. In turn, the emergencies are too vaguely defined. The Civil Liberties Association suggests that there should be a much tighter requirement for the Government to justify its need for this kind of legislation, to point out to the Canadian people, Parliament, and the courts why the existing legislation is not adequate to deal with individual crises as they arise. Instead, it is only necessary that the Government declare that such an emergency exists in the opinion of the Governor in Council.

One of the provisions of this Act which may be forward-looking is the provision for compensation, Clause 46. Unfortunately, when we look at Clause 46 we see:

> (3) Any sum recovered by the Crown pursuant to an action under subsection (2) shall be applied

(a) first, to payment of the costs actually incurred in the action and in levying execution, and

(b) second, to reimbursement of the Crown for the compensation paid to the person whose rights were subrogated, and the balance, if any, shall be paid to that person.

We are talking about a great new right of compensation for individuals who suffer from the imposition of this Act, yet when it comes to them receiving any financial compensation they are last in line. The Government looks after the recovery of funds for itself first.

In Part VII, Consequential and Related Provisions, there are some amendments to the Energy Supplies Emergency Act, 1979. The Energy Supplies Emergency Act gives the Government powers to deal with our energy supplies in the event of an emergency. I hope I will learn in committee how that Energy Supplies Emergency Act will be affected by the Mulroney-Reagan trade deal which says that in the event of any kind of energy shortage the United States will have access to Canadian energy supplies in the same proportion as they have in the past. How will that impact upon the Canadian Government's power to control energy supplies in the event of a national emergency? I suggest that that power is being very seriously compromised.

The Canadian Civil Liberties Association has made a number of very positive suggestions that should be considered very seriously by the committee. Perhaps the most basic is that the Government should create and circulate a working paper for Members of Parliament and the public. The paper should link the kind of anticipated emergencies that provoked this Bill with the kinds of powers with which the Government seeks to address those emergencies. In other words, the Government should be much more specific.

All sides of the House have agreed that we want to move away from the Draconian legislation that we had under the old War Measures Act. We are looking for a new regime, a new provision that will give the Government sufficient power to act in the event of emergencies. We are all agreed on that, but we must find some way to ensure that the rights and liberties of groups and individual Canadians are protected. We are very concerned that Bill C-77 does not do that.

The Canadian Civil Liberties Association calls upon the Government to produce a working paper so that we can see specifically what the Government is trying to do and how it is trying to do it. Then we can study Bill C-77 in committee in an effort to produce legislation which will do that which Members on all sides of the House want to have done.

Unfortunately, the Bill in its present form does not give the protection for the individual rights and liberties which we feel are essential for Canada to remain a strong democracy. On that basis we are not able to support this Bill. If the Government insists on pushing it through, we look forward to having changes made in committee which will make it more acceptable to the Canadian people.

[*Translation*]

Mr. Ferland: Madam Speaker, I have a question for my colleague. He said the law was very strict. Of course, he referred to the problems experienced by the Japanese during World War II, and I should think that all Hon. Members deplore such incidents. However clause 37 provides that the act remains effective for only one year; in other words, from the moment the war measures are implemented the legislation has to be brought back before Parliament after 365 days, unless it has been repealed before. I should like to know how my colleague feels about clause 37 of the legislation in particular, and about clause 36 as well.

[*English*]

Mr. Manly: Madam Speaker, obviously the limitation of one year is helpful, but Clause 41 provides that the Act can be continued for a further period of 360 days and that it can be repeatedly continued. Therefore, the limitation of 360 days means that there will be a review at the end of one year and that it may then be continued. I do not believe that that will in any way safeguard the rights of people who are being impacted upon. As we all know, in 1970 the War Measures Act did not need to be in effect for a whole year in order to affect very seriously the rights of the people of Quebec.

[*Translation*]

Mr. Ferland: Madam Speaker, my colleague is referring to clause 41, so I should like to quote it for the record:

At anytime before a declaration of a war emergency would otherwise expire, the Governor in Council, after such consultation as is required—may, by proclamation—

With respect to consultation, the Lieutenant Governor of each province must be consulted. So this has to be a guarantee provided under the provisions of clause 41, and I would urge my colleague to read them over again.

[*English*]

Mr. Manly: Madam Speaker, we certainly welcome all the additional guarantees in terms of consultations, having to come before Parliament, and so on. However, the fact remains that Clause 38 gives the Government *carte blanche* to make such orders and regulations which, in the opinion of the Governor in Council, are reasonably necessary or advisable for dealing with the emergency. It has those powers for a period of 360 days, which is a very long period in which to take a great many actions. There can then be reviews.

• (1210)

If we look at the kind of climate which existed in Canada towards Japan during the Second World War, and the kind of cumulative racism which was directed towards Canadians of Japanese ancestry, even with the provision requiring a yearly review it would have meant that it probably would have passed the House of Commons.

Indeed, even in 1946, after the war was over, a very respected Conservative Member for whom I have a lot of

respect, Howard Green, was still making some very negative comments about the Japanese, saying they should not be allowed to return to British Columbia, and so on. Therefore, the kind of hysteria and panic which builds up in a situation of crisis seems to validate Governments taking this kind of sweeping action against the rights of individuals. What we are saying in this time of comparative calm, is that we should build into this Act the kind of protection that will not be swept away in a time of panic.

Mr. Hopkins: Madam Speaker, I want to ask the Hon. Member a question about civil liberties, which becomes paramount in a Bill such as this. Perhaps I should ask him if he thinks it is really possible for any government to bring in a Bill of this nature that does not in some way affect civil liberties? I think that is the greatest challenge any political party could possibly have under the circumstances.

The Hon. Member stated that Bill C-77 should be worded in such a way that it did not affect civil liberties. May I ask the Hon. Member what amendments he would look to in order to prevent this from happening?

Secondly, with regard to the review committee process, what if we had 30 Members of the Senate signing a request that the declaration be tabled, or the continuation of a declaration be tabled in the House and be debated; or there could be a request from 15 Members of Parliament for a similar debate, a signed statement and the review committee would go through this. Does the Hon. Member think that, given a massive majority Government, for example, it is possible for that committee to really make an impact? It sounds good—we are going back to the parliamentary process, but does the Hon. Member see a weakness? Could the review committee really make an impact at a time when that committee is obviously going to have a massive majority of Members from the Government benches? Does that not really indicate that regardless of this Bill or any other Bill, the final essence of the administration of the Bill, its fairness, is going to rest with the attitude of the government of the day?

Mr. Manly: Madam Speaker, I thank the Hon. Member for the series of very important questions. First, with regard to whether it is possible for the Government to bring in any kind of legislation dealing with national emergencies which does not affect civil liberties, I will say, no, I think civil liberties will always be affected. However, I would draw attention to a statement made by the Canadian Civil Liberties Association. It said the idea is to make the invocation of emergency powers as politically vulnerable an exercise as we can make it. In other words, the Government should have to be very wary about exercising the powers it would have under any such legislation. That means that we have to build in safeguards.

The kind of amendments I would be looking for would follow the sort of suggestions made in the summary of recommendations of the Canadian Civil Liberties Association. I hope the committee will look at those very seriously and consider them point by point, and in turn that the Government will consider these amendments so that we can provide the maximum protection.

I do not think it is possible to have law that does not in some way impact upon civil liberties, and if I said it was, I really did not intend to do so.

With regard to the review process, I think the Hon. Member has it twisted. I think 15 Members of the Senate and 30 Members of the House of Commons are able to institute the review process rather than the other way around. Certainly, when a government has a large majority, I think it is very difficult sometimes to expect that there will be sufficient people in the Government to stand up and speak out against abuses. However, I still think it is important to have that kind of review process. Even if no corrective action is taken, the very fact that there is a public review process is a helpful stage. Not all governments have large majorities. I would expect that after the next election we will not have a Government with quite such a large majority. In fact, we might even have a minority Government that will be much more sensitive to the rights of individuals.

• (1220)

[*Translation*]

Mr. Marc Ferland (Portneuf): Madam Speaker, it is amazing to see just how anxious NDP mambers are to take office in Canada. But they would have to improve their position in Quebec where, according to a poll taken last weekend, they had only 8 per cent of popular support.

Having said that, Madam Speaker, I suggest that Part IV of Bill C-77 is somewhat confusing. We often get the impression that members of the opposition do not quite understand what this Bill is all about. Part IV of the Emergencies Act concerns "a war or other armed conflict, real or imminent". Part IV of the War Measures Act applied only to war, invasion or real or apprehended insurrection.

According to Part IV of Bill C-77, the declaration of an emergency must be justified and may be challenged. It is important to emphasize that point. Under the present legislation, the declaration of a state of emergency is based on "conclusive evidence that war, invasion or insurrection, real or apprehended, existed". In the proposed legislation, all orders and regulations would be subject to scrutiny by Parliament. No such provision exists at the present time.

Under Part IV of Bill C-77, Parliament might decide to reconsider or revoke a declaration of a war emergency. Such is not the case under the War Measures Act.

Part IV of Bill C-77 will be subject to the Canadian Charter of Rights and Freedoms. The War Measures Act is not.

Part IV of Bill C-77 provides for expiration at the end of 360 days. Continuation of a declaration requires the approval of Parliament. The current legislation provides for no expiry date. In Bill C-77, there are provisions for compensating persons having suffered damage or injury as a result of the

application of the Emergencies Act. The present legislation does not include such provisions.

Finally, before the new legislation takes effect, the provinces shall be consulted and their views reported to Parliament. This is a new provision.

In my opinion, Madam Speaker, Bill C-77 which has been introduced in this House by the Minister of National Defence reflects and meets the expectations of Canadians.

Some may ask why the Minister of Defence is sponsoring this Bill rather than the Minister of Justice. I believe that it is time that Canadians realize, first, what role our army plays in peace time, and second, that emergency measures in Canada come under the jurisdiction of the Minister of National Defence. It is therefore important for the Minister of National Defence to be able to table such Bills and to defend them in this House.

A number of questions have been raised by many Canadians and by Members of the Opposition. I should point out that this does not surprise me on the part of the Opposition as they are often a bit confused. In fact, why is the Government introducing this Bill? The main purpose of the Government is to abrogate the War Measures Act and to replace it by a modern piece of legislation, better adjusted to the reality of the 1990's and the year 2000. Have no fear, Members of the Opposition, we shall still be in power in the year 2000.

How does the Emergencies Act differ from the War Measures Act? The Emergencies Act, which applies to all sorts of emergencies, provides for mechanisms and guarantees which are absent from the War Measures Act. In addition, it provides for compensation in the case of losses, damages and corporal or material injury and preserves the legitimate interests of the provinces. Of course, this Parliament is not used to a Government which consults the provinces and takes their aspirations into account. We now have one and I must say that the provinces are very happy about it. And this will certainly continue for a long time.

The other questions people are asking are: Which guarantees are offered by the Emergencies Act? What are the procedures to follow? How will the legislation protect fundamental rights and freedoms in an emergency? First, the Act is subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights. It is also in compliance with the 1967 International Covenant on Civil and Political Rights of the United Nations in relation with the inviolable nature of certain fundamental rights, even during national emergencies. What would be considered an emergency and what are these rights? These rights include the right to life, the right to be protected from torture, inhuman punishment and slavery, the right to protection from the retroactive application of sanctions and the right to freedom of thought, conscience and religion. In fact, other guarantees give Parliament the right to examine the use of emergency powers. Thus, the Government will have to give Parliament a concise explanation of the reasons why it has invoked the Emergencies Act, the opportunity to debate the issue and details of the special measures it is considering to deal with the situation.

Other guarantees which do not exist in the War Measures Act restrict the use of special emergency powers by the Government. These major restrictions have to do with a time limit, a geographical restriction to resort to emergency powers, the obligation to secure parliamentary authority to cancel the declaration of a crisis situation, the obligation to consult the provinces before implementing the act, and in the case of an emergency situation in only one province, the obligation to wait for the province to make a formal application before declaring a state of emergency. What a change from what we witnessed in the past!

In fact other Canadians are wondering why the Government now introduces this legislation. Indeed, we are honouring an election promise. Members of the Opposition are always taken aback when they see the Government living up to its election promises. I must say that right now most of our promises have been honoured, and it will not be long before we fulfill all our 1984 promises.

Recent catastrophic incidents in other countries—I have in mind the tragic accidents at Bhopal and Chernobyl, tornadoes in central Ontario, earthquakes in Mexico, and increasing international terrorism—are example of events which have made Canadians fully aware of the ever present and growing threat of a major crisis.

The October 1970 crisis underscored the gap between ordinary legal mechanisms provided under such legislation as the Criminal Code and the National Defence Act on one hand, and the extraordinary powers available under the War Measures Act on the other hand. Those who were in Quebec during the 1970s will remember the situation in which Quebecers were living at the time.

What is actually missing from our federal legislation in order to address an emergency? The laws of this country that deal with emergencies and grant special powers have many flaws. First, the War Measures Act is commonly viewed as being too vague and too drastic for public welfare emergencies and public order emergencies in times of peace. The few other provisions in other federal laws that can be used in emergencies have many loopholes. They are little more than a piecemeal mixture with little safeguards. The passing of emergency bills that might be put together in the hustle and bustle of an emergency could give rise to hasty actions frought with passions or excesses. Moreover, their passing would be delayed if the Government was not sitting and would become impossible if Parliament happened to have been dissolved at the time of an emergency.

The question often arises as to why the legislation is divided into four parts. Well, each definition is designed to limit the scope of each part of the Act to a specific, carefully delineated type of emergency. The powers available in each part are scaled to the type of emergency covered by each. In the majority of cases, one part only would be invoked, but under

exceptional circumstances it would be possible to simultaneously invoke several parts of the Act.

We are asked by Canadians what types of situations the Bill will cover. We say that the Emergencies Act will only apply to national crises. The emergencies that could give rise to a national crisis have been divided into four groups: public welfare emergencies, public order emergencies, international emergencies and war emergencies.

What is a public welfare emergency? A public welfare emergency results from a natural disaster or accident so serious as to be a national emergency. The provisions dealing with emergencies are designed to allow the federal Government to mobilize the resources of the nation as a whole in order to meet a very serious disaster. All provincial and territorial governments have enacted emergency legislation to meet public welfare emergencies within their jurisdictions. Provinces and territories have acquired sufficient ability, resources and experience to meet most public welfare emergencies, by themselves or with the help of the Canadian Government, provinces or neighbouring territories. However, in a national emergency, the vast mobilization and coordination operation which might become necessary could only be organized by the federal Government.

When the direct effects of an emergency are felt mainly in a single province, the Emergencies Act provides that a public welfare emergency can be declared only if the province indicates that the emergency exceeds its own capacity or authority to deal with it. In serious emergencies which affect several provinces, all the provinces involved have to be consulted before the Act is invoked. In addition, the Act provides that the control or direction of a province over any police force over which it normally has control or direction, including the RCMP, will not be affected.

Canadians can therefore be assured that the Act will not be used lightly to deal with minor or localized emergencies.

What is a public order emergency and why does the Act apply to such emergencies? These are other questions asked by Canadians.

The Emergencies Act defines a public order emergency as an emergency that arises from threats to the security of Canada and that is so serious as to be a national emergency. The threats to the security of Canada are defined in the Canadian Security Intelligence Service Act and concern mostly spying, sabotage, subversion, terrorism and attempts to overthrow the established Government. Legitimate dissidence is explicitly excluded.

The purpose of Part II of the Bill is to establish measures of limited application providing fully satisfactory guarantees to face such threats when they constitute a national emergency and when ordinary provisions prove inadequate. If the effects of the emergency are limited to a single province, this province must indicate that it is unable to deal with the emergency by itself before the emergency can be declared under the terms of Part II of the Act. In all cases, the Government will be obliged to consult the provinces affected by the emergency before invoking Part II of the Bill. The provisions of the Criminal Code will continue to be used to deal with emergencies of a less serious nature caused by instigators of public disorder.

People are wondering what the purpose is of Part III and why it is essential to the Bill. Part III of the Emergencies Bill deals with international emergencies. It gives the Government fully safeguarded and appropriately limited exceptional powers to act quickly in case of a serious international emergency, without having to resort to the draconian and controversial powers it is given under the War Measures Act. Before proclaiming a state of emergency under this part of the Bill, the Governor in Council must consult all the provinces to the extent that, in his opinion, it is appropriate and practicable to do so.

Part III enables the Government to take and implement, in co-operation with our allies, preventive and preparatory measures of a civil, military, economic and diplomatic nature to deal with the emergency and reduce tension. At the same time, it enables the Government, if necessary, to put the country in a state of preliminary preparedness for war, to start the process of mobilizing civilians and to take steps for emergency preparedness. Consequently, it acts as a deterrent against acts of aggression that are contrary to the interests of Canada or those of our allies.

What does Part IV say? Part IV of the Emergencies Bill deals with war emergencies and provides additional, fully safeguarded and appropriately limited powers to deal with such emergencies, powers that would not be provided under Part III. Part IV would apply only to a real or imminent conflict involving Canada or its allies.

So what is the purpose, Madam Speaker, of the War Measures Act and what are its shortcomings? The War Measures Act was passed by Parliament on August 21, 1914. Not many Members in the House today were present or even born at the time this Act was passed.

When World War I broke out, the Act was passed without dissent after only one-half hour of debate. It contains very few guarantees for protection of provincial interests, parliamentary review or civil rights. In any case, it will not be said that Bill C-77 was passed in half an hour. We will take the time to consider this Bill, and we want to make sure all Members of this House fully understand its implications.

The War Measures Act was quite similar to the *Defence of the Realm Act* which the United Kingdom passed on August 8, 1914. I am not sure, but there must have been similarities. This legislation was adopted quite hastily. Very extensive powers were thereby granted to the Governor in Council who could proclaim the existence of a state of emergency, then enact such orders or regulations which were deemed necessary or advisable for the security, defence, peace, order, and welfare of Canada. Under the Act, a state of emergency might be

decreed by proclamation and, until it is revoked, this proclamation is conclusive evidence that a state of war, invasion or real or apprehended insurrection exists.

Such a definition does not make it possible for Parliament or the courts to question the assessment made by the Government of an emergency or the need to use the legislation. The British legislation expired a little after World War I while the Canadian legislation has never been revoked. If the Progressive Conservative Party had been in power for longer periods since 1914, it might have had an opportunity to revoke this legislation. But as you can see, Madam Speaker, we are not missing any opportunity; while we are here, we are bringing in major changes.

Mr. Blackburn (Brant): I doubt that!

Mr. Ferland: My honorable friend would have liked to be on the Government's side, but he has chosen to sit in the opposition.

It is generally felt that it is incumbent on the provinces to act to cope with peace time emergencies. In this case, how could one justify the provisions of the Emergencies Act dealing with public welfare emergencies? It may be that a peace time crisis could exceed the capacity or authority of a province to deal with it. In this case, the province or provinces involved could decide to seek the federal Government's assistance.

If a public order emergency occurred, it might be necessary to pool all the resources of the nation to cope with a crisis. Such a major operation could only be undertaken by the federal Government, because it alone has the power to requisition resources and move them from one province to another to meet an emergency situation. The provisions of the Act will make it possible for the federal Government to respond quickly to a province seeking an emergency declaration, pool the resources of the nation to meet the crisis, send help and divide in a fair way the burden of an intervention or the means to remedy the situation.

Where the direct impact of a public welfare emergency is mainly limited to a province, the Government could only declare that a public welfare emergency exists if requested to do so by the province directly involved.

In the case of serious emergencies affecting more than one province, each of the provinces involved shall be consulted before an emergency can be declared to exist.

There are rumors at large, mention is made of civilian internment camps. As you know, there are rumormongers everywhere. I have still a minute left, Madam speaker, so I will conclude on this. This Government has no plans for setting up civilian internment camps. The enactment of the Emergencies Act and the Canada civil protection legislation have nothing to do with that. People should not try to suggest that Bill C-77 will open the door to the establishment of camps for detaining Canadians behind barbed wire. No, this is not in the Bill. Bill C-77 is a bill that was thought out thoroughly and prepared in agreement with the provinces, after numerous consultations. It is a modern piece of legislation that meets the aspirations of Canadians of year 2000.

• (1230)

[*English*]

Mr. Blackburn (Brant): I have a couple of questions I would like to put to my hon. friend and fellow member of the Standing Committee on National Defence. One has to do with a very old legal tenet in British and Canadian law, that is, the right to sue for redress. In this case I am speaking of civil law.

Apparently this Bill would prevent that recourse to the courts. Instead, compensation would come from the Minister, a politician, and not from the courts. If a citizen is not satisfied with the amount of compensation, he or she could not appeal to the courts but only to an assessor who is named by Order in Council, in other words, by that Minister.

I do not wish to put my hon. friend at a disadvantage. I do not know if he has a legal background. I do not have a legal background. But it seems to me that this is contrary to the basic legal right that all Canadians should have, that is, the right to take a grievance, in this case a civil grievance, before the court and have the court, which is outside of the political domain, outside of partisanship, decide on the merit of the case before it, and not go to someone—and I will not call him a flunky—who has been appointed by the Minister to act as an assessor. Would my hon. friend comment on that?

[*Translation*]

Mr. Ferland: Madam Speaker, of course, just like my colleague who sits on the Standing Committee on National Defence, I have no legal qualifications and I am not a lawyer myself.

For the first time however, the measure now before us, Bill C-77, is the first emergencies legislation in Canada recognizing that if Canada or the Government unfairly hurts its citizens by its actions, the latter can hope for compensation.

Unfortunately, Madam Speaker, I lack the legal competence to answer his questions, but I am sure that the committee, when the Bill is referred to it, he and I will call upon legal experts who can reassure both of us.

Mr. Parry: Madam Speaker, the Hon. Member for Portneuf (Mr. Ferland) knows full well that Bill C-77 creates a new category in Canadian jurisprudence, international emergencies. Clearly then the Government has an idea of the kind of crises that would be declared international emergencies.

For this reason, I would like to ask the Hon. Member whether he could give us some examples of the kind of crisis that will be declared under Bill C-77 as being an international emergency.

Mr. Ferland: Madam Speaker, I must say that I am not a jurist and that semantic exercises are always possible, but when we are speaking about an international emergency, we

are all aware of the problems caused by sabotage, bombs, and so on. We only have to watch the evening news on television to realize that international terrorism has become a major problem. I believe that this legislation could eventually allow Canada to come to an agreement with a number of other countries on common measures to fight this international problem. This could therefore be considered as an international emergency and Canada could join with other countries to try to deal with this scourge.

• (1240)

[*English*]

Mr. Hopkins: Madam Speaker, I want to ask my hon. friend a question about the Bill of Rights. He mentioned at the beginning of his speech that the Bill of Rights did not apply to the War Measures Act. He will understand that when the Bill of Rights was passed in 1960 the Diefenbaker Government got a lot of publicity for bringing it forward and passing it. However, that Government made another declaration that the Bill of Rights would not apply to the War Measures Act.

In retrospect, does the Hon. Member feel that the Diefenbaker Government of the day should have let the Bill of Rights take precedence over the War Measures Act, so that some of the things he has been talking about would not have happened?

Also, the Hon. Member will know that the Premier of the Province of Quebec and the Mayor of Montreal requested in writing in 1970 that emergency measures be brought in. Does he feel that the Government of the day did the right thing by acceding to that request, or does he think that that Government should have ignored it? I think this question is very important, because we have heard many comments about the bringing in of the War Measures Act in 1970. However, it must be clearly understood that it was specifically requested by the Premier of Quebec and the Mayor of Montreal.

Did the Government of the day do the right thing or the wrong thing? That is what I am asking my hon. friend.

[*Translation*]

Mr. Ferland: Madam Speaker, naturally, we cannot expect anything but a loaded question from our Liberal friends.

We should perhaps reflect on the situation which existed in Quebec in 1970. Naturally, there had been a request by the Mayor of Montreal and the Quebec Government for the Canadian Government to take action. Did this necessarily mean that the Canadian Government had to invoke the War Measures Act? The Hon. Member is perhaps in a better position to answer because he was in the House then as a member of the Government which was in favour of imposing the War Measures Act in Quebec in 1970.

I believe that the Government could have used other measures and other methods than those provided by the War Measures Act. The Canadian Government used a cannon rather than a fly swatter to kill a mosquito. In my opinion, the Government used an act which was too strong and provided much too extensive powers to deal with the situation.

I then lived in Quebec City, not too far from the Quebec Parliament, and I must say that all Quebecers were surprised one fine morning to find armed soldiers at all the doors and around all Government buildings. There was something of a panic. We must also remember that the physicians were on strike in Quebec at the time. Things were really going well in 1970 in Quebec!

What we have to remember, Madam Speaker, is that if Bill C-77 had existed in 1970, Quebecers would never have suffered what a number of them did suffer. I believe that the Canadian Parliament invoked a much too strict and too strong legislation to deal with the situation at the time. I believe that at the time, the police had the resources to conduct investigations and keep the situation under control. They may have needed additional manpower, but there was certainly no reason to ask the army to act as though Quebec were at war with Canada or one of the provinces. I think the War Measures Act, as it was applied in Quebec, went far beyond what the situation warranted.

I may add that, at the time, I was a private citizen and did not have access to certain information. However, on the basis of what I read in the newspapers and what I was able to find out, I believe that the people who were here in the House at the time and who on the basis of the information they had were capable of voting in favour of proclaiming the War Measures Act in Quebec—I believe those people should have been far more critical and should have realized that this legislation went far beyond what the situation warranted.

The Acting Speaker (Mrs. Champagne): The period provided for questions and comments has now expired. Resuming debate. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

[*English*]

Mr. Althouse: Madam Speaker, I have a question for the Hon. Member.

The Acting Speaker (Mrs. Champagne): The time for questions and comments has now expired. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on debate.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I welcome this opportunity today to take part in the debate on Bill C-77. I listened very carefully to the speeches we have heard in this Chamber, as you have, Madam Speaker, and one thing is pretty clear, and that is that certain Members of other political parties insist that the decision by the Government in 1970 to proclaim the War Measures Act was unwarranted.

[*English*]

As a matter of fact, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) asked a specific and

important question of a member of the Conservative Party, the Hon. Member for Portneuf (Mr. Ferland). He asked whether in fact in 1970 the Government of Canada did the right thing, or whether the Government of Canada at that time should have refused the request made by the Attorney General of a province and a mayor of the largest city in the land. Of course, he did not get an answer to that question. The only answer, albeit inadequate, was that perhaps there was a need for a few more policemen or something like that and that the measures used were far too great—

• (1250)

Mr. Della Noce: Excessive.

Mr. Boudria: Excessive is the word. I thank the Member opposite. The Member has reminded me for a very good reason. He wants to let Canadians believe that the measures were excessive to the requests made. Let me remind you, Madam Speaker, of the request made at that time. I read from the letter:

> Under the circumstances, on behalf of the Government of Quebec, I request that emergency powers be provided as soon as possible so that more effective steps may be taken. I request particularly that such powers encompass the authority to apprehend and keep in custody individuals who, the Attorney General of Quebec has valid reasons to believe, are determined to overthrow the Government through violence and illegal means. According to the information we have and which is available to you, we are facing a concerted effort to intimidate and overthrow the Government and the democratic institutions of this province through planned and systematic illegal action, including insurrection. It is obvious that those participating in this concerted effort completely reject the principle of freedom under the rule of law.

That is the truth, and that was the request made by the Government of Quebec at that time. The request was not to send in six more policemen to patrol some place. Far from it. You have listened very attentively, Madam Speaker, to the statement I have just read from the Attorney General of the Province of Quebec at that time. For Members to stand in this House, either the Conservative Member who has just spoken—incidentally his Party supported the imposition of the War Measures Act at that time—or New Democratic Party Members, pretending that nothing happened, saying that someone in this House in 1970 cooked up this whole thing is just a little less than total honesty.

I read further from a letter sent by the Mayor of Montreal at the time. He said:

> The chief of the Montreal Police has informed us that the means available to him are proving inadequate and that the assistance of higher levels of Government has become essential for the protection of society against the seditious plot and the apprehended insurrection in which the recent kidnappings were the first step.

It is obvious the request made at that time was, indeed, very serious. I am not saying that the War Measures Act was not a blunt instrument. I will agree that it is too blunt an instrument, but you have to remember what was asked for was asked by a duly elected Government of a province in this country and the mayor of the largest city in Canada. Given those two facts, and given the instrument available at the time, it is a little less than honest for some people to claim, in hindsight, some 16 or 17 years later that the wrong thing was done.

Members of Parliament at the time stated, and have stated since, that we needed a new Bill because the War Measures Act was too blunt an instrument. I want to congratulate my colleagues in the Liberal Party for their foresight and objectivity in the way they have dealt with this topic.

When the Liberal Government in the past attempted to reform this law, the only thing we heard was partisan rhetoric from the Conservative Party, which Party refused to let this kind of legislation proceed, claiming that it was a diabolical plot on the part of the evil people in Government who wanted a new War Measures Act so they could use it again at every whim, or some nonsense like that. The present Party in Official Opposition is far more reasonable. We understand there is a need to modify the law. I think Members of this House on the opposition benches should be credited for that. It is my duty to bring it to your intention, Madam Speaker, as I know you would want me to do.

The Bill Before us is a very serious piece of legislation. It should not be taken lightly by the Government or any Member of this House. The Bill with which we are dealing can have, could have and would have an impact on the fundamental freedoms of the citizens of Canada if and when it was used, and hopefully it never will be. Notwithstanding, one needs to be prepared and one needs to have legislation to ensure that our country can be protected while at the same time adhering to a delicate balance so that the rights of Canadians are not trampled upon unnecessarily.

In 1970, like most Members of this House, I was not a parliamentarian. A few Members here have had the honour and privilege of serving here for a number of years, but most of us were doing other things. I was on staff in Parliament here travelling around the corridors of this building seeing people in military gear, battle dress as a matter of fact, carrying guns. Those were indeed very sad things to see. Hopefully we will never again see a day in Canada that would necessitate any kind of similar action.

No one wants this new Bill to be used. It is like buying life insurance. One does not buy life insurance with the intention of reaping the benefits, because obviously that does not happen. The present War Measures Act is a piece of legislation that has been in existence for a long time and is in serious need of amendment. We know, for instance, it was initiated by the then Conservative Prime Minister, Sir Robert Borden. It was passed through Parliament in very little time because our country was at war, or just on the brink of War World War I. Since then the legislation has been used only twice. The second time was during the Second World War and finally during the October crisis of 1970.

[*Translation*]

Madam Speaker, we in the Liberal Party have no intention of drawing out the debate in this House as a matter of course.

What we want is a thorough discussion in the committee that will be responsible for considering the Bill. Subsequently, there are certain proposals, certain concerns and grievances we will want to bring before the House, and we hope that the Government will then make the requisite changes to improve the Bill.

Madam Speaker, I see it is almost lunch time. I will continue my comments later today.

The Acting Speaker (Mrs. Champagne): Order. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

TAX REFORM

FAMILIES—REQUEST THAT GOVERNMENT ACCEPT CERTAIN RECOMMENDATIONS IN COMMITTEE REPORT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Standing Committee on Finance and Economic Affairs tabled a report yesterday containing recommendations on tax reform which show beyond the shadow of a doubt that the Conservative Government and interest groups indicated before the committee report was even drafted that tax reform is unfair to Canadian families.

All Canadians remember the supposedly heart-felt promises of the Prime Minister to the effect that the Canadian family is the corner stone of our society, yet it was this Conservative Government which partially deindexed family allowances, it was this Conservative Government which reduced the maximum amount of the child tax credit.

Mr. Speaker, I urge all Members of the House to put pressure on the Conservative Government and force it to eliminate injustices towards families by endorsing the report recommendations aimed at doubling from $65 to $130 the benefit for the family's third child, raising the maximum income ceiling before reducing the child tax credit, and providing an amount of $130 for children over age 18.

S. O. 21

DANGEROUS PRODUCTS

REQUEST THAT PRESSURE BE EXERTED TO FORBID WAREHOUSING OF NUCLEAR WASTE IN ABITIBI AND NOUVEAU-QUÉBEC

Mr. Guy St. Julien (Abitibi): Mr. Speaker, according to Mr. Hatcher of Atomic Energy of Canada Limited, there are no radioactive waste disposal sites in Quebec, but such provincial institutions as Sherbrooke and McGill Universities as well as the École polytechnique actively participate in the various phases of the program.

In addition, according to a statement made in Ottawa last February 2 by Mr. Ladanyi of the technical advisory committee concerned with the radioactive waste management program, a group of geologists consider that there are a number of potential sites in northern Quebec, particularly south of the 50th parallel.

Mr. Speaker, we all know that these groups work in secret, and today I urge the Inuit, Naskapi and Cree people as well as the residents of Abitibi and New Quebec to put pressure on the Governments of Ottawa and Quebec so that their region not be turned into Canada's garbage dump where highly radioactive waste will be stored and buried.

* * *

ACID RAIN

REDUCTION OF TOXIC EMISSIONS—URGENT NEED FOR GOVERNMENT TO ENCOURAGE ADEQUATE STANDARDS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, 35 countries are now meeting in Geneva to discuss measures to reduce acid rain producing toxic emissions. Unfortunately, from the rumours which have reached us about the *in camera* meetings, it seems that Canada is objecting to strict standards.

At the same time, the Minister of the Environment, (Mr. McMillan) is congratulating himself for the measures being considered and the leadership shown by Canada. What leadership is he talking about? How strange it is to congratulate oneself for maintaining at the present level our emissions of nitrous oxides!

Since these emissions are a major cause of acid rain throughout the world, we should immediately reduce substantially the level of these harmful emissions and eliminate them in the long run. It is time to disassociate ourselves from the unecological acid rain policy of the United States. The Minister of the Environment should stop congratulating himself. It is time for him to insist that his delegation take a firmer stand and support adequate reduction standards.

[*English*]

Congratulations when they are due and not until then.

S. O. 21

THE CONSTITUTION

MEECH LAKE ACCORD—EFFECT ON NORTHERNERS—CALL FOR INFORMED DEBATE

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, I spent the last two weeks in my riding and was concerned to hear many negative comments from northerners regarding the Meech Lake Accord. Not only is the former Leader of the territorial Government contesting the Accord in court, but many Members of the Legislative Assembly are telling northerners they are second-class citizens. I, for one, Mr. Speaker, do not believe that anyone in this country has the right to tell a group of people they are second-class citizens.

As well, it is being promoted on the public airwaves that the Accord enables the provinces to extend their boundaries into the Territories. The only discussion of this nature of which I am aware involves the Inuit of northern Quebec and their cousins in the Territories with regard to the islands off the coast of Hudson Bay which are presently within territorial jurisdiction.

I think it is time that informed debate and intelligent facts be presented to northerners to replace the fear and resentment that are now being promoted.

* * *

INDIAN AFFAIRS

POST-SECONDARY EDUCATION—LEVEL OF GOVERNMENT FUNDING

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I and the members of my Party continue to be perplexed and dismayed by the Government's cutbacks to Indian post-secondary education. We are fundamentally opposed to the recent changes which have been made by the Minister of Indian Affairs and Northern Development (Mr. McKnight) to the Indian post-secondary education assistance program.

These changes are denying Indian students access to post-secondary institutions. Hundreds of Indian students who have been accepted into these institutions are having the doors shut on them because of the Minister's lack of support.

How can the Minister, on the one hand, advocate Indian self-government and economic self-sufficiency and, on the other hand, put a cap on the number of Indian students who may receive post-secondary education assistance? Does the Minister not see the inconsistency here? He should be aware that many Canadians students and educators, Indians and non-Indians, do see the inconsistency. If he does not revoke these regressive measures himself, a new Liberal Government will certainly do so.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—SUPPORT EXPRESSED BY CANADIAN CATTLEMEN'S ASSOCIATION

Mr. William G. Lesick (Edmonton East): Mr. Speaker, there is an illusion, a dangerous illusion, that those who favour free trade are somehow less Canadian than those who oppose it. We are seen as prepared to sacrifice our culture and our sovereignty to the interests of material gain. We are even portrayed—as disposed to political union, all because we state that we are prepared to trade and compete openly with our neighbours. This is ironic, for the survival of Canada, as a sovereign and cultural country, depends greatly upon our prosperity. The weak are more readily absorbed than the strong, the timid more easily than the confident.

These words were spoken by representatives of the Canadian Cattlemen's Association on behalf of more than 100,000 members at this morning's meeting of the Committee on External Affairs and International Trade. I believe they are worthy of the consideration of all Members of Parliament.

Alberta cattlemen, who produce 40 per cent of Canadian beef cattle, support their colleagues from coast to coast and are in favour of free trade with the United States. Their history is Canada's history and what is good for cattlemen is good for Canada.

* * *

TAX REFORM

DEFERRED TAXES OWED BY CORPORATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, for years NDP Members of Parliament have argued that our tax system makes poor and middle-income Canadians pay too much and less wealthy individuals and large corporations pay too little, indeed, often no taxes at all.

Now the Committee on Finance and Economic Affairs of this House, which is comprised of a majority of Conservatives, has confirmed the truth of our analysis. It calls for taxing the banks and large corporations more and closing the loopholes in our tax laws which have permitted them legally to avoid paying their fair share of taxes.

One of the favourite methods used by these corporations is the provision for deferred corporation taxes. Some corporations will never pay these taxes. Consolidated Bathurst, MacMillan Bloedel, Stelco, Bell Canada and Imperial Oil have availed themselves of this right. There is now more than $30 billion owing to the Government in deferred taxes.

I suggest that the Minister of Finance (Mr. Wilson) change the law so that the companies which benefit from these interest-free loans be required to pay interest on loans.

Eric Kierans once suggested that the interest rate be set at 1 per cent over prime. If the Government adopted that proposal it would collect several billion dollars which could be used to finance programs which are needed, or to reduce the deficit which the Government seems so concerned about dealing with.

* * *

[*Translation*]

PHARMACEUTICAL INDUSTRY

IMPORTANCE OF BILL C-22 FOR CANADA

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Liberals will hold their weekly caucus meeting tomorrow. They will certainly discuss the patent legislation, Bill C-22.

As he did two weeks ago, the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) will try to convince his Leader and the Liberal senators of the importance of Bill C-22 for Canada, Quebec and Montreal, as this would mean 1,300 jobs in Montreal and $700 million in investments.

At this Liberal caucus meeting, the Quebec lieutenant, the Hon. Member for Laval-des-Rapides (Mr. Garneau), should assert his provincial leadership, and the caucus chairman, the Hon. Member for Saint-Denis (Mr. Prud'homme), whom I consider to be very respectful of the House of Commons, should defend the authority of this institution.

It is the moment of truth for the Liberal Members of Parliament. No one will understand it if they are unable to face up to the unelected Liberal members of the Senate, unless the Liberals, especially those from Quebec, have been forced to sign a pact of obedience to the Liberal Government of Ontario. We will know the answer to this question when we see what happens to Bill C-22!

* * *

• (1410)

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT

Mr. George Henderson (Egmont): Mr. Speaker, Canadians no longer use the term "sell-out" when they discuss the Mulroney-Reagan trade fiasco. They now see it as a giveaway.

Canada has given the United States free access to our energy and other natural resources. Canada has lost its right to control its own destiny.

We will now have to go cap in hand to U.S. Congressmen and Senators to seek approval to help our poor regions in times of crisis; our farmers, our fishermen and our plant workers. So it is no wonder President Reagan is now singing a new version of the U.S. National Anthem:

Oh say can you see,

Mulroney has given Canada to me.

Oh how proudly Americans stand,

On what used to be some poor Canadian farmers' land

And of course from sea to sea,

Canada's fishing industry is now ours for free.

America is truly the home of the brave

And Canada now will be the home of the slave.

* * *

PRIVATIZATION

DE HAVILLAND AIRCRAFT—SUCCESS OF PRIVATIZATION

Mr. John Oostrom (Willowdale): Mr. Speaker, the privatization of de Havilland Aircraft has been an outstanding success, vindicating the Government's action.

Since January 1, 1986, when the sale became official, the workforce has increased by 1,000. Research and development has also increased.

Recently, Boeing has proposed an anti-submarine version of the de Havilland Dash 8. The aircraft will incorporate the latest electronic technology, making this one of the world's most advanced systems, as well as having a purchase price of less than half of that of a large anti-submarine warfare aircraft.

In addition, there will be lower operating costs, for it will consume one-third less fuel than the competing four engine turbo-prop.

The aircraft will be available for both advanced and developing nations. Such an aircraft would be a major addition to Canada's Armed Forces where it would be used to ensure our sovereignty, and the product will be built in Canada.

Canada will benefit further, for it will receive new technology which will strengthen our aerospace industry. Furthermore, it shows that private industry is the vehicle which will ensure Canada's economic success.

It is very funny that Bob White and his union, who opposed the deal, are very quiet now.

Oral Questions

WINTER OLYMPIC GAMES

ARRIVAL OF OLYMPIC FLAME IN CANADA

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, today in St. John's the Olympic Flame began its long journey across Canada, to arrive in Calgary next February to signal the opening of the Calgary Winter Olympics.

This journey through Canada's cities, towns and villages will give all Canadians a chance to participate in this great event. While our hopes and our support will be riding with our elite Olympic athletes as they train and ultimately compete against the world's best, this torch relay will give ordinary Canadians—whether they are athletes themselves or, just like the rest of us, proud Canadians—an opportunity to share the spotlight.

I want to take this opportunity to congratulate the organizers of this event, and especially to congratulate the thousands of participants and volunteers whose efforts in this relay will truly make the Olympics the kind of success that all Canadians want.

To our Olympic athletes, let me say that our best wishes are with you as you go into your final months of training. We know we will be proud of you.

* * *

[*Translation*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF OPPOSITION

Mr. Guy Ricard (Laval): Mr. Speaker, the Free Trade Agreement covers an innovative range of disciplines such as telecommunications, computer science, tourism, architecture and engineering, which provide a wide range of services.

Canada and Quebec are net importers of services, especially in engineering. Lavalin in Montreal, for instance, is known the world over for its specialized engineering projects.

However, opening up markets for services is not enough. There must be free trade in services.

Today, communications and management consulting firms in Quebec are asked by companies to coordinate their product planning, production and distribution.

The two Opposition Parties claim that the Free Trade Agreement is worthless and should be scrapped.

Why are they denying professionals in Quebec a chance to take advantage of an additional market of 250 million customers? Why are they denying Quebecers a slice of the same pie Ontario is eating? Isn't Quebec part of Canada too?

[*English*]

EDUCATION

POST-SECONDARY EDUCATION—CREATION OF NATIONAL ADVISORY COUNCIL ADVOCATED

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, this morning this caucus met with the Canadian Federation of Students. A top priority of the Canadian Federation of Students in its policy area is the creation of a national advisory council on post-secondary education.

This is supported also by the Universities Association, by the Community Colleges Association, by the Canadian Teachers Federation, and by a wide variety of the business community. Indeed, it was a clarion call from the post-secondary education conference in Saskatoon.

In view of the clear body of opinion across the country, is it not possible for the Government to create an ongoing vehicle for the consideration of post-secondary education, preserving provincial jurisdiction but also recognizing the Canadian challenge and the Canadian need?

ORAL QUESTION PERIOD

[*Translation*]

TAX REFORM

BANKS' RECOMMENDATIONS—GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday, following the tabling of the report of the Committee on Finance and Economic Affairs, the Minister stated that before any changes were made in the White Paper on Tax Reform, the banks would have to be consulted. Mr. MacIntosh, President of the Canadian Banking Association, announced yesterday that he would ignore the recommendation by the Committee on Finance and Economic Affairs. So the Minister has his answer.

Will the Minister endorse the position taken by the banks or will he defend the interests of Canadians and ensure that the private sector pays its fair share of the tax burden?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is quite clear that the objective and the direction of the White Paper is to increase the taxes that are paid by the banks, the insurance companies, and by the trust companies. The White Paper points out that they are not paying their fair share. I believe the effective tax rate is about 14.8 per cent federally, relative to the average of approximately 18.6 per cent or 19 per cent. The White Paper proposals are to get that average tax rate up into the 21 per cent range. That is the

clear direction of the White Paper. I think the Hon. Member should rephrase his question before he draws a conclusion.

Mr. Axworthy: I would ask the Minister of Finance to rephrase his answer and simply indicate to the House whether in fact he intends to respond to the unanimous recommendation of the committee, made by members of all Parties, that a minimum tax be applied, as the only way to regain the fairness.

TAXES PAID BY FAMILIES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, what does the Minister define as fairness? How can he reconcile the fact that according to the Finance Committee's report the banks pay an average of less than 1 per cent of their Canadian profits while the Government itself has imposed new taxes that will cost the middle class family with two kids $447 additional taxes in the coming year? Is that his definition of fairness? Is there one definition for the banks and another definition of unfairness for families with kids?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has asked a couple of questions. Let me say to him that I propose to respond to all aspects of the proposals of the Finance Committee report. That will be done next month, when I put down a Ways and Means Motion.

Let me draw to the attention of the Hon. Member that a family earning $30,000, with one earner and two children under age 18, pays $4,150 in taxes. A single person under age 65, also earning $30,000, pays $6,485. In other words, under tax reform the family pays quite a bit less tax than the single individual.

I should point out that there is a significant drop in the amount of taxes that families pay as a result of tax reform.

• (1420)

Mr. Axworthy: Mr. Speaker, I would say to the Minister of Finance that while he may cite those tables, what he does not cite is that the Government has already raised taxes for families in the middle income level by over $2,000 in the past three years. All he is giving back is what he has already taken away.

FARM INCOME—ACCRUAL ACCOUNTING SYSTEM

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, let me just come to a final question about the committee's report. It says that the proposed changes in the White Paper may affect farmers more than any other group. In particular, it points out that changing the treatment of cash, income and losses, is going to have a devastating effect on many farmers.

Is the Minister of Finance prepared to say today that he will get rid of the punitive new accrual accounting method, which no one understands, anyway—what we do understand is it is going to cost the farmers a lot of money—that he will follow the recommendations of the committee, so that the farmers can get on with what they do best, which is farming, rather than fighting the tax bureaucracy of the Conservative Government in Ottawa?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member made reference to the fact of a tax change over the past three years since we took office. Let me also draw his attention to the fact that there have been other changes, too. The average mortgage on a $50,000 house today is $1,200 a year less than it was back in 1984. That is considerably more than any tax increase on that same family.

Let me also point out that well over a million jobs have been created in that time so that there are many more Canadians paying tax because they have a job. Those are the advances we have seen under this Government.

The Hon. Member just made reference to the proposal for a change in the accounting system for farmers. What he has said quite clearly is that he does not understand it because he said it was going to be devastating, that it was going to cost the farmers a lot of money. He does not understand that the key reason for this is to save the cash accounting system for the legitimate farmer, and to avoid the problems that will arise as a result of the ability of farmers, part-time farmers and other farmers who are not legitimate farmers, to write-off farm losses against other income. We are trying to save the cash accounting system for legitimate farmers.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON FISHING COMMUNITIES

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister for International Trade. On October 19, when the Minister was asked whether or not the current export regulations protecting our Pacific processing plants would remain in effect under the Prime Minister's free trade deal, she replied as reported at page 10135 of *Hansard*:

> There is no change in the situation. Those rights are protected under the free trade agreement.

Today we learn that thousands of jobs in British Columbia, and more in Atlantic Canada, are now at stake. What is the Minister now going to do to protect our fishing communities?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member is confused. The point he is making I do believe refers to a GATT panel decision which has been leaked and has nothing to do with the free trade agreement we negotiated with the United States.

Oral Questions

PROTECTION OF FISHING INDUSTRY

Mr. George Henderson (Egmont): Mr. Speaker, this grievance was initiated by the United States through GATT, but when we asked the Minister and the Government on several occasions about how free trade protected the fishery, the Minister always replied: "Yes, free trade does protect the fishery". Will the Minister now admit that the Government has not secured any protection whatsoever for our fishing industry against either present or future American laws, when the Government negotiated the free trade deal with the United States? Will she now admit that she and her Government took the Yankee bait, hook, line and sinker?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, my previous answer still stands. I believe the Hon. Member is referring to a GATT panel and it is interesting to note that that opposition Party has always placed all its eggs in the GATT process, and has always maintained that Canada would be better off relying solely on the GATT than on a negotiated agreement with the United States. I again say he is dealing with a GATT decision and it has nothing to do with the free trade agreement negotiated between Canada and the U.S.

ENERGY—PRICING POWERS OF PROVINCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question to direct to the same Minister. My Party has pointed out that as a result of this agreement, Canada as a nation, and our provinces, are going to experience a significant reduction in powers. Specifically, on October 8 I indicated to the Minister that the provinces' rights, in terms of pricing decisions on energy, have been substantially altered and reduced as a result of this agreement. The Minister on that occasion said that was wrong.

Considering that today the former Premier of Alberta, Mr. Lougheed, has publicly stated there has been a reduction in the rights of the provinces in terms of pricing decisions, does the Minister stand by what she said on October 8, or is she now saying the former Premier of Alberta is wrong, as well as myself?

Mr. Shields: Well, you are sure wrong, Ed.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Leader of the Socialist Party always asks the same questions, so he will get the same answers. The rights of the provinces are set forth in the Canadian Constitution, not in the Free Trade Agreement with United States. The negotiations that took place between the Government of Canada and the Government of the United States were not about the Canadian Constitution but about free trade between Canada and United States. In this Agreement, Mr. Speaker, the energy sector and especially the Western provinces will find things they have been wanting for years.

[*English*]

Mr. Broadbent: Mr. Speaker, the Minister knows very well why, in his own briefing notes, the so-called sensitive issue was going to be left to the Prime Minister. It is because the Government knows, and the Prime Minister knows, that this Government is impinging upon the traditional constitutional rights of the provinces to control their own resources—and Mr. Lougheed has pointed that out.

PROCESSING OF FISH—GATT RULING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask a supplementary question, this time on the related issue of the lack of Canadian Government control over a policy option. My question for the Minister pertains to a preliminary ruling in the GATT decision which says that Canada, if it is subsequently confirmed by a full committee of GATT, will no longer have the right to set regulations about the processing of fish in our own country as a precondition for export.

It states in the agreement:

> Both parties have agreed they will not maintain or introduce import or export restrictions except in accordance with the GATT, or as modified by the agreement.

Does this proposed agreement with the United States not lock us into accepting a GATT decision? I want to know the answer to that, yes or no?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think I should point out to the Hon. Member that Canada has been a member of the GATT for 40 years.

Mr. Clark (Yellowhead): He is against it.

Miss Carney: If he seriously suggests that the free trade agreement in any way affects our obligations under the GATT, I think he had better rethink his position on that.

Mr. Broadbent: Mr. Speaker, I suggest to the Minister that just for once she should read the agreement because she was wrong with Peter Lougheed, she has been wrong with me in the past, and she is wrong again today. Will she listen to the question and read the agreement?

TERMS OF CANADA-UNITED STATES AGREEMENT

Hon. Edward Broadbent (Oshawa): I want to ask the Minister if it is or is not the case, according to this agreement, that in a subsequent decision reached by the GATT, Canada will no longer have the right, if it pertains to trade between Canada and the United States, to say no to the GATT decision? Will the Minister answer that, yes or no?

• (1430)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, may I please point out to the Hon. Member that I was right in my original answer. I was right in the free trade agreement. I am right in saying that he does not have the faintest idea with respect to what he is talking about.

Some Hon. Members: Hear, hear!

PROCESSING OF FISH—GATT DECISION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, speaking about the free trade agreement, and as the finishing touches are being put to the economic marriage between Canada and the United States, we find that the Government's fiancé to the south is now charging us with unfair trade practices in exporting salmon and herring. What caused this prenuptial nastiness on the part of the United States? We have already given away too much in the dowry to the United States. Is it possible that we now have to give away the right to process our own fish?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, may I point out that this is a decision of the GATT which has been leaked during a period of consultation. We have received the report. We are very conscious of the number of jobs involved in this industry on both our coasts. We are looking at what options are available to us in consultation with the unions involved, the industries involved, and the provinces involved.

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, this rule to which the United States is now objecting was made in 1905—some 82 years ago. The fact of the matter is that the Government does not have the political will to protect Canada's position before the GATT and that the United States sees this weakness as an open sesame to seize control over our natural resources.

Will the Minister not admit, realize and agree that it is absolutely necessary for the East Coast fishery and the West Coast fishery to have absolute control over the procedure of actually being able to decide how fish will be processed? If the Government does not rebuff this American attack it will have disastrous effects on the future of the fishery in Canada right from Newfoundland to British Columbia.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, it is only fair to point out that this attack on the GATT by the Liberal Party is in direct violation of the Leader of the Party who upholds the GATT as the only way in which we should settle these international disputes. Why do members of that Party not get their act together with respect to their position on the GATT?

GATT RULING—CANADIAN POSITION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister for International Trade. Since the jobs of between 6,000 and 8,000 Canadian shore workers have been placed in jeopardy by the preliminary GATT ruling against Canada's prohibition on the export of unprocessed salmon or herring, and since the trade agreement with the United States very clearly states that "both parties have agreed that they will not maintain or introduce import or export restrictions except in accordance with the GATT or as modified by the agreement", will the Minister tell us why the Government has bargained away Canada's option to accept or to reject the GATT ruling and with it the right of Canada to control its own resources in the best interests of the Canadian people?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I do not understand why the NDP, those great upholders of the GATT, those great upholders of the international global system, who, as long as it is protectionist are in favour of it—

Mr. Broadbent: Answer the question!

Miss Carney: —are taking a stand in terms of a GATT panel which concludes that we are totally guilty as charged. It does not allow any option for us to defend ourselves, to negotiate a settlement, to seek solutions, and to find an acceptable option which we can follow. They do not want to do that. They want us to say that we are guilty. They want us to just give away the fishing industry.

TERMS OF CANADA-UNITED STATES AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I would like to ask the Minister this. If that clause does not mean anything then why did the United States insist on putting it in and why did Canada accept it? I would like the Minister to confirm that this agreement will allow the processing of Canadian fish in plants in Bellingham or Seattle by American workers and that Canadian workers will be sitting on a dock in the bay whistling "The Free Trade Blues".

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I should point out to Hon. Members that should they choose to read the "Elements of the Agreement" they will find that from the very beginning and throughout the entire document we are promising on both sides as partners to this agreement to operate within the spirit of the GATT. In fact the free trade agreement itself is provided for under Section 24 of the GATT. Why they would expect us to deny our GATT obligations is beyond all reason.

In respect to this fishing dispute, I have indicated that we are concerned about the impact on the workers. We are seeking solutions—

Mr. Broadbent: Oh, boy!

Miss Carney: "Oh, boy" says the Leader of the NDP. They do not care about the effect on workers. That is why they are against the free trade agreement.

Oral Questions

RELIGIOUS PERSECUTION

IRAN—IMPRISONMENT OF BAHA'I LEADERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Secretary of State for External Affairs. I want to say that the Baha'i community of Canada is aware of the consistent support which the Government has rendered to the international efforts to halt the persecution of the Baha'i community in Iran. Indeed, we just co-sponsored a resolution condemning the violation of human rights in that country.

In view of the deteriorating and life-threatening situation in Iran and the continuing arrests of many of the leaders of the Baha'i community, what additional steps can the Government take regarding the 17 specifically named individuals of the Baha'i community who are imprisoned and whose lives are in imminent danger?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his question. I know that his interest in the Baha'i generally and in the 17 individuals in particular is shared by other Members of the House. We have made and will continue to be making representations as strongly as we can in Iran.

In addition, we have, as the Hon. Member has mentioned, co-sponsored a resolution in the United Nations which will be coming to a vote very shortly with respect to Iran and which we hope will have some effect upon its attitude toward the 17 individuals the Hon. Member mentions.

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[*Translation*]

TAX REFORM

COMMITTEE'S RECOMMENDATIONS—SOCIAL JUSTICE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Finance. In its report, the Finance and Economic Affairs Committee confirmed what several groups had stated about the Conservative Government's tax reform and three budgets to the effect that they are unfair to Canadian families, especially large families.

Could the Minister give Canadian families the assurance that he will correct these inequities before the Holiday season by awarding the third child twice the amount of the child tax credit, that is $130 instead of $65, and that this money will be converted into a refundable tax credit for the poorest families in Canada? Could the Minister give Canadian families the assurance that these changes will be made before the Holiday season?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is aware of the changes that we have made during the course of the lifetime of this Government, such as increasing the Child Tax Credit, accelerating the payment of the Child Tax Credit, introducing the refundable Sales Tax Credit. These measures help people with large families.

I indicated yesterday that I was not prepared to comment specifically on a number of recommendations in what I thought was a very good report on the part of the Finance Committee. I take his statements today as further representations.

[*Translation*]

CHILD TAX CREDIT AND YOUTH OLDER THAN 18 YEARS OF AGE—INQUIRY WHETHER ADDITIONAL FUNDS WILL BE PROVIDED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary question. Yesterday, in reply to the hon. Member for Laval-des-Rapides concerning a minimum margin tax on all major banks, the Minister was not quite clear whether this would be acceptable to big business. I should like to ask the Minister why he would have no hesitation in indexing family allowances or in reducing the incomes of our poorest families while being afraid to tax the corporate sector. Could the Minister answer that immediately? The people are sick and tired of waiting. After three years, could the Minister indicate whether he will put forward the additional money for child tax credit purposes as well as for children over 18 years of age?

• (1440)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer to that question is the same as my answer to the first question.

If I could, let me comment on some of the elements of the Hon. Member's preamble. If he wishes to look carefully at what has been proposed in the White Paper on Tax Reform, he will see on page 67 that there are a number of proposals to increase the taxes that are paid by financial institutions, including banks and insurance companies. If the Hon. Member adds them all up he will find that they are in combination the most significant part of the increase in taxation of the corporate sector.

Clearly the objective of the Government is to ensure that the financial institutions do pay their fair share of tax, and do see their effective tax rate increase quite substantially over what it has been in recent years. I agree with what the Hon. Member and other Members have stated that this has been too low a level of taxation; but that has been the objective, so our objectives are shared. We now have to discuss the means of achieving that objective, and that is what we will be studying between now and the tabling of the Ways and Means Motion.

FARM INCOME—ACCRUAL ACCOUNTING SYSTEM

Mr. Simon de Jong (Regina East): Mr. Speaker, I also wish to direct a question to the Minister of Finance.

Yesterday the Minister claimed that the recommendations made by the Finance Committee were just little changes over his White Paper proposal. However, I wish to inform the Minister that a number of those so-called "little" changes, if adopted, will have a dramatic effect on the way farmers do their business.

I wish to ask the Minister through you, Mr. Speaker, if he is now prepared to accept the committee's recommendation and abandon his unfair and costly proposal for a modified accrual accounting system.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am going to give the Hon. Member the same answer as I have given to other questioners.

The Finance Committee, of which he is a member, has spent a good deal of time reviewing the White Paper and coming up with a series of recommendations that have benefited from consultation with a wide number of people in the country.

I think it would be quite inappropriate for me to comment individually on each question on a specific item as they come up, but rather to provide the House with a blanket response at the time that the Ways and Means Motion is tabled in December.

MINISTER'S POSITION

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to point out to the Minister that many farmers are experiencing a tremendous amount of insecurity. The Minister's proposals found in the White Paper created further insecurity and confusion.

I urge the Minister to correct this uncertainty and confusion that exist out there in order that farmers can start planning their activities for next year, come clean and clear to them and announce as soon as possible that he will not proceed with those silly proposals that came out of the Department of Finance that make no sense at all to the farmers of our country.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think that all I can say is that I take what the Hon. Member has said as a representation in support of the proposals in the committee report. I have stated that I will be making my response in December.

AGRICULTURE

NEW BRUNSWICK POTATO GROWERS—REQUEST FOR STABILIZATION PAYMENT

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is directed to the Minister of Agriculture.

In the House on August 14 I asked the Minister what progress had been made on the issue of an equalization payment for the 1985 potato crop. At that time the Minister assured me that he would likely be in a position in the near future to make a positive announcement.

The near future has come and gone, and the New Brunswick potato farmers are still waiting for action from the Government. What positive news can the Minister deliver to potato farmers today?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I certainly appreciate the continuing efforts and representations made on behalf of the potato producers of this country by my colleague from Fundy—Royal.

I ask the Hon. Member to appreciate the fact that, because of the income situation of Canadian farmers, it has been necessary for the Government to increase its funding to my Department and to the farmers of Canada by 350 or 400 per cent.

It is not always possible to have all the money when it is wanted. But I do wish to assure the Hon. Member and the potato farmers of Canada that it is still a priority on my mind, and I hope to be in a position at some reasonable point in the future to respond, and to respond positively.

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EDUCATION

PROPOSED NATIONAL ADVISORY COUNCIL ON POST-SECONDARY EDUCATION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is for the Secretary of State.

This morning the Canadian Federation of Students told us that a top priority with them was the establishment of a national advisory council on post-secondary education. This issue is supported by the Canadian university teachers, the Canadian Teachers' Federation, the Association of Universities & Colleges and it has widespread support from the business community. Indeed, I would say that a majority of the Ministers of Education in the country support the idea.

I wish to ask the Minister, will he move beyond the spirit of Saskatoon, will he now call together the partners, give us a ray of hope from Saskatoon, and create a national advisory council as the Canadian Federation of Students has requested?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, allow me to first of all thank the Hon. Member for his question, and to congratulate him for the motion which he now has before the House with respect to the establishment of that council.

In response to the Hon. Member's question, I would simply like to say that yesterday the Chairman of the National Forum on Post-Secondary Education, Dr. Brian Segal, appeared before the standing committee of Parliament and asked us specifically to move in a way which was consistent with the co-operation from the provinces. In doing so, we will be able to build upon that for the future programs with respect to post-secondary education.

Within the spirit of the National Forum in Saskatoon, and also at the request of the Chairman of the National Forum, Dr. Brian Segal, I would hope that the Hon. Member would refer his Bill to the parliamentary committee so it would have the appropriate action, which I know that the Hon. Member is looking for.

MINISTER'S POSITION

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, it seems to me that there was a clear call coming out of Saskatoon for action on a national basis, recognizing provincial jurisdiction, but also recognizing national need.

My question is the following. If the provinces, the students, the teachers, and the federal Government came together in Saskatoon for three days, why can they not come together again? Why should it stop in Saskatoon? Why can we not have it for three years or thirty years? Will the Minister move in that direction and establish a national advisory council on post-secondary education?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, with great consideration to my hon. friend, it is not national unless people agree to it. The provinces have indicated that in their meeting in February they will be willing to consider all such matters.

I say to the Hon. Member that if he is really interested in building something national instead of something only federal, then he would please accede to the wishes of many people who wish to see us move beyond where we have been on post-secondary education.

The only way that we can do so is with co-operation in this country, and not single-minded propositions from one side of the fence. That is why I implore the Hon. Member, please do not divide this issue, come together with the provinces and those people who want to co-operate on post-secondary education.

Some Hon. Members: Hear, hear!

PASSAGE OF PROPOSED LEGISLATION—GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is also directed to the Secretary of State who has asked my colleague to present his Bill to the Secretary of State's committee.

My question to the Secretary of State is very simple. If he wishes that Bill to go to committee, will his Government support the Bill on second reading so that it will go to committee?

Some Hon. Members: Hear, hear!

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, first, it is not my committee, it is the House's committee. It is the standing committee of the House of Commons to which the Bill in question would be sent.

Second, I would say to the Hon. Member that the important thing is to have the subject matter before the committee. By the way, that is the request of the chairman of the forum in Saskatoon. Dr. Brian Segal, the President of Ryerson, speaking on behalf of the spirit of Saskatoon, has asked that that be done. I would suggest that the Hon. Member quit playing politics with it and accede to that request.

• (1450)

Mr. McCurdy: Mr. Speaker, I find that to be an extraordinary, unusual rebuttal from the Secretary of State. It is completely out of character and somewhat more political than I would have thought him capable of.

REQUEST THAT GOVERNMENT SUPPORT PROPOSED LEGISLATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, let me put the question to him in a straightforward manner. By the way, I was at the committee meeting yesterday and I do not need to be advised about what Mr. Segal said. The Canadian Federation of Students, the AUCC, and just about everybody concerned about post-secondary education have supported an advisory council.

My question to the Minister is a simple one. Will his side of the House support the Bill? That support in principle would be a signal to the whole community that the Bill go to committee as he would suggest.

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, of course the character of my response was dictated by the spirit of Saskatoon, which is why I spoke with that kind of heat.

I want to say to the Hon. Member and to his colleague in the other Party that of course everybody wants the same thing. The difference is this: if we want to accomplish it in order to build for the future, I implore the other two Parties to work with me and the provinces and we will do something. If we simply want to sail off on our own to win the day, that will not be of benefit to post-secondary students. I ask them to please

do what the forum asks, and I can assure the Hon. Member that that will be to the benefit of post-secondary students across the country and into the future.

REQUEST FOR IMPROVED STUDENT LOANS PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is also for the Secretary of State. As the Minister knows, university students are now graduating from university with almost impossible debt loads. According to his own figures, nearly 20 per cent of students are graduating with debts of over $10,000.

Since education and skill training are supposed to be a national priority, when will the Minister take steps to give us an improved student loans program and new financial assistance programs for students? Will he make a commitment on that today so that students can start planning for the next semester?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, last February for the first time in the country I established an intergovernmental committee with the provinces to make policy recommendations in respect to the future of student aid.

In September we established an advisory committee of all users, from student organizations and part-time student organizations, to handicapped student organizations and so on, in order to make recommendations to the federal Government and to the provinces, which will come forward in February, 1988.

The intergovernmental committee is meeting in January. The advisory committee is meeting in December. They will make their recommendations known, so that we can come forward with recommendations following the meeting in February, 1988.

Mr. Allmand: We look forward to those reports and the action to be taken by the Government on them.

STUDENT SUMMER EMPLOYMENT PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my supplementary question is for the Minister of Employment and Immigration. Will the Minister take steps to improve our student summer employment programs so that more students can earn sufficient moneys in the summer and will not get into these debt situations?

Instead of cutting back these programs, as has been done over the last two years, will the Minister give a higher priority to student summer employment so that they will avoid the debts to which we have referred?

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, I am not sure where the Hon. Member has been for the last three years. That is exactly what we have done. We have produced a better student summer program called Challenge '88, which provided for the best summer ever for all students last summer.

* * *

[*Translation*]

TAX REFORM

COMMITTEE'S RECOMMENDATIONS CONCERNING FAMILIES—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa-Centre): Mr Speaker, my question is directed to the Minister of Finance who apparently has decided to ignore the report of the Standing Committee on Finance and Economic Affairs concerning his tax reform proposal.

Now that the Minister has rejected the Committee's recommendations for a minimum tax on financial institutions, could he tell us what his position is on the Committee's recommendations in support of Canadian families? Will those recommendations be accepted or will the White Paper's inequities to families be perpetuated, in view of the fact the Minister will not collect adequate taxes from the banks?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think it is possible for me to ignore the recommendations of the Finance Committee. Knowing as well as I do the chairman of that committee, it would be quite impossible for me to ignore it.

Let me give the Hon. Member the same answer as the one I have given to previous questioners. I appreciate the comments and the statements which he made about certain aspects of the White Paper. However, I am sure he would understand that if I responded to each one as they came up, in response to questions in the House, it would be inappropriate. I would be clearly indicating that I was not giving the degree of consideration that he would want me to give to the recommendations.

On that basis I would have to say to him that he will have to wait until the Ways and Means Motion comes down in December, at which time I will make a statement.

MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister not aware that he has already given a clear signal about his approach to the committee's work, that is, that the committee might as well have taken the summer off rather than worked as hard as it did to come up with a concrete and coherent set of proposals in respect of tax reform?

First the Minister says no to the minimum tax, then he says to questioners from the two opposition Parties that he is not prepared to budge in terms of an accrual system of accounting for farmers in relation to tax, and then he says it is inappropriate to reply specifically.

Is this not a clear signal that the Minister is not prepared to listen to anybody except his friends on Bay Street and St. James Street?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the committee has made a number of recommendations. I have not commented specifically, one way or the other, on any of the recommendations. I do not propose to make any statements or any specific comments one way or the other.

The Hon. Member may have drawn some conclusions. I would suggest to him that he may have drawn some improper conclusions from the comments I have made. I will be quite clear, though, sometime in December when the Ways and Means Motion is tabled.

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THE ADMINISTRATION

GOVERNMENT CONTRACTS—ALLEGED TOLL-GATING

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the allegations of toll-gating in the riding of Trois-Rivières. Yesterday I asked the Prime Minister when the Prime Minister's office received the tape of the Chastenay-Levasseur conversation, and the Government refused to answer.

Did the Office of the Prime Minister telephone or otherwise contact Mr. Chastenay after receiving the tape recording and, if it made such a phone call, what was the purpose of the communication?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I advised the House yesterday and as the Hon. Member well knows, this matter is under active investigation by the Royal Canadian Mounted Police, and it would be quite improper for us to comment on any facets or matters involving this investigation.

Mr. Boudria: I do not know if I heard correctly but I was asking about a phone call. Surely the Minister is not telling us that the Prime Minister's phone calls are under criminal investigation. I want to ask a question of the Deputy Prime Minister.

[*Translation*]

QUERY WHEN GOVERNMENT WILL TABLE TEXT OF NEW CONFLICT OF INTEREST GUIDELINES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Deputy Prime Minister who is responsible for public morality, always in connection with the allegations of kickbacks in the constituency of Trois-Rivières . . . In view of the difficulties, and even the scandals surrounding the Government, when does the Deputy Prime Minister intend to table in this House the new guidelines on conflicts of interest that were promised in the last Throne speech? In addition, will he tell us what other steps he intends to take in order to clean up this Conservative Government's act?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, if there are any changes, they will be announced in the usual manner.

* * *

TRADE

TAX ON LUMBER EXPORTS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is for the Minister for International Trade who will know that Canada's lumber producers are again being victimized by American competition. In an exact reversal of the situation that her 15 per cent export tax was intended to correct, American producers are now taking Canadian sales in Canadian markets because they have been able to reduce their unit costs by increasing production.

Since this is *de facto* dumping and obviously contrary to the spirit of the free trade agreement, what will the Minister do to attempt to ensure that her tax is not costing Canadian lumber producers Canadian markets?

• (1500)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think it is a very timely question considering that the Member is from a Party which said that the softwood lumber industry would be facing doom and gloom with the imposition of an export tax designed to keep the money in Canada and out of Washington.

I can point out to the Hon. Member that Canadian softwood lumber production throughout the country has set new records throughout 1987 and that many of the firms are having a record profit year. In British Columbia, the forest products industry is on its way to a record breaking profit year. The allegations the Member has made about the loss of markets in Canada cannot be substantiated by our figures.

IMPORTS OF UNITED STATES LUMBER

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, by way of a supplementary question which I will address to the Minister who appears willing deliberately to confuse price and volume—

Some Hon. Members: Order.

Mr. Parry: —I would like to point out that industry spokesmen have said that this market loss is taking place because American producers are now able to sell into Canada at $20 per thousand board feet less than Canadian producers

can. Since we have given up the possibility of maintaining our share of the American market, what is the Government prepared to do to ensure we have our share of the Canadian market?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I want to point out to the Hon. Member that we are selling record amounts of lumber to the domestic market. We have record production and we are selling record amounts to the Canadian domestic market. I think that is a record about which we can be pretty proud.

Mr. Speaker: I would like to advise Hon. Members that this will be the last question for Question Period. The Hon. Member for Westmorland—Kent.

* * *

[*Translation*]

ATLANTIC CANADA OPPORTUNITIES AGENCY

GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Deputy Prime Minister. Six months have already passed since the Atlantic Opportunities Agency was announced, and this agency according to the Prime Minister was to receive new funds, new moneys—$200 million a year—which were to be applied to regional development. Six months have now gone by. No money is forthcoming. So what is going on? Where is the money? People in the Atlantic area are concerned and we are wondering whether we are not being taken for a ride, as happened on the issue of the CN Shops, concerning which this Minister promised there would be no massive layouts ever. So what is the Government doing with that agency? Where is the money?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I can confirm to the Hon. Member, and I wish to assure him, that the money being allocated under the Atlantic Canada Opportunities Agency has in fact been allocated. It is new money and it is in addition to the other programs that are in place.

There has been some delay in the setting up of the approval process and the advisory board, but I can assure the Hon. Member that the Atlantic Canada Opportunities Agency is open for business and we hope that the enterprising spirit of Atlantic Canada will prevail. The Government will be there to help and to facilitate things in every way possible.

Mr. Speaker: The Hon. Member, a short question.

[*Translation*]

APPARENT CONTRADICTION BETWEEN MINISTERS AND CONSERVATIVE MEMBERS OF ATLANTIC CAUCUS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, on the one hand the Minister is telling us this is new money, the Prime Minister is also telling us this is new money, but on the other hand we hear Conservative Party Atlantic caucus Members say they are still fighting to make sure this is indeed new money. So how come this contradiction between Ministers and Members of the Atlantic Conservative caucus?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think the contradiction is in the mind of the Hon. Member whom I respect very much.

* * *

PRIVILEGE

ALLEGED INTERCEPTION OF TELEPHONE CONVERSATION—MR. SPEAKER'S RULING

Mr. Speaker: I bring to the attention of Hon. Members that I am now ready to give my ruling on a matter raised by the Hon. Member for York South—Weston (Mr. Nunziata) on Monday, October 26. I wish to thank both him and Solicitor General (Mr. Kelleher) for their co-operation in assisting the Chair in arriving at a decision.

Hon. Members who were able to hear the argument will recognize that the facts are as follows. The office of the Member for York South—Weston received a phone call from a constituent whose husband was an inmate at the time in the Joyceville Medium Security Penitentiary. She indicated her husband, head of the inmates' committee, wished to speak to the Hon. Member and to his assistant, a certain Mr. Pratt. The Member's assistant contacted the inmate and reported to the Hon. Member. Mr. Pratt received further instructions and again contacted the inmate who, in turn, according to the Hon. Member for York South—Weston "relayed a list of concerns with regard to the situation at Joyceville".

[*Translation*]

The Hon. Member then told the House: "As a result of this conversation the inmate was transferred to the maximum security penitentiary at Millhaven and put in segregation."

[*English*]

At no time did the Hon. Member for York South—Weston meet or speak directly with the inmate.

The Solicitor General is in basic agreement with the statement of facts outlined by the Hon. Member for York South—Weston, but added that the phone and room used by the inmate in Joyceville had the following sign clearly displayed:

All activities, including conversations and telephone communications in this area, are subject to monitoring and may be recorded.

The Solicitor General also told the House that a Correctional Services officer was in the room with the inmate. Upon overhearing what the inmate said to Mr. Pratt, the officer reported to the warden of Joyceville and he, in turn, reported to his superiors. The inmate was subsequently transferred to another institution, Millhaven.

[*Translation*]

The grievance expressed by the Hon. Member for York South (Mr. Nunziata) was ably supported by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), the Hon. Member for Vancouver—Kingsway (Mr. Waddell), and the Hon. Member for Windsor West (Mr. Gray); the Solicitor General (Mr. Kelleher) and the Minister of State also helped the Chair. I thank all Hon. Members for their very useful contributions.

The request of the Hon. Member that the matter be ruled to be a *prima facie* breach of privilege raises several points. I will now consider them one by one.

[*English*]

Members will have heard the definition of parliamentary privilege before but it bears repetition. May's 20th Edition, at page 70, sets out the classic definition. Beauchesne's Fifth Edition repeats that definition at page 11 in Citation 16:

Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions and which exceed those possessed by other bodies or individuals. Thus, privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law.

The distinctive mark of a privilege is its ancillary character. The privileges of Parliament are rights which are "absolutely necessary for the due execution of its powers". They are enjoyed by individual Members, because the House cannot perform its functions without unimpeded use of the services of its Members; and by each House for the protection of its Members and the vindication of its own authority and dignity.

Maingot, in *Parliamentary Privilege in Canada*, at page 12, gives further but similar definitions. I should add that Canadian Speakers have put such definitions on the record many times.

[*Translation*]

Apart from the definitions, we must consider the fact that the House cannot create new privileges. On this point I would refer Hon. Members to page 75 of May's 20th edition. Similar views can be found in all authoritative parliamentary texts. On April 29, 1971, Mr. Speaker Lamoureux said in that respect:

[*English*]

Privilege is that which sets Hon. Members apart from other citizens giving them rights which the public do not possess. I suggest we should be careful in construing any particular circumstance which might add to the privileges which have been recognized over the years and perhaps over the centuries as belonging to Members of the House of Commons. In my view, parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a Member to discharge his duties in the House as a Member of the House of Commons.

• (1510)

On February 20, 1975, Speaker Jerome cited that ruling with approval stating that "—improvement upon it is impossible and—unnecessary". Speaker Jerome continued and made the following comment:

The consequences of extending that definition (of Mr. Speaker Lamoureaux) to innumerable areas outside this Chamber into which the work of an MP might carry him, and particularly to the great number of grievances he might encounter in the course of that work, would run contrary to the basic concept of privilege.

[*Translation*]

The Chair was unable to find in these various definitions and quotations anything which would extend parliamentary privilege to the actions of a member of the staff of an Hon. Member of this House.

That being said, I am sure Hon. Members will appreciate that this matter does not fall within the restricted scope of the concept of parliamentary privilege.

[*English*]

Indeed, I can go further and state that even without the direct involvement of the staff person and with the direct involvement of the Member himself, I could not find that a *prima facie* case of privilege exists. Let me explain by quoting Speaker Jerome again.

In 1975, in ruling on an alleged warning given by the National Harbours Board to its staff against communicating with Members of Parliament, Mr. Speaker Jerome clearly stated:

—the classic definition of a question of privilege does not fit circumstances in which a Member in his duties outside this House finds that his scope is being restricted or attempts are being made to restrict his scope of intervention and effective work on behalf of not only his own constituents but his point of view as a member of the federal Parliament.

He continued:

—I feel absolutely certain that the classic definition of a question of privilege as we know it does not fit because it does not affect the right of speech of the Hon. Member in this House. Indeed, his right of speech in this House to complain and to raise this grievance is unquestioned.

That statement of Speaker Jerome is very clear indeed.

As to the assertion made by several Hon. Members that an opposition critic has some special privileges, the short answer is obviously that while they certainly have some extra responsibilities and obligations, they do not have any special privileges. Critics receive, and certainly should receive, every courtesy to assist them in their duties, but they have no privileges above those of any other Member.

Mr. Speaker Lamoureaux made a ruling on April 29, 1971, which may be helpful to honourable Members in this connection and I commend it to them.

I want to assure all Members that the Chair recognizes the importance of this matter and the seriousness of the situation brought to our attention by the Hon. Member for York

South—Weston, but I regret that under the circumstances it should not and cannot be dealt with as a question of privilege.

I can only say that I hope that having given the Hon. Member a chance to raise this serious matter in this Chamber may have assisted the Hon. Member and others to find some satisfactory resolution to the situation which the Hon. Member has brought to the attention of the House. I thank the Hon. Member for his intervention and for bringing this matter to our attention.

GOVERNMENT ORDERS

[*Translation*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, it is my privilege today to rise to speak on behalf of the constituents of Kenora—Rainy River about the replacement of the infamous War Measures Act.

With Bill C-77, the House of Commons is finally considering replacing the War Measures Act, seventeen years after the last time it was invoked. In discussing this Bill, I would like to recall some of my own experiences at the time when the War Measures Act was last used in Canada.

I came to Montreal in July 1970 and the War Measures Act was invoked the following October. I therefore have intimate knowledge about the effects of this piece of legislation.

Madam Speaker, if I may say so, it was one of my most instructive experiences as a new immigrant to Canada. This was finally one of the factors which led me to the New Democratic Party because, at my arrival in Canada, I had had the impression that the Liberal Party was a progressive party, the party of renewal, the socialist party, as I then saw it, which Canada needed. However, finally, it was the position taken by the then leader of the New Democratic Party, Mr. Douglas, that convinced me that there were other factors to consider in choosing my party in the context of a democratic federal system.

Madam Speaker, I remember well the sad day of the funeral of Mr. Pierre Laporte. My office at the Bank of Montreal headquarters were directly opposite the Notre-Dame church in Montreal. I also remember quite clearly seeing soldiers in the streets of Montreal and the often very emotional interaction between the citizens and these soldiers, most of whom were unilingual anglophones. My experience in Montreal at the time, when the War Measures Act was invoked, convinced me that it would eventually be necessary to replace it.

I am grateful that it is the Conservative Government which has finally introduced this replacement legislation in the House of Commons, even though the Liberals were in power for nearly 14 years and could have introduced their own piece of legislation. We had to wait for a change of Government to set a new Act.

We have to admit, Madam Speaker, that this Bill is clearly an improvement over the Act it replaces, but as members of the Opposition, it is our duty to see the defects in the legislation proposed by the Government.

[*English*]

In general terms, Bill C-77 sets out the general obligations of the Government for the safety and security of individuals, for the protection of the values of our society, and for the preservation of the orderly democratic function of the Canadian federal state. It says that there may be situations, although it does not adequately define or describe them, in which those functions of Government may be threatened by a form of national emergency which would imperil our collective well-being, either right across the country or in parts of the country, and might be beyond the power of the Government or, indeed, governments of the provinces, to address without additional powers provided for in this law.

While it would be easy for me to spend a considerable length of time reviewing the functions of a state, the philosophical and ideological underpinnings for the governments which we have at the municipal, provincial, and federal levels, I think I will content myself with a brief historical conspectus, simply to set the context for Bill C-77.

The theory of the state, of course, arose in Greece and was developed somewhat in Rome. The theory and practice of the city-state—for such the original states of Greece were—gave rise to the development of a philosophy of politics. Indeed, of course, the word does come from the Greek. In this philosophy of politics it was recognized that because the state was a collective value and supposedly served all members of the state, it owed not only itself but also the citizens a duty to preserve itself as the state it was.

• (1520)

We have progressed beyond the Greek models, but I think it is instructive to observe that for many centuries, indeed, perhaps almost two millennia, the question of the reserve powers of a state when faced with either an internal or external threat was rarely discussed. The powers were virtually taken for granted. After all, it was an era when fundamental political debate had fallen out of fashion. Indeed, the development of the theory of what the state was saw little progress between the time of the coming of Christ and the writings of Machiavelli.

With the development of rational and modernist philosophy into the eighteenth century, the nature of the state began again to be called into question. There was one stream of thought that tended to the development of anarchism. There was also another stream of thought which tended toward a critical examination of the nature of the state and the powers that the state should hold.

Of course, this debate has extended into our own age and continues today. It may not be in as abstract or intellectual a form, because there exists of course much more opportunity in today's society for the very existence of a state to be challenged. However, we live today in a society that is highly technologized and highly independent. Therefore, the nature of possible disruptions of the functions of government and the functions of the state has expanded exponentially. I believe it would be fair to say that while we have the education, the communications, and the legal and even coercive instruments to completely outclass any other age in human history, nevertheless by the nature and the way in which society functions today, in many cases the state can be as vulnerable as it ever was.

It is in that context of vulnerability that I cannot let some features of this law pass, because it seems to me that in one aspect, at least, the law is inviting the sort of vulnerability that we would like to see it in fact address. Of course, that is the conferring of additional powers on the Senate through Bill C-77.

Presently, the Senate is acting in direct defiance of a democratically elected government. While it is a government that I happen to oppose and disagree with in broad terms, and even passionately in respect of some legislation that has been rejected by the Senate, it is nevertheless being subjected to conduct by the unelected Senate that really is capable of provoking an emergency, if we are to accept the very undefined nature of those emergencies that the law is supposed to address. Indeed, the present conduct of the unelected Canadian Senate could virtually be condemned as being treasonous to the philosophy and practice of democracy. Yet Bill C-77 has the potential for the Senate to act independent of the House of Commons.

While I appreciate that the Government has to produce legislation which is capable of passing in the Senate, given the present obstructive mood of the Senate, it seems to me that if one accepts the premises of the act on the nature of potential public order emergencies, there is a real potential for the Senate itself to provoke a public welfare emergency by some form of obstruction.

Whenever any government in this place, whether it be Conservative, New Democratic or Liberal, presents its borrowing bills, it seems to me that the very capacity for the Senate to abuse its power by excessive delay has the potential to provoke one of the types of emergencies that this Bill is indeed addressing. That may be cause for the Government to address directly with the Senate what its powers would be. I would simply enjoin the Government to ensure that the powers conferred upon the Canadian Senate in this Bill are the absolute minimum, to ensure that the Bill is able to function as a piece of legislation.

There is a real challenge in the framing of emergency powers legislation within the context of a federal state, and within the context of a federal state as large as Canada. The fact is that we have regional interests within Canada that in many ways are apparently opposed to the interests of other regions. Let us be very careful about what we seek to define as the national interest within the context of a federal state and within the context of very different and very diverse regions.

For example, are we to say that the existence of a separatist party in one province or one region of the country is in some way itself an indication of a potential emergency that might have to be addressed under this law? I hope that we never have to make that sort of qualification or judgment because I believe that the separatist parties that this country has seen have generally conducted themselves responsibly in the context of a federal state and within the context of a Canadian Confederation.

However, let us also not forget that one woman's or one man's unity is another person's bondage. In particular, those who are close to the centres of powers and influence, the centres of economic production, are very prone to adopt unrealistic and profoundly unfair assumptions about the lives, the opinions and the attitudes of those who are living on the periphery of those centres of power.

Let us examine what this could mean in practical terms. When two Members of the Progressive Conservative Party of the Province of Saskatchewan defected to set up a party dedicated to the union of western Canada with the United States, was that an example of something that could have turned into a public order emergency? I would not think so, on the face of it. Of course, we did not see any form of public support for that sort of motive, but we must be careful in the framing of emergency powers legislation to acknowledge that there is a possibility for this sort of movement to adopt positions that could be inimical to what the rest of the country would perceive as the national interest. Therefore, the necessity exists and must be recognized for the maintenance of a very careful and sensitive, indeed, very understanding balance of what is seen as the national interest and what is recognized as legitimate interests of various parts of this country.

• (1530)

Another defect of the legislation I should point out is the way in which it generally does not contemplate a role for the court system. The court system has its own problems. It moves at a speed which has been subject to a lot of condemnation. Yet the court system certainly has some strengths within Canada. We see in the brief of the Canadian Civil Liberties Association, for example, recommendations that the court

system be better integrated in the administration of emergency powers legislation, that there be provisions for court review of such legislation, and that there be more provisions for the appeal of certain parts of the legislation, certain orders under the legislation, to the court system. This is certainly something I would commend to the legislative committee as well as to the Government for study.

The recommendation for the indemnification of agents and servants of the Government for individual responsibility is that the Government should assume all individual responsibilities as part of its collective responsibility when its agents, servants or officers are charged with the carrying out of certain functions under emergency powers legislation.

Finally, let me refer to the proposals on the definition of international emergencies. I can understand the difficulty in which the Government must have found itself in framing this part of the legislation. It is something of a strange hybrid in a country as large as ours that an international emergency other than a war emergency, involving a direct threat of organized military force against the country, should be contemplated. Indeed, the provision for the consultation of provinces, while it is, of course very Canadian, and I think would be widely supported throughout the country, is one that within the context of international emergency should at least give cause for thought. Over-all, as I mentioned earlier, there can be no doubt that Bill C-77 is an improvement over the Bill it is intended to replace.

Parliamentary oversight and review of the invocation of emergencies legislation will be much greater under this Bill than under its predecessor. Both pieces of legislation have provision for the parliamentary revocation of a declaration of emergency, but on any comparative analysis, it could be seen that under Bill C-77 it would come much sooner.

Finally, another strength of this particular Bill is that the provisions for compensation and redress of damages are much more comprehensive than those in the War Measures Act. Over-all, we have a piece of legislation that, from the most complimentary assessment, is a good first-cut in improving on the old War Measures Act. I would commend to the Government the task of further improving it.

Mr. Blackburn (Brant): Madam Speaker, I have one question I would like to put to my colleague. It is listed as one of the recommendations of the Canadian Civil Liberties Association in its brief to the Minister. It is an excellent brief, I might add, one which I hope the Government will look at very closely. I know the Minister will. I think it is certainly worthy of very close scrutiny, and I would hope that the Canadian Civil Liberties Association would be one of the first witnesses to come before the legislative committee. The thirteenth recommendation of the association reads as follows:

> The elimination of the power to prohibit and regulate public assemblies during public order emergencies.

A public order emergency, of course, would be a similar situation to the October crisis of 1970. This is the section of the Bill which gives, I would think, the most problems at this point because we would not be at war, there would be no international crisis. It would be a domestic issue here at home. I would like to ask the Hon. Member if he not only agrees with this recommendation, but to what extent does he consider the prohibition and regulation of public assemblies during an internal disorder in the country? It seems to me that it is the very essence of denying our freedom of assembly and freedom of speech, even though there may be an internal disorder, to prohibit or to regulate the free association of citizens during that kind of crisis.

Mr. Parry: Madam Speaker, I would like to thank my colleague for that question. Indeed, he brings to light, as does the Canadian Civil Liberties Association, perhaps the single most repugnant aspect of this legislation, the ability to prohibit and regulate public assembly during public order emergencies.

I think that in today's society it is really quite an unnecessary power and one, I believe, most Canadians would find to be quite repugnant. The purpose, of course, of forbidding freedom of assembly has historically been to prevent the contagion of ideas and information spreading throughout the populace, though in fact the only form of contagion that I think could be adequately prevented would be some form of plague situation.

I believe, first, that the power is unnecessary in an age when the dissemination of information through a literate populace is so easy. I am not sure what could possibly be accomplished in terms of preventing information from spreading. In so far as the other purpose of assembly is concerned, which, obviously, is to discuss and to generate sentiment for some form of action, I would question under what circumstances that would ever be a legitimate objective of the Government.

My belief is that the common law system over the centuries has proven to be an instrument of great effectiveness and flexibility in addressing those situations which are seen as a threat to society or to the state. History records that the Riot Act of the United Kingdom was introduced in response to assemblies of Chartists who were basically working-class democrats seeking a reordering of British society. If memory serves me correctly, at least until recently, there was a Canadian equivalent of the Riot Act on the books. One of the things that gave me great amusement when I was Mayor of Sioux Lookout was the thought that someday I might have to read the Riot Act to a populace which had presumably become dissatisfied with some activity of the municipal Government.

It seems to me that the common law and the Criminal Code of Canada adequately control the sort of actions which might flow from any form of assembly. If an assembly takes it into its head to damage property, the sanctions of the Criminal Code apply. If an assembly takes it into its head to pursue, harass or attack individuals, the common law provides a remedy for that. Therefore, I am not really apprised of what legitimate Canadian purpose the Government would hope to accomplish

by the inclusion in Bill C-77 of that power to prohibit and regulate public assemblies during public order emergencies.

• (1540)

Public assembly is another interesting concept, one that should be looked at. For example, when the Government assembles people for a meeting, can that be seen as a public assembly? Indeed, could the Government find that it was violating its own orders and then be subjected to some sanction through the court system?

One of the favourite arenas of protest now in Iran, which has one of the most horrendously oppressive and anti-human rights regimes in the entire world, is the soccer match. In that country a soccer match is not seen to be a public assembly. Those who are discontented with the regime's terrible oppression of people of different faiths or different political beliefs frequently congregate at soccer matches and take on from the soccer match to protest against some particularly repugnant act of that Government.

Would worship be defined as a public assembly? Could members of a church gathering on a Sunday morning, in ignorance of something having happened on the Saturday night, assembling for an outdoor service find themselves subjected to some form of control? By meeting outdoors they could be considered a public assembly. Even by meeting indoors they could be considered a public assembly. I believe that the Government would serve the public interest and its own interests better by discarding that provision.

Mr. Hopkins: Madam Speaker, I want to ask the Hon. Member who just spoke a question, one which I put to the Conservative Member who spoke last and who did not answer the question. As the Hon. Member knows, in 1960 the Diefenbaker Government brought in its Bill of Rights. After glorying in the publicity surrounding the Bill of Rights it then decided that it would not apply to the War Measures Act. If the Bill of Rights had applied to the War Measures Act over the years there would have been that very definite restraint built into the legislation.

Would the Hon. Member comment as to why the Diefenbaker Government would think of removing the War Measures Act as a piece of legislation that was affected by the Bill of Rights? Why would it not let the Bill of Rights take its way if, indeed, it was to be a meaningful Bill of Rights for the country?

Mr. Parry: Madam Speaker, I can understand the previous recipient of the question not answering it. Indeed, the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) may find after I have responded that he would like to ask the question of another.

Of course, I cannot speak for the Diefenbaker Government. I can only say that every Government since the Diefenbaker Government of 1960 surely bears equal responsibility for the continued non-application of the Canadian Bill of Rights to the War Measures Act. Therefore, I would assume that it was not only the Diefenbaker Government in introducing the Bill of Rights which said it did not apply to the War Measures Act but every subsequent Government that did not make the Bill of Rights apply to it. Those Governments are equally responsible for the decision since, of course, not to decide is to decide.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Winnipeg North (Mr. Orlikow)—Science and Technology—Funding of research and development / Consortium's application for financial assistance; the Hon. Member for Spadina (Mr. Heap)—External Affairs—El Savador—Discovery of headless body of agricultural workers' representative / Canadian aid to El Savador; the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart)—Regional Economic Development—City of Montréal—Request for $25 million grant—Government position / Aid-Government position.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Joe Reid (St. Catharines): Madam Speaker, first, I would like to commend the Hon. Member for Kenora—Rainy River (Mr. Parry) on his reasoned approach to this Bill. He pointed out that this Bill far surpasses the War Measures Act in its approach to civil rights and in keeping a balance between emergencies, national disasters, wars or international occasions, and the Charter of Rights and Freedoms, the Bill of Rights, and the 1967 International Code enacted by the United Nations with respect to political and civil rights. Therefore, I expect the Hon. Member to support this Bill when it comes to a vote.

I am delighted to have this opportunity to speak to a Bill from a rather long record, good or bad, of local government administration where planning and preparedness with respect

to any kind of an emergency was an absolute necessity. We all went through the hurricane Hazel of 1967, the year of the snow white-out in the Niagara Peninsula. At that time children were in schools for as long as three days. We had to mobilize the ham radio people and people with snowmobiles to provide emergency services so that those persons might continue to live.

I feel that the Government has taken a strong, bold step forward in the area of planning and preparedness for a wide range of emergencies. The Government made a commitment and, as the preamble to the Bill states, it is a commitment to ensure safety and security during national emergencies—any kind of emergency. The Bill is divided in parts to cover that wide range of emergencies and what kinds of declarations would have to accompany each.

This commitment was fulfilled with the introduction of the Emergency Preparedness Act. We know that Bill C-77 is a complementary Bill to Bill C-76 which Bill provided for the revocation of the Emergency Planning Order passed in 1981. This order was criticized by practically all Parties in the House as a source of numerous misunderstandings and for its legal basis. It is based inappropriately and on a Crown prerogative rather than on statute law of the land. This means that to date the role, the responsibilities and the mandate of emergency preparedness in Canada has not yet been defined by statute or by an Act of Parliament. The proposal then to make Emergency Preparedness Canada an independent agency with a mandate to co-ordinate emergency planning at the federal level is viewed favourably by provincial Governments. In fact, they encourage the passage of such legislation.

This initiative is also an indication of the federal Government's desire to be ready and able to respond appropriately to such an emergency when it should arise in the protection and the security of Canadians and in a global environment that is becoming increasingly complex.

The establishment of Emergency Preparedness Canada as an independent agency with a mandate defined by statute is intended, first, to increase the Government's ability to prepare for and deal with emergencies. Second, it is to clarify the respective responsibilities of the federal and provincial Governments with a view to closer co-operation, co-ordination and preparedness for action. Third, it is to improve the co-ordination of the emergency measures and the emergency preparedness of both federal Departments and agencies.

This change in the status of Emergency Preparedness Canada will not affect its primary role or its mandate as the co-ordinator of federal emergency preparedness. The responsibilities of the various Ministers for emergency planning within their respective sectors of statutory responsibility remain unchanged. The transformation of Emergency Preparedness Canada into a independent agency will not require the commitment of any additional human or financial resources. The proposal will make it possible for Parliament to control the normal procedures—

• (1550)

Mr. Hopkins: Madam Speaker, I rise on a point of order. I hesitate to interrupt my hon. friend opposite, but we are debating Bill C-77 and Emergency Preparedness Canada is Bill C-76. I think that the Hon. Member is delivering the wrong speech. He should be on Bill C-77, emergency measures.

Mr. Reid: Madam Speaker, as I indicated, Bill C-76 is complementary; it is a sister Bill to Bill C-77. Emergency Preparedness Canada is an integral part of the operation of Bill C-77. That is why I am putting it before this House, in order that Members on both sides of the House will be able to look at the whole approach by the Government to emergency measures. I ask the Hon. Member opposite to keep in mind the purpose and the existence of Emergency Preparedness Canada.

The transformation of Emergency Preparedness Canada into this independent agency with a statutory background of approval will not require the commitment of any additional human and financial resources. The proposal will make it possible for Parliament to control, through normal procedures, the operation of a government agency that has existed and operated for a number of years without a mandate from Parliament.

Emergency Preparedness Canada will benefit greatly from its new status; its ability to prepare to respond to emergencies will no longer be linked to fluctuations in the interest of the public or of the Government. The advantages of those two Bills proposed for second reading are self-evident.

What is proposed is the repeal of an unjust, inhuman, obsolete statute, and of an ambiguous order, and replacement by two Acts that provide for coherent measured preparedness as a response to various types of emergencies. In addition, two Acts will offer a single, integrated federal approach to emergency preparedness.

Of course, all Acts can be improved upon. That is what my hon. friend from Kenora—Rainy River was referring to. While he indicated that this two-Act approach was a great improvement over the existing War Measures Act, there may be further improvements, but we must pass this improvement now.

However, they have been prepared with the interest of the general community of Canada in mind, with the aim of safeguarding their freedoms and civil rights to the maximum extent possible. This proposed legislation includes an extensive set of specific safeguards that would probably be neglected in the event of ad hoc legislation brought forth by a Government under the pressure of a time of crisis.

The interests of the provinces will also be protected effectively in emergencies, because there has been that consultation and co-operation in the approach to the legislation. The consultative mechanisms provided for in the Bills are without precedent in Canadian constitutional history. They guarantee

to the provinces an important role before any declaration of an emergency has been or will be made.

The legislation about to be enacted will protect all Canadians more effectively in the future. The establishment of Emergency Preparedness Canada as an independent agency, at no additional expense, will have that effect.

For this reason, I support the Bill and urge all Members to hasten its passage by giving it their support as a bold step forward in the protection of civil liberties and civil rights in time of emergency.

Mr. Althouse: I wonder if the Hon. Member would explain if there is any change between Bill C-77 and the current War Measures Act? When I look at Clause 4 of the Bill it states, "When the Governor in Council is of the opinion that—" and it goes on to permit it to declare an emergency after consultation with the provinces, and so on.

Being aware that a similar process did occur in the October crisis in 1970 when the Government of the day, in consultation with the Province of Quebec, and apparently also the City of Montreal, which would not be necessary in this Bill, was of the opinion that an emergency was imminent. What would be different in this Bill as opposed to the old War Measures Act which permitted the same things to happen?

Is not the crucial part of this Bill and the existing War Measures Act the key phrase "the opinion of the Government"? Does the Hon. Member not think that there should be some strengthening of the wording in order that the Government's opinions be more restricted and guided by certain events having unfolded, or at least proof that certain events were in fact imminent, and that those reasons be given for implementing the emergency powers rather than to leave it as open as this Bill does? We feel that it is a criticism of the previous Act. I am sure that the Hon. Member went through the 1970 emergency and had those same criticisms of the existing War Measures Act.

Mr. Reid: I am delighted to have the opportunity to respond again for the purpose of enlightening my colleague. Bill C-77, as the Hon. Member knows, is in four separate parts. It deals with emergencies of different types and natures, the last two of which are international crises. The last one to which he refers, Part IV, deals with times of war.

The Hon. Member will know that the encroachment on civil rights and liberties will vary as one type of emergency moves into another. The Hon. Member will also know that whereas the War Measures Act was introduced in a time of war for war purposes, not for a critical situation as existed in 1970 to be adopted holus-bolus for application all across the country where it was a regional matter, this Bill provides for an application enacted and supported by a Parliament to deal with the situation and the emergency as it exists and of the type and nature that does exist. That is the difference, the statute background and statute application.

Mr. Althouse: I wished to make it clear to the Hon. Member that I was speaking of Clause 4 of this Bill which is under Part I. I was quoting from the clause relating to "Declaration of a public welfare emergency". It seems to be quite dependent upon the opinion of the federal Government of the day, the Governor in Council, and a shared opinion between the federal Government of whatever stripe, and a particular province. As long as there is agreement between the province and the existing federal Government, and they are of the opinion that such an emergency exists, it would be called.

I am wondering if the Hon. Member, being a lawyer, might not agree with the Civil Liberties Association. It indicated that there are ways of tightening up that wording so that government, meaning the federal Government and the provincial Governments in this case, would not have quite so much discretion to use the powers of the Act to create a situation where it would appear that something was happening in the rest of the country which was not in fact the case. History has shown that that is what went on with the stronger powers of the War Measures Act being used in the Province of Quebec.

• (1600)

Mr. Reid: Madam Speaker, I apologize if I misunderstood the Hon. Member in the first instance.

Mr. Althouse: I should have said it better.

Mr. Reid: If he is talking about Clause 4, it applies to a public welfare emergency. This make it even less comparable with the War Measures Act to which he compared it.

The Bill itself describes what is a public welfare emergency. It talks about fire, flood, drought, storm, and earthquake. There is nothing there about an international crisis nor about a war situation.

In this instance the application of Clause 4 would give to the Governor in Council the right of immediate and quick action to remedy a situation where the people of a particular area, probably an isolated area, need quick action. That possibility will be there.

Mr. Hopkins: Madam Speaker, the Hon. Member for Kenora—Rainy River (Mr. Parry) said that nothing was done by succeeding Governments after 1960. I would point out to him that in 1982 the Charter of Rights was brought in to take precedence over the War Measures Act. I think that should go on record because he said that nothing was done by succeeding Governments.

I would like to ask a question of the Hon. Member for St. Catharines (Mr. Reid) for whom I have the greatest respect. Does he feel that the compensation part, Part V of the Bill, is fair in that there is really no appeal beyond the Federal Court level and that the Government has the right to set levels of compensation? Even if persons are not satisfied and feel that they have been injured, or not properly paid for damages done to them, there is really no appeal for them to go beyond that

and get what they feel is a just decision. I think it is the final paragraph which simply states that there shall be no appeal except through Section 28 of the Federal Court Act.

Does the Hon. Member not feel that there should be an appeal to the senior courts of the land? Since we are dealing with Canadian citizens, should they not have the right to the court system as it exists in Canada as opposed to the Government of the day setting what standards of court procedures will be used to handle legitimate complaints by Canadian citizens?

I know the Hon. Member is very fair, and I think he will have an answer.

Mr. Reid: Madam Speaker, I had the advantage of being present while the Hon. Member opposite asked that question earlier. I do not agree with him when he says that there is no right of appeal. Compensation varies according to circumstances, the nature of the emergency, and the nature of the liability. His objection is really that there is no right of appeal to the courts. I think that is what he is talking about now.

There is a right of appeal in the legislation to a Federal Court judge, one of the senior judges of the land appointed to hear an appeal and to make an assessment. That person has the right to disallow, add to, or whatever, just as an arbitrator would do under similar circumstances.

If I might, I heard the Hon. Member say earlier that he did not have any legal training so this was rather strange to him. However, there is a trend or a movement away from the high cost court system to arbitration courts. Real estate or the expropriation of properties would be one example. They move to someone not necessarily cloaked in the great rigidness of a court room but into an informal setting where evidence can be heard in a more casual way and where they get down to the nitty-gritty of the situation much more readily and at less expense.

However, the nitty-gritty of the situation is that we have a judicially trained person to hear the appeal, and I am satisfied that we will come up with the right result.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, the legislation currently before the House, Bill C-77, deals with issues that are of profound concern in a country which values democracy and civil liberties. Indeed, it is for that reason that my colleagues and I intend to debate in all seriousness and at the length that this legislation requires the important issues which arise from Bill C-77.

Certainly it is long, long overdue that Parliament address itself to the repeal of the War Measures Act. This repugnant piece of legislation has been the vehicle of terrible abuses of civil liberties in Canada from the date that it was first passed with a minimum of debate in 1914. I believe it was about half an hour of debate.

In fact, two of the most fundamental and Draconian instances of the abuse of the civil liberties of Canadians occurred under the provisions and under the authority of the War Measures Act. I say without hesitation that we welcome the long overdue repeal of the Act.

In speaking of the two very serious abuses, I refer to the internment of Canadians of Japanese origin and the confiscation of their property in the 1940s. Because of the limitation on time I will not dwell at length on the terrible violation which occurred at that time. However, it was in February, 1942 that Japanese Canadians were divested of all human rights and freedoms and were effectively branded as enemy aliens by the Government of Canada. During the seven years which followed, from 1942 to 1949, the Canadian Government forced 21,000 people of Japanese origin from their homes; confined most of them in detention camps, many in the interior of my own Province of British Columbia; sold off all their real and personal property; and forced them to scatter across Canada or, in some cases, to be shipped to Japan. Of those 21,000 Canadians over 17,000 were citizens of the country. They were claimed to be a threat to the security of our land. We know, of course, that that was false and that that treatment was motivated by political opportunism and racism.

• (1610)

Some 40 years later, Japanese Canadians, victims of this terrible abuse of their rights, are still seeking redress. They are still seeking not only an apology from the Government, from the Parliament of Canada, but they seek as well a recognition that they are entitled to individual compensation. It is not possible to quantify in all cases a wrong of this magnitude. Nevertheless, certainly the principle of individual compensation to those Canadians who are so abused, so victimized, whose dignity was assaulted in such a way, is long overdue.

I remember the Prime Minister of Canada (Mr. Mulroney), then the Leader of the Official Opposition, standing in his place on this side of the House asking former Prime Minister Trudeau why he would not accept that principle of the right of Canadians of Japanese origin to be compensated individually. Three years later that same Prime Minister and that same Government have refused to implement that principle. This is interesting, particularly in light of the recent decision of the United States Congress to provide not only for an apology but for individual compensation in the amount of $25,000 U.S. to those who were victims. But we see a Canadian Minister saying with respect to this compensation that the people will not get it. It is right to apologize but the wrong cannot be bought by an amount of cash. "We are not talking money".

In the context of legislation that would repeal the War Measures Act, surely the Government should reconsider that decision and recognize its obligation to those who are victims of that same legislation which is now being repealed and provide for that long overdue compensation. Similarly—

[*Translation*]

Madam Speaker, there were other victims of the War Measures Act, and I am referring now to the 469 Canadian

men and women living in Quebec who were sent to prison and stayed there during the October 1970 crisis. Again, it was under the War Measures Act that 435 persons were jailed, 234 of them without warrants. Only 5 of these Quebec men and women were sentenced following their incarcerations.

Madam Speaker, it was under former Prime Minister Pierre Trudeau, and his Minister of Justice that the War Measures Act was first proclaimed in time of peace. We are referring today to the Leader of the Opposition (Mr. Turner) who was Minister of Justice at the time and who tried to justify this massive violation of the rights of Canadian men and women living both in Quebec and elsewhere. So far, Madam Speaker, this former Minister of Justice and present Leader of the Liberal Party has refused to admit that this was a fundamental error. Even yesterday, we heard the Hon. Member for York Centre (Mr. Kaplan), the Justice critic for the Liberal Party, declare in the House:

"The use of the War Measures Act in 1970 has been challenged. I was a member of the Party that introduced it, and subsequently a member of the Government that defended it." And the spokesman for the Liberal Party is saying today: "I defend it today".

Madam Speaker, that is the position of the Liberal Party. Today still it continues to defend the proclamation of the War Measures Act in 1970. It is unbelievable! It is shameful! I see the Hon. Member is now entering the House, perhaps he might try to clear up that point.

On October 19, 1976, only 16 Members voted against the proclamation of the War Measures Act. Among these 16 Members were the Hon. Member for Oshawa (Mr. Broadbent), now leader of the NDP, the Hon. Member for Yorkton—Melville (Mr. Nystrom) who is still a Member of the House, the Hon. Member for Winnipeg North (Mr. Orlikow) who is still a Member of the House, and the then leader of the NDP, Mr. Tommy Douglas; this had to be one of the proudest moments for all New Democrats in Canada. Madam Speaker, I hope that men and women in Quebec did not forget that it was the NDP and the NDP alone—not the Conservative Party, not the Liberal Party—which was prepared to say no, which was prepared to say that, even though 88 per cent of Canadians had supported the proclamation of the War Measures Act, it was unacceptable. And, Madam Speaker, it is unacceptable today that such bad legislation should remain in our statute books.

[*English*]

Those were two of the gravest abuses of the War Measures Act, the problem of Canadians of Japanese origin and *la Proclamation en 1970*, but there have been many others. I know my colleague, the Hon. Member for Spadina (Mr. Heap), will be speaking of some of the other abuses that have occurred under the War Measures Act.

Indeed, the Conservative Government, the Diefenbaker Government of 1960, in bringing forward the Canadian Bill of Rights decided to allow the War Measures Act explicitly to override the fundamental protections inherent in the Bill of Rights. Certainly that was a decision that we differed with fundamentally in 1960 and we differ with today.

What is the position today with respect to the provisions of the War Measures Act, Madam Speaker? In 1982, Parliament adopted a Charter of Rights and Freedoms. It is true that the War Measures Act and all other federal Acts are subject to challenge under the provisions of the Charter of Rights and Freedoms. Despite that safeguard which we recognize, despite our knowledge that some of the worst abuses of the War Measures Act in 1970 and in the 1940s would very likely no longer be possible today because of the right to appeal to the judiciary under the provisions of the Charter, nevertheless, we welcome as long, long overdue the repeal of this odious statute from our law books. But in saying that, and in recognizing the accomplishment of the Government in moving at least to repeal this repugnant statute once and for all from our statute books, we must examine with care the Bill which is presented to this House to replace the War Measures Act.

As the Canadian Civil Liberties Association has clearly and persuasively documented, Bill C-77 contains vague definitions, over broad powers and inadequate safeguards. It goes on to state that there is too little effort to link the powers it would create with the perils for which they are designed, that there is too little effort to achieve proportionality between available powers and anticipated perils. The Civil Liberties Association suggests that before we proceed any further with this legislation the Government should clarify to Canadians and to Parliament exactly what kind of emergencies the legislation seeks to address, precisely which powers the Government seeks to deal with those emergencies, and why the current legislation on the statute books cannot deal with those concerns.

• (1620)

I note that legislation providing for these sweeping powers in times of peace does not exist in the United States of America or in the United Kingdom. Indeed, the McDonald Commission, in making recommendations to the Government on this subject, stated that it opposed the granting of special powers in a Bill of this nature. The commission suggested that the Government should seek the approval of Parliament for special legislation to deal with the particular concerns at hand.

What are some of the major weaknesses of the new legislation? My colleagues, and in particular my colleague the Member for Brant (Mr. Blackburn), have set out very clearly and forcefully our major concerns with respect to this legislation. I will touch on only two or three of them in the few minutes that remain.

The reference to public welfare emergency in Clause 3 of the legislation gives rise to serious concern. What is a public welfare emergency? Indeed, what is an emergency for that matter? Nowhere in this legislation is there a very clear definition of "emergency".

With regard to a public welfare emergency there is reference to a breakdown in the flow of essential goods, services or resources. As my colleague from Brant has pointed out, this legislation could be invoked to interfere in a dispute between management and labour. The Minister of National Defence (Mr. Beatty) who is responsible for this legislation said yesterday that we should not worry, that there is no problem, that this will not in fact be used. However, his words should be read with care because he stated that this Act is not intended to be used to settle a legitimate dispute between an employer and employees.

What does that mean? Does it mean that if the Government believes that there is an illegitimate dispute, an illegal work stoppage for example, it can use the provisions of this legislation? This is no safeguard whatsoever. For the Minister to come before the House and suggest that an amendment of that nature constitutes a safeguard is rejected by the New Democratic Party.

Similarly, there are concerns raised by other provisions. The fact that the Supreme Court of Canada has ruled that the right to strike is not protected by the Charter is another reason for making it very clear in this legislation that it should not apply to any withdrawal of labour, be that legitimate or, in the eyes of the Government, illegitimate.

Concerns have also been raised with respect to the definition in Clause 3(b) of a public welfare emergency with respect to "disease in human beings, animals or plants". This instrument, in the wrong hands, could be used to bring forward Draconian provisions to deal with AIDS in Canada. Indeed, we have seen proposals for quarantine legislation in the Province of British Columbia from the ideological soul mates of this Government at the provincial level in British Columbia. We should be very careful before according similar powers to the federal Government.

Similarly, the definition of public order emergency incorporates the definition of threats to the security of Canada from Section 2 of the Canadian Security Intelligence Service Act. We know that that definition is far too broad and far too sweeping. We know that under the guise of investigating threats to the security of Canada the security service itself is a profound threat to the security of Canada. Under the guise of that definition it has investigated the labour movement, the peace movement, and legal political Parties in Canada. This Government would incorporate that definition in a way which would allow it to prohibit public assembly in Canada. That constitutes a shocking potential abuse of civil liberties.

In response to that the Minister says:

> I would remind Members of the House that the definition of "threats to the security of Canada" received exhaustive scrutiny by Parliament in 1983 .... The language—has, therefore, already received Parliament's blessing.

The Minister has a rather selective memory. It was the Conservative Party that joined with the New Democratic Party in condemning that very definition and suggesting that that definition constituted a grave threat to the civil liberties of Canada. Now, four years later, a Minister from that Party is saying that as Parliament adopted that definition there is nothing wrong with it and the Government is going to use it as a basis for its emergency legislation. Obviously that is totally unacceptable.

It is also unacceptable because, as I understand, the special committee struck by the Solicitor General (Mr. Kelleher) under Gordon Osbaldeston will be telling the Government that that definition is in fact far too broad and should be narrowed substantially.

Finally, we have serious concerns about the definition of international emergency. It is far too sweeping to say, "Any threat to the economic well-being of any ally of Canada". In conclusion, I would like to draw to the attention of the House perhaps the most dangerous provision of all, that being the provision in Clause 38 with respect to war emergencies, which states:

> While a declaration of a war emergency is in effect, the Governor in Council may make such orders or regulations as, in the opinion of the Governor in Council, are reasonably necessary or advisable for dealing with the emergency.

That is the War Measures Act all over again, Madam Speaker. It provides for no control and total government discretion. I call upon the Government to recognize that while the time has come to repeal the War Measures Act, this Draconian piece of legislation, which continues to constitute a massive assault on the civil liberties and rights of Canadians, must be firmly rejected by this Parliament. It should go back to the drawing board.

Mr. Heap: Madam Speaker, I am very grateful to the Hon. Member for Burnaby (Mr. Robinson) for laying out so many of the important aspects of this Bill and the problems which it presents. He seems to be of the opinion that in some ways this Bill may even be worse than its predecessor.

Without going into that, Madam Speaker, I would be interested to hear the Hon. Member explain a little more clearly the point he made in connection with the concept of a public order emergency and the threat to the security of Canada. He said that at that time the then Conservative opposition caucus agreed with the NDP caucus that the definition contained in the CSIS Act was unsatisfactory. He pointed out that they have now flip-flopped and said that it is satisfactory.

I know that the Hon. Member gave that matter very careful attention at the time. I would be interested to hear him remind us what the unsatisfactory aspects of the definition were considered to be at that time. If he can recall, what were the points upon which the Conservative caucus expressed its agreement with the criticism made by the NDP which the Member put forward as our critic? It is important that the public be reminded of the positions which the present Ministers and other members of the Government held four years ago on this matter in order that the public can evaluate their reliability when they make promises now, when they say that they would not use this legislation against a legitimate strike.

How changeable are they? Would it be four years before they reversed themselves again, or might they reverse themselves in one year? I think the public needs a chance to compare what they said four years ago with what they are saying now. Could the Hon. Member for Burnaby give us some examples?

• (1630)

Mr. Robinson: Madam Speaker, I thank the Hon. Member for Spadina for that question. It gives me an opportunity to elaborate on what was the position of the Conservative Party in 1983 and 1984. I might say that I recall well the exceptional work and contribution made by the Member for Spadina during the debate on that particular legislation creating CSIS.

At the time this legislation was before the House, the Conservative Party was in opposition and it raised vigorous objections to the Liberal Government's proposed definition of threats to the security of Canada. Conservative Members voted against the definition and supported amendments which I proposed. Indeed, they proposed amendments themselves that would narrow the definition.

There are a number of examples, including subsection (c) of the definition in the CSIS Act which states: "Activities within or relating to Canada, directed toward or in support of the threat or use of acts of serious violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state".

It was pointed out, for example, that a church group which wanted to support the African National Congress or a liberation movement in Central America by holding a rummage sale to send funds to that particular group would be deemed under this definition to be a threat to the security of Canada. Clearly that is a dangerous definition and one which gives far too much power to CSIS.

As well, there is the whole question of "foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada". That provision has been used by CSIS to attack the peace movement in Canada.

The Conservatives spoke in the House and spoke in committee, saying this definition must be changed because it is a threat to the civil liberties of Canadians. They also said that we need a safeguard in the Bill, and parliamentary oversight of CSIS, with a parliamentary committee similar to the congressional committees in the United States. They called for that parliamentary oversight.

The Conservatives have been in Government for over three years. We now see the sorry spectacle of a Conservative Minister standing up and defending that Liberal legislation, which the same Minister was attacking when he was an opposition Member. That is a sorry spectacle and one of which I think Canadians should be well aware as they evaluate this legislation.

The Conservatives are effectively asking Canadians to trust them. They are asking Canadians to trust that these powers will not be abused. I do not believe that their record warrants that kind of trust. On the contrary, the labour movement in Canada, for example, has every reason for profound mistrust of the record of the Government when it comes to intervention in a heavy-handed and undemocratic manner.

I want to close my response by referring to the report of the Security Intelligence Review Committee on this question. The committee has stated that CSIS too readily accepts the foreign policy objectives of the United States as our own and it neglects Canadian policy. It states that CSIS is expanding money and effort on too many counter subversion targets and intruding on the lives and activities of too many Canadians in this area.

Instead of bringing forward legislation that would grant even more powers to deny civil liberties, as this legislation would do, I suggest that the Government should be moving forward to limit the sweeping mandate of CSIS, to ensure that law abiding Canadians are not subject to the abuse of their rights and civil liberties as they are today by this agency of the Conservative Government.

Mr. Manly: Madam Speaker, I was interested in the Hon. Member's reference to the shameful internment of the Japanese and the expropriation of their property. He pointed out that this was motivated on the one hand by political expediency and by racism on the other. Ken Adachi in his book entitled *The Enemy That Never Was* provides some very vivid testimony from Mackenzie King's diaries as to both those points. He points out that at the time of Pearl Harbour Mackenzie King wrote in his diary that the Government had considered at some length the fact that it believed the Japanese nationals and Canadian born Japanese were loyal and did not constitute a threat. That was the belief of the Government at that time. It subsequently acted in a very expedient way, giving way to the kind of hysteria that prevailed in some parts of Canada later on.

As far as the racism is concerned, later on in Mackenzie King's diary he expressed his gratitude that the atomic bomb was dropped on the Japanese rather than on the white races of Europe. That shameful part of Canadian history is something that all Members of this House want to repudiate.

Given the wide powers that we have in Clause 38 of the Bill, is it possible that if it were in place in the 1940s, even with the reference to the Canadian Charter of Rights and Freedoms, that kind of shameful event would have taken place in Canadian history?

Mr. Robinson: Madam Speaker, unfortunately, the answer to that question is yes, it is possible that that kind of abuse could occur. Indeed, the issue of compensation is another element of the legislation that raises very serious questions. In effect, the compensation will be determined by the federal Government. There is no appeal process other than to an

assessor who is a judge of the Federal Court. The assessor cannot in effect exceed the limits which are established by the Minister.

I come back to the fundamental principle. The legislation as it is presently worded would in fact permit much of the same abuses that occurred in the 1940s to Canadians of Japanese origin—

[*Translation*]

—to occur in 1970 in Quebec.

[*English*]

I come back to the fundamental point with respect to compensation. In May, 1984, the Prime Minister said: "I feel very strongly that Canadian citizens whose rights were abused and violated and trampled upon should be compensated". We have waited three years. How much longer must we wait before the Prime Minister fulfils the solemn undertaking he made to Canadians in 1984?

Mr. Dan Heap (Spadina): Madam Speaker, I am pleased to have the honour to be able to speak against this emergencies Bill. I believe that if this Bill goes through and becomes law in anything like its present form, Canadians in the future will regret it greatly.

I stand on the side of those who point out that while it is a good thing to repeal the War Measures Act, there are some ways in which this present Bill may even be worse. If there are some ways in which it is better, they are at least closely balanced by ways in which it is worse.

It is true that many people now have very little way of knowing what the War Measures Act was about, except those who were in Quebec at the time of the 1970 crisis or those whose liberties were interfered with in other parts of Canada, on the excuse of the 1970 crisis which was focused on Montreal. Many Canadians at that time were not directly touched by the extraordinary action of the police, and many Canadians now of voting age, of course, do not remember 1970, but it is good to have some recollection of what was done.

• (1640)

I recently had the opportunity to read a study by an academic at the University of York, Mr. Reg Whitaker in the magazine *Labour/le Travail*, a learned journal. His article is "The Official Repression of Communism During World War II". He points out that as the war began, and we were fighting a fascist power, the Canadian Government took the occasion to act more strongly against communists than against fascists in Canada on the pretext, of course, that the Soviet Union and Germany had established a non-aggression pact. That did not explain why it was more harsh against communists than against fascists. There were other reasons behind that. However, even that pretext became rather ridiculous when Germany invaded the Soviet Union and when Britain and the United States found themselves in the position of declaring an alliance with the Soviet Union against Germany, and Canada of course followed suit. Yet, throughout the war and for several years after the war, Canada maintained that the Communist Party of Canada was an illegal Party. Britain and the United States did not do that, but Canada decided to be more repressive than either our mentor Britain or our neighbour the United States.

In fact, as Mr. Whitaker points out, "Canada was the only allied nation to maintain a ban on its local Communist Party throughout the course of its wartime alliance with the U.S.S.R." That is the kind of silly position we were put into by the then Liberal Government.

This repression of communism did not stop with communists. It was also directed against unions, and not necessarily against unions which had communist officers or leaders. There was, of course, the attempt to destroy the Canadian Seamen's Union in its infancy, which failed. However, it grew because it had a democratic structure and the support of a great many of the seamen. There were other attempts. For example, Mr. Whitaker records, and it is written elsewhere as well, that:

> —Charles Murray, organizer for the Canadian Fishermen and Food Handlers Union of Nova Scotia . . . received a letter from the Nova Scotia Minister of Labour informing him that: "we have stood about all we intend to stand from troublemakers like you—and I am warning you now that we will tolerate it no longer . . . Your conduct will from now on be very carefully watched and examined and if I find that you do not quit this sort of business, then it will certainly be the worse for you".

This is how a Minister of Labour talked to a labour organizer. The article continues:

> In fall of 1940, Murray was seized by the RCMP on a Sunday just as he was about to rush his pregnant wife to the hospital. While his wife was left to her devices, Murray was interned for two years.

Mr. Whitaker gives many other examples of how trade unionists were harassed, arrested, charged and sometimes imprisoned or interned, not for any political activity or any anti-war activity but simply for doing what before then and since then has been regarded as the legal work of trade unionists. But it was the War Measures Act to which the Government appealed to do those things.

We certainly need to get rid of the War Measures Act. However, as I have said, this Bill is in some ways worse than the War Measures Act. My reason for saying that is, first, this Bill is much more easily triggered. It has been suggested by the previous Conservative speaker, the Hon. Member for St. Catharines (Mr. Reid), that it is a good thing that it can be used more widely than the War Measures Act. But when one considers the powers given in its wide use, and I will come to that later, it is not at all clear that it is a good thing to use it so widely.

The powers to be given, furthermore, are, in the opinion of many people, including the respected Canadian Civil Liberties Association, dangerously wide. The powers of compensation for error which are a useful and just addition to what the War Measures Act provided or did not provide, do not go far enough to satisfy ordinary Canadian standards of law.

Finally, there is something that is quite surprising, and that is, the gratuitous donation to the Senate of an increase in its power. This was not asked for by those who wanted a repeal of the War Measures Act. In fact, it comes as quite a surprise, given the Prime Minister's occasional rages against the Senate when it interferes with what he wants to do. To have him give this Christmas present to the Senate is really quite a surprise.

I want to go into the matter of triggering, the circumstances which might trigger the use of the War Measures Act. The problem lies chiefly in the vagueness of the word "emergency" and the fact that the Act fails to define it. We are told that it is there in the preamble and that we therefore should not worry. We are also given good advice by civil liberties experts that defining it in the preamble of the Act does not necessarily protect us because what the Act says is, "When in the opinion of a Governor in Council there is an emergency". It does not really bind the Government or limit it any further than that. If it says it is an emergency, it is an emergency.

We may well find that the courts will declare that they cannot go behind the decision of the Governor in Council as to what constitutes an emergency. Usually, when the Governor in Council acts in cases like that, they tell the public: "We cannot give you all the facts. There are secret things. If you knew about them, you would agree with us, so just trust us". We have had enough of this business of "just trust us". In fact, what this seems to be is a kind of legislating of rule by Order in Council.

The Conservative Party six years ago in this House was very angry at the then Liberal Government for establishing an Order in Council that would provide for government powers in an emergency. The Conservatives said it should be legislated. Now they have legislated, but what they have done is to legislate the power of the Government to do almost anything it wants in the case of war, and not anything it wants but far more than it has to justify, in smaller emergencies.

There ought to be a definition in the law which shows what it is that is happening that goes beyond the ordinary means of the Government to control. We have the criminal law. We have other laws empowering the Government to take action for the public welfare. To suggest that we should have the power to conscript labour for a plague emergency or a flood emergency, really is rather bizarre. Yet that is what we have here. It would give the Government the power to direct any person to perform an essential service. It does not say what is essential. Whatever the Government thinks is essential, apparently would be essential.

We are told to trust the Government because it may bring in some amendments or it may permit some amendments which would remove the danger of this being used simply as a union busting or strike busting tool. However, the attraction for this Government of having a thing put into action without having to debate it in Parliament is very dangerous. The Government would not at all be adverse to deciding that a cessation of services was a cessation of an essential service and, therefore, order people to provide those services. I think that would not only be very damaging where it was applied, but very damaging as a threat to the labour movement of Canada.

• (1650)

What is being urged by the Canadian Civil Liberties Association is that there should be much more limited powers prescribed in the emergencies Bill and that other emergencies should be dealt with by Parliament at the time, that is, by Parliament being requested to adopt a specific piece of legislation. If the Government believes that it cannot wait for Parliament to do that, then it should be obliged, and this Bill should oblige it, to show why it cannot wait. What is it that would require an action by the Government without legislation by Parliament? Why can the Government not handle this so-called emergency by appealing to Parliament? It should be required to do that.

My colleague from Burnaby has spoken about the danger and the folly of using the very vague definition that CSIS gave us in regard to "threat to public order". Certainly, the conduct of CSIS throughout the course of this year in sending disrupters into unions, and in sending spies into the peace movement makes it very clear that it does not understand well enough the difference between legitimate public criticism and subversion. It spends the public's money trying to disrupt criticism and at times it appears not to be alert enough to stop a serious matter such as the bombing of an aircraft.

A public order emergency, or for that matter an international emergency, ought to be defined. As the Civil Liberties Association suggests, "the Government could invoke emergency power at the point at which it could reasonably anticipate the outbreak of illegal violence so intense, so widespread and so continuous that the Government itself would be overthrown or be rendered powerless to govern".

What I am concerned about is that under some of these emergencies the Government takes onto itself not only the power to conscript labour with or without payment but to take away a person's right to say yes or no to work. I do not believe the Government will conscript doctors or lawyers. It does not do that now. Now it conscripts trade unionists with back-to-work laws, even laws that threaten to tell union members that their officers will have to be subject to approval by the Government under certain circumstances.

As has been mentioned, there is also the threat to prohibit public assembly. Public assembly is often regarded as the foundation of liberty in our kind of democracy. Yet the Government is likely willing to take it away. However, the most ridiculous part of this Bill is the concept of an international emergency. I refer to Clause 25 of the Bill. If somebody from the public or if the Government had put forward such a statement in a White Paper, which it was urged to do, it would have been laughed out of court. However, we now have it proposed as law with a straight face. I quote:

"international emergency" means an emergency involving Canada and one or more other countries that arises from acts of intimidation or coercion or the real or imminent use of serious force or violence—

That is pretty wide. If someone thinks that there is a threat of violence then they can invoke this measure. The clause continues, "—and that directly threatens the sovereignty, securityor territorial integrity of Canada—". There is no problem there. We have to act if Canada is threatened. But the clause goes on:

—or any of its allies or any other country in which the political, economic or security interests of Canada or any of its allies are involved.

I do not think that there is a country in the word in which some ally of Canada does not have economic, political or security interests. This means that at any time that there is a disturbance anywhere in the world the Canadian Government might use this law as the basis for declaring an international emergency. If President Reagan wakes up in the middle of the night tonight and says, "The Sandinistas are going to raid Texas," he will phone and ask us to declare an emergency. Fortunately, the law has not been passed. At the moment it would not be quite legal to do that. I hope that the Government will not try to do that.

This is what might happen if President Reagan decided that his country's economic interests were being threatened in the huge nation of Nicaragua, a nation of 2.5 million people. The Government could appropriate, control or forfeit the use and disposition of property or services. It could control or regulate any specified industry or service, including its equipment, facilities and inventory. It could authorize or direct any person or any class of persons to render essential services of a type that that person or person of that class is competent to provide. It could regulate or prohibit travel outside Canada by Canadian citizens or by permanent residents. It could remove from Canada persons other than Canadian citizens or permanent residents. There are about ten more powers that are given.

What I am saying is that it is far too wide in the scope in which it can be used. It is far too wide in the powers that can be used. Unfortunately, there is inadequate legislation to provide for compensation of people who are unjustly harmed by the action of the Bill. It gives the Senate a new power that even the Meech Lake Accord did not give it, or which the Constitution does not give it. It gives the Senate the power under certain circumstances to insist on the continuation of a state of emergency. If there is a debate in the House of Commons on a motion to revoke a state of emergency and if it is passed by the House but defeated by the Senate then the state of emergency will continue. It is very unfortunate that that power should be given to the Senate.

What this provision does is to damage very much the rule of law in Canada. We are told that the Charter of Rights applies, as does the Bill of Rights and so on. But it sometimes takes years to bring a matter before the Supreme Court to seek relief under the Charter of Rights or the Bill of Rights. Therefore, it is not wise, fair or reasonable to give powers to the Government which can only be corrected or may be corrected years after through an action in the Supreme Court. These powers must be restricted much more than they are or else this Bill ought to be defeated.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being five o'clock the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

TRADE

SUGGESTED MARITIME EXEMPTION FROM DUTY ON SOFTWOOD LUMBER EXPORTS

Mr. Bob Corbett (Fundy—Royal) moved:

That, in the opinion of this House, the government should consider the advisability of enacting the provisions of Section 15(1) and (2) of Bill C-37, an Act respecting the imposition of a charge on the export of certain softwood lumber products, of the Second Session of the Thirty-third Parliament, to allow for the incorporation of a Maritime regional exemption from the 15 per cent export duty on softwood lumber exports destined for the United States.

• (1700)

He said: Madam Speaker, I have taken this opportunity to move this motion in an effort to motivate the Government to take action to initiate those provisions of Bill C-37 which would grant an exemption from the softwood export tax to all Maritime softwood lumber producers.

Canada has had the right and ability to seek an exemption since the Memorandum of Understanding was signed last December. That memorandum clearly states that the Government of Canada may reduce or eliminate the export charge on the basis of increased stumpage or other charges by provinces on softwood lumber production. The Government of Canada and the Government of the United States will consult semi-annually and otherwise at the request of either Government regarding any matter concerning this understanding.

I am pleased to have been made aware that the Government has made some effort to incorporate Clause 15(1) and (2) of Bill C-37, and that there have been negotiations and talks going on in Washington with reference to this matter. However, I think it is extremely critical and important, particularly now that apparently the housing market is off, housing starts are down, and it is obvious that there will be some considerable changes in the market-place for Maritime and other softwood lumber producers in the country. Indeed, now we should be moving to correct the anomalies that do exist in the agreement, and recognize that there are certain sectors and regions of this country that should be excluded and exempted from the 15 per cent tax.

As I mentioned, a similar provision was provided for under Clause 15. That was an Act that came into effect last year

respecting the imposition of a charge on the export of certain softwood products. It states that the Government may:

> (a) conditionally or unconditionally, and either generally or in respect of a particular transaction, exempt any softwood lumber products from the charge imposed thereon under this Act or exempt any person from the requirement to pay such a charge;
>
> (b) conditionally or unconditionally, and either generally or in respect of a particular trade level or transaction or in respect of a particular province or any area thereof, remove or reduce any charge imposed on softwood lumber products under this Act;

Clause 15(2) provides for a retroactive effect from January 7, 1987. Quite clearly the Memorandum of Understanding and Bill C-37 provide the opportunity for the Government to negotiate a regional exemption.

I wish to state from the outset that the Maritime softwood producers, and myself along with other colleagues in the House, are not the only ones who have called for a regional exemption. I refer to the House of Commons legislative committee of March 24, 1987 which was studying this Bill, at which time they stated in their conclusions that the committee direct the Chairman to convey to the Minister for International Trade (Miss Carney) its desire to have several items dealt with in its negotiations with the United States as soon as possible. Item two of those items was "that those corporations which meet the criteria originally set out be added to the exempt list". There is no question or doubt that the Maritime softwood lumber producers meet this criteria for exemption.

On May 5, 1987, the Senate Committee on Banking, Trade and Commerce wrote in its conclusions and recommendations that the Memorandum of Understanding of December 30, 1986, contains serious deficiencies which must be addressed. The committee specifically noted that negotiators must continue to press for a negotiated regional exclusion for the Maritime producers. That is two bodies of this Parliament, aside from the House of Commons, that have called for the Government to take action to ensure that the Maritime softwood lumber producers are exempted.

As the softwood lumber industry in the Maritimes has acted in accordance with the provisions of the Memorandum of Understanding, and respected the provisions of the law which up to this point had been acting to their detriment, I believe that the Government should initiate and take the course of action that it apparently has taken in the past few days to implement a fairer agreement that reflects the issue of the stumpage realities.

The amount of Maritime lumber exported to the United States affected by this tax is not a great deal of product within the national scope, but within the regional picture of the maritime provinces it certainly has its impact. The decision to impose a national export duty crippled the competitive position of many Maritime producers, as they are now required to pay not only the 15 per cent export tax, but also the highest stumpage rates in Canada. I would suggest that this is a classic example of the old double whammy. It is a fact that when the Memorandum of Understanding was concluded, even at that time stumpage rates in the Maritimes were the highest in Canada. Since that Memorandum of Understanding has been signed, stumpage rates in New Brunswick have been increased 27 per cent, and stumpage rates in Nova Scotia have been increased by 10 per cent. To give a comparison, at the time that the Memorandum of Understanding was signed, stumpage rates extended from $1.05 to $15 in British Columbia, and to $8 in Quebec. As I mentioned, at the time New Brunswick and Nova Scotia had the highest stumpage rates of any province in the country. In New Brunswick it is currently at $57, and in Nova Scotia it is $46. What that amounts to is that stumpage rates in the Maritimes were six to eight times higher than in the four provinces that were specifically mentioned by the American producers to be of concern to the American softwood lumber producers.

Maritime softwood lumber producers rightly feel that this is not fair, and it certainly eliminates their competitive position. They are being penalized by a decision that was reached to rectify a problem that they did not participate in, nor did they aggravate. The U.S. countervail action specifically stated, "that provincial softwood stumpage programs in Ontario, Quebec, British Columbia, and Alberta are subsidies". At no time during the countervailing duty proceedings were the Maritime stumpage fees regarded as a problem or a concern by either the U.S. wood producers or the U.S. Commerce Department.

It is the general feeling among Maritime softwood producers that indeed at that time the Americans would have been agreeable to exclude Maritime softwood under the countervailing duty action. As most people are aware, what happened as a result of that was that five Maritime producers were among a number of Canadian producers that were included in the group that made application to the U.S. and were exempted.

It is generally feared that the inclusion of all Maritime lumber producers with the exception of those five could have a considerable negative effect on the Maritime lumber industry. To date, that has been minimal because of the strength of the market. However, as I mentioned at the outset, there is good reason to believe that this strength will not last.

During the debate on the softwood export tax, much was made of the fact that there were five New Brunswick companies that were included in the exclusion, and that indeed of the wood that is shipped from New Brunswick to the U.S., these five producers account for some 92 per cent. While this is beneficial to the industry, I cannot help but believe that the impact of both high stumpage rates and the 15 per cent tax will in the long run have some very detrimental effects on the industry in the Maritimes should it not be addressed.

• (1710)

The lumber industry in the Maritimes is certainly an integral and vigorous part of our industrial base. It is one that is pervasive throughout our entire economic and social structure. There are 123 mills in Nova Scotia and 93 mills in

New Brunswick. Of that total, 40 mills are the only major industries in their communities. If the record were checked, I believe it would show that none of the 40 mills were among the five exempted from the tax. They certainly comprise some of the largest employers in the area.

There are 22,000 jobs in the lumber industry in the Maritimes. Some 6,000 of them are in New Brunswick and directly depend upon a healthy and competitive industry. The jobs in spin-off businesses and related industries are undetermined. However, there is certainly no question—and I say that with assurance—that they would be subject to the domino theory and that there would be substantial economic consequences if indeed there were serious implications on the future of the lumber industry.

It is imperative that the policies and initiatives which we put into place as a Government—and indeed it has been the track record of the Government—do not result in job loss or the loss of a competitive position, particularly in the Atlantic region. The result would be continued and deepened regional disparity, if that were to take to place. Economic security can certainly be assisted and would be greatly boosted if regional exemptions for all softwood producers were negotiated successfully by the Government.

Industry predictions indicate that if the Maritimes softwood lumber industry is not provided a blanket exemption, more than 4,000 jobs could be adversely affected and indeed lost to a region which is already suffering from chronic unemployment. In a region which is struggling to create jobs and to build a strong economic base this primary sector should be and must be assisted by policies that encourage, not discourage, risk-taking and expansion.

The Maritimes softwood lumber industry indicates that the export tax could have several long-term debilitating effects on the sector. Obviously unexempted softwood producers will lose the American market when the market becomes soft, which it inevitably will, because the tax will render their product uncompetitive.

There is also a great concern among producers in the Maritimes that producers west of the Maritimes, that is, from Quebec westward, could flood the market with their products in an effort to avoid the 15 per cent tax and when markets south of the border start to dry up. This could reasonably result in the loss of local markets for producers in the Maritimes as they are swamped by lumber from western producers.

Apparently that is taking place in Ontario at this time in that it is cheaper to bring in product through British Columbia from the United States to Ontario than it is to import directly from British Columbia forests. This is because the implications of the tax have caused American producers to gear up and to produce more lumber now. Their markets are drying up, so they are shipping lumber north of the border. As a result, we are seeing a negative impact.

We also recognize that European producers are agitating for a similar situation.

I believe, as do many others, that producers in the Maritimes are entitled to a regional exemption for the following reasons. First, they are already paying higher stumpage rates than those required in a negotiated settlement. Second, New Brunswick has raised its Crown stumpage fees by 27 per cent and Nova Scotia by 10 per cent since the countervailing duty assessment came into effect. Third, as a matter of law, the Maritimes can claim exclusion from the export tax based on the conditions of the Memorandum of Understanding.

In recent days, representations from Quebec and British Columbia have been made to the federal Government on the basis that those provinces have now increased their stumpage fees. They feel that they should now be exempted under the Memorandum of Understanding in subclauses 15(1) and 15(2) of Bill C-37 from the 15 per cent. Indeed, they probably should be exempted. The federal Government has recognized this and has responded positively in so much as it has agreed to take the matter to Washington to have it decided.

Why, in all the hype and talk which have been going on, has the situation as far as Maritimes softwood lumber producers are concerned not been addressed? Why is the following not recognized? We were not only paying high stumpage rates to begin with and were not part of the problem, but since that time we have increased stumpage rates to the point that we will be paying rates above those about which the Provinces of Quebec and British Columbia have been talking.

We should now be talking positively at the federal government level about lumber producers in the Maritimes as well as those in our sister provinces of Quebec and British Columbia.

I brought this issue to the attention of the House of Commons a number of months ago. I believe the Government is committed to eliminating regional disparity and has taken a perceptive look at what initiatives are needed to help Maritimers to help themselves. Initiatives such as the Atlantic Opportunities Program directed by Atlantic Canadians for the success of Atlantic Canada are great. We applaud them. Economic progress fostered by those who live and work in the region is welcome. We want a fair and equal opportunity for economic growth. We are not looking for hand-outs or for charity. We want to be able to survive. The failure to achieve a regional exemption under the memorandum is difficult for those individuals in communities penalized by this punitive tax to understand.

When I raised the issues a few months ago, we heard great accolades from members of the New Democratic Party and members of the Official Opposition. They asked where we had been and why we had not talked about it before. They attacked me personally because it was the first time I had raised it in the House. There is no doubt that there will be a response from them today, so I ask where on earth they have been all this time. They give all kinds of lip service to the type of things we

should be doing, but they have had every opportunity, as we have had on this side of the House, to raise the matter.

We have brought the matter to the attention of the Government time and time again. I just hope that we have some positive input rather than carping about what the Government has not done or what the Government should be doing and Members trying to credit themselves with creating the initiatives which we have taken as regional representatives and as members of the Progressive Conservative Party.

A wonderful thing about our Party is that we can rise as Members in our places and bring these matters to the attention of the House.

Some Hon. Members: Hear, hear!

Mr. Corbett: A provision in Bill C-37 would allow the Government of Canada to rectify an inequity which, in my opinion, should never have been installed in the agreement to begin with. A great many producers, and those whose livelihoods depend on a thriving softwood industry, strongly urge the Government to take action to implement Clause 15 of Bill C-37 and to negotiate a regional exemption for the Maritimes.

Mr. Keith Penner (Cochrane—Superior): Madam Speaker, I want to begin by assuring the Hon. Member for Fundy—Royal (Mr. Corbett) that I have no intention of attacking what he has done today in bringing the motion before the House of Commons. On the contrary, I wish to commend him most heartily for what he has done.

He is to be commended, although I am sure that in bringing this motion to the attention of the House for a second time he is something of a burr on the saddles of the Minister of State for Forestry and Mines (Mr. Merrithew), the Minister for International Trade (Miss Carney), and the Government in general. I think the Hon. Member exemplifies something that ought to occur more frequently in this House. There ought to be more alliances on important regional sectoral issues. For example, in the House at this very moment there is the Hon. Member for Kenora—Rainy River (Mr. Parry), the Hon. Member for Timiskaming (Mr. MacDougall) and myself from northern Ontario. Each of us knows, although we represent three different political Parties, that the 15 per cent export tax on softwood lumber has been counterproductive for our region. In my own constituency a number of sawmills have closed down and jobs have been lost. It is quite true, as the Minister of State for Forestry and Mines said in a committee meeting not so long ago, that those operations tended to be marginal. They were not big money makers. That is true, they were not, but the export tax was just enough to put them under. Jobs have been lost and they are not very easily recovered. When you come from a resource region, there is great difficulty and enormous capital costs to create a few jobs. When jobs are lost, you cannot find replacements very quickly or easily.

• (1720)

The Hon. Member for Fundy—Royal indicates that the maritime producers of softwood lumber had not been fairly dealt with in the Memorandum of Understanding. They ought not, he argues, to have been subjected to the 15 per cent export tax. His argument is a very compelling one to which he has brought important facts calling for an exemption.

I want to remind the House again, in case there are Hon. Members who have forgotten or did not know why we got this export tax in the first place on our exports of softwood lumber to the United States—

Mr. St. Germain: It would not have happened if we had had a free trade agreement.

Mr. Penner: We got it because we were circumventing the threat of countervail action from the United States Department of Commerce, an action that had been launched by the coalition for fair lumber trade in the United States of America. I must repeat once again—I cannot let this opportunity go by—that I believe a serious error was made in imposing on ourselves an export tax on our products going into the U.S. What was the alternative? Clearly it was to fight the action through the International Trade Commission and the International Trade Administration as we had done before. We had won on the previous occasion. I remember the action very well because a distinguished constituent of mine, now a Minister in the new Government in Ontario, was at that time head of the Ontario Lumber Manufacturers' Association. He played a key role, along with legal counsel, in Washington in fighting that action. It was expensive for the Ontario producers and for the other producers across the country. It was time consuming but we won and the U.S. Commerce Department declared at that time in its decision that there was no substantial evidence of subsidization.

This time the Government decided not to join the industry and to fight with it. Instead we put a tax on our own exports. The argument made by important spokesmen in the Government like the Secretary of State for External Affairs (Mr. Clark) and others was that we were at least keeping the money in the country. By imposing a tax on ourselves we were not allowing the United States to collect the countervail duty, which money would go into the U.S. Treasury. We now have this tax and we are stuck with it. The tax imposed on us by way of a Memorandum of Understanding signed with the Americans and then translated into Bill C-37 passed by this House is now with us. It is part of the new Canada-U.S. trade agreement that is likely to go into effect in the near future, although with strong misgivings from myself and many others. That tax can be revoked under Clause 15(1) and (2) of Bill C-37 provided certain other actions take place, that is, if stumpage fees are raised sufficiently high that the Americans agree the tax is no longer required. But there must be that American agreement.

Those discussions and negotiations are presently going on. They are going on with respect to British Columbia and with respect to Quebec. The Hon. Member for Fundy—Royal is becoming impatient. He is dissatisfied, as are the producers in the maritime region, that their particular situation is not being looked at but is being delayed. I suppose more emphasis has been given to the British Columbia situation. British Columbia has paid an enormous amount in that export tax. It has paid some $220 million already. That is what is getting priority. You must be aware, Madam Speaker, that in order to move to revoke the tax there has to be a meeting of minds. The American and Canadian negotiators must agree to sit down. They have to have a timetable that is mutually acceptable.

I started to say something earlier about the situation in northern Ontario. Although we are talking about the maritime region, we are talking about the same tax. The coalition of American lumber producers, in their strong desire to see some kind of countervail action or export tax, constantly forget that in a region like northern Ontario the costs of harvesting wood, of getting the trees out to a place where you can add value to them either by making lumber and then taking the chips to a pulp and paper mill or getting the wood from the bush to the mill or to the plant, are extremely high. The costs are extraordinarily high. It may be that the stumpage fees are not equal to what they are in the maritime provinces, certainly not equal to what they are at the present time in British Columbia, but they are sufficiently high, and when you couple that with the costs of extraction, you are looking at very expensive wood costs.

There are distances to take into consideration as well. Those who harvest wood are having to go farther and farther all the time to get it. Sometimes the wood is harvested in very difficult terrain. In the spring of the year when there is break-up you cannot get into areas and there is a delay in getting the wood out. There are other seasons of the year, for instance, the dry season when you have forest fires and much of the harvesting operation has to be set aside. During the winter we can have extremely adverse weather conditions, and that adds to the cost as well.

The Member from Fundy—Royal in talking about his region mentioned a point that ought not to escape our attention. In the preliminary affirmative countervailing duty determination, which is the full title for the action of the U.S. Commerce Department, the maritime provinces were not mentioned at all. Ontario, Alberta, Quebec and B.C. were mentioned. New Brunswick and Nova Scotia were not included because they already had stumpage fees that are sufficiently high. They have since been raised; the Member mentioned figures of 27 per cent in New Brunswick, another 10 per cent in Nova Scotia, and that is true. The maritime provinces really ought to have been left out at that time. I raised that matter with the Minister of International Trade and she said:

> I can assure you that, during the negotiations leading up to the Memorandum of Understanding, we pressed for additional exclusions, by company, product, and region. This did not prove to be negotiable and we could expect the U.S. to insist on a *quid pro quo* were we to reopen the agreement at this time with the objective of excluding the province's remaining exports.

• (1730)

I mention that because I want to tell you, Madam Speaker, and the House that at that moment the Americans had us in a very vulnerable position. They pressed their case, and as a result we have an additional regional disparity for the reasons given by the Member for Fundy—Royal. I would argue that there are also reasons why this adds to the disparity of a region such as northern Ontario.

Mr. John A. MacDougall (Timiskaming): Madam Speaker, I am pleased to speak to the motion of my colleague, the Member for Fundy—Royal (Mr. Corbett), with regard to the softwood lumber surtax. Last year I had the opportunity to be a member of the legislative committee and listened to the numerous groups from across the country which came before it.

I come from northern Ontario and have been involved with the forestry industry there for many years. Seventy per cent of employment in the forestry sector in the Province of Ontario is in the North. The total value of forest product shipments from northern Ontario in 1980 was $7.3 billion. Eighty per cent of the lumber produced in northern Ontario is exported to the United States. Sixty-five per cent of the pulp and paper produced in northern Ontario is exported to the United States. Seventeen of the 22 pulp mills in the province are in northern Ontario, as are 40 of the 53 largest sawmills, 12 of the 13 particle board and wafer board mills, and 12 of the 20 veneer plants.

Bill C-37 certainly was important to northern Ontario. We had a choice to make, that being whether the tax to be paid should go into the American Treasury or into ours. In the Province of Ontario, $22.345 million of revenue was collected under the 15 per cent surtax from January to September, 1987. Will those revenues which are now in the provincial coffers be put back into reforestation and infrastructure for the sawmills and pulp and paper mills in northern Ontario? These questions have not been answered by the province and I, as a Member for northern Ontario, would be very interested in knowing what will happen in the upcoming weeks with regard to that money.

The Member for Cochrane—Superior (Mr. Penner) said that there has been doom and gloom in the sawmill industry in northern Ontario. The last eight months have been one of the greatest periods in the sawmill industry in northern Ontario with regard to construction. Over 220,000 homes have been built in the last year. Exports have been moving on a regular basis.

It is interesting that the Hon. Member would have preferred the Americans to make a ruling last October which would have been against northern Ontario, which would not have enabled

us to collect the revenue from the surtax which the Government has ensured will be spent in northern Ontario and other parts of the country.

There are negotiations going on under Clause 15. I hope that northern Ontario is part of those negotiations. Another round of negotiations began last week between our federal government representatives and industry representatives and the U.S. Department of Commerce to address the issue of replacement measures with regard to the 15 per cent surtax. These negotiations will continue this week and early next week and it is hoped that we will see a positive resolution of this problem.

I would like to go over a few of the strong points of the Atlantic lumber industry in the past eight months. The Atlantic region is experiencing the same up-beat market as is the rest of the country. Although non-excluded companies in the Maritimes are not shipping as much lumber to the U.S. as in the past years, the strength of the local market has more than offset the effects of the 15 per cent tax.

The offshore market has also been very strong. According to the Maritime Lumber Bureau report of August, 1987, "inquiries from offshore exceeded supply and the European agents are surprised that more Maritime shippers are not taking advantage of a firm demand".

It is also worthwhile to point out that Maritime fears of lumber from other provinces flooding the Maritimes have not been fulfilled. This was also a concern of Ontario with regard to shipments from the West and was brought up during the hearings on Bill C-37. This has not occurred either. It is not likely to occur as the major producers, the Provinces of Quebec and British Columbia, have raised their stumpage rates significantly as compared to the rates prior to Bill C-37. For the maritime producers this is good news as it is for other provinces as well. The region has participated in the Canadian housing boom of close to 202,000 units.

One of our greatest concerns, which the Government has been addressing, is to have the borders opened. My colleagues must realize that free trade is the only way in which regions such as northern Ontario will have the opportunity for growth. I say that because we are very reliant upon resource base. It is very easy for the Leader of the NDP to say that we really do not need trade. He comes from Oshawa where General Motors is located which has the greatest trade between two countries and has an unemployment rate of zero per cent. He does not understand the concerns of regions such as northern Ontario.

My colleague from Cochrane—Superior and other Members from northern Ontario should be joining together to ensure the future of northern Ontario with regard to trading dollars. It is unfortunate that sometimes political beliefs come before the stability and the future of the regions.

I believe that the presentation made earlier this year by the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Miss Carney) will enhance the future of northern Ontario. It will enhance the future of our children, our grandchildren, and our great grandchildren. We will have an opportunity to build on the softwood lumber sector, the mining sector, tourism and agriculture. I call on each Member from northern Ontario to stand firm to ensure that this trade agreement gives us strength for the future. That is why it is important to ensure that this trade agreement is ratified. Hopefully this will have positive results for my colleague, the Member for Fundy—Royal.

• (1740)

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I am pleased to speak on the motion of the Hon. Member for Fundy—Royal (Mr. Corbett). Indeed, let me begin by extending my thanks to him. I feel that any opportunity we have in the House to debate the present state and the future of Canada's largest industry is one that should be seized upon. Indeed, I am glad to see that we have a relatively large attendance for Private Members' Hour. I am grateful to all my colleagues for their interest.

I also want to thank the Hon. Member for Fundy—Royal for his detailed and I believe highly informed exposition of the nature of things in the regional forest products industry in Nova Scotia and New Brunswick particularly. In extending that compliment, I also have to caution him that the forest products industry and the forest industry in this country are of such diversity and variation between provinces and even within provinces that we should never assume, in examining the management, the taxation, the fee, and processing regimes from province to province and even region to region, that what is sauce for the New Brunswick goose is necessarily good for the gander of northern Ontario.

Indeed, stumpage rates are a case in point. The stumpage rates were already high in the two principal maritime producing provinces of New Brunswick and Nova Scotia and indeed have been increased since. However, the stumpage rate that is applicable in a province the size of New Brunswick, which is somewhat smaller than my constituency, may not be the stumpage rate that would be appropriate to another province.

The management regimes, the ownership of lands from which wood is harvested, varies very radically from province to province. For example, there is a very active and I believe progressive federation of woodlot owners in New Brunswick, which has no real parallel in northern Ontario where almost all wood is cut upon Crown lands under licence from the Ministry of Natural Resources or under forest management agreements. The situation that pertains in New Brunswick is different again.

The Hon. Member for Cochrane—Superior made reference to the length of some log hauls in northern Ontario. I would point out to the Hon. Member for Fundy—Royal that some log haul distances in northern Ontario would be the same as the distance covered by a log being taken from the New

Brunswick coast, clear across the province, through Maine and into Quebec.

We know that there are sound reasons for varying stumpage rates even within the province. For example, there is legislation in the Province of Quebec where rates are increasingly being set by a type of forest management agreement, and which also depend on the use made of the particular log and the value added that the log will undergo in its transformation to a final product for sale.

The Hon. Member for Fundy—Royal made a very persuasive case for the exemption of the maritime provinces from this 15 per cent softwood lumber export tax. It is a persuasive case but one that I regret to say is impractical. The key word the Hon. Member used, and which all of us must remember in debating this particular topic, is the word "negotiate". The Hon. Member himself referred to the fact that there never was a case within the United States for the imposition of the softwood lumber export tax on the maritime provinces based on the stumpage rates that pertained then and certainly not on those that pertain now.

The Minister for International Trade (Miss Carney) was quoted as saying that it was not practical to move the maritime producers off the negotiating table. It is that key negotiation phase on which, unfortunately, the Hon. Member's motion appears to be doomed to failure.

The Hon. Member made the arguments for the New Democratic Party very well. He mentioned that the American transportation routes are now being used to ship British Columbia lumber into Ontario markets. I was not at all surprised to hear the Hon. Member taking rhetorical swipes at the Opposition. For example, he asked where we were all summer when his caucus has been on top of this issue. I was not at all surprised to hear those rhetorical swipes because I think the Hon. Member realized how thoroughly and effectively he had demolished the Government's case for this over-all 15 per cent lumber tax and that he had better retrieve his position with his own caucus.

As he said, the Maritimes should never have been included in the agreement. I am sure it comes as no surprise to the Hon. Member that no Ministers are here to hear him excoriate the agreement in those terms.

We know that the Prime Minister (Mr. Mulroney) held out the promise of the repeal of the 15 per cent softwood lumber tax under a free trade agreement. We hope and expect the Government to be successful in achieving that, and we look to it to make it happen.

I believe it is worth repeating some comments made by informed professionals and analysts within the industry. It was said that we were taken to the cleaners. In an article in the *Ottawa Citizen* on January 10, an expert was quoted as saying:

> If I were an American producer, my position would be that we've softened up the Canadians. If Canada felt it was necessary to rush in and negotiate in this case, it's possible they could file a petition in another industry and hope we would do the same thing.

Softwood Lumber Exports

In an article in the *Ottawa Citizen* on November 7, detailed examples were given by the President of the Green Forest Lumber Corporation of the ways in which this 15 per cent tax is having invidious effects upon the Canadian industry.

I disagree with the Hon. Member for Timiskaming (Mr. MacDougall)—whose riding in northern Ontario is closer to New Brunswick than it is to my riding of Kenora—Rainy River—when he said that the industry is not suffering in northern Ontario. Indeed, it is.

The Hon. Member for Cochrane—Superior did not list those mills in his riding that have closed, so I will mention them. They include the Terrace Bay mill, the Longlac mill, Kimberley- Clark at Nakina. Surely the Hon. Member for Timiskaming should be aware of the wafer board operation at Smooth Rock Falls having closed down as well. There was the recent but fortunately short shut-down of the Hudson Mill in my riding.

In effect, this 15 per cent softwood lumber export tax has facilitated the dumping of American product into the Canadian market, with no possible means of redress because it is Canadian measures that are making it possible. The imposition of the 15 per cent softwood lumber export tax essentially limited Canadian access to the U.S. market by raising the price of the Canadian product—be it British Columbia, Ontario or a maritime province product—in the U.S. market. Of course, this reduced the demand for Canadian lumber and a good year in residential construction in the United States increased the output of American mills. The Americans have lowered their unit costs and now have lumber that is surplus to their own requirements. Naturally, they are looking for a market and are able to sell with impunity into the Canadian market, undercut Canadian producers and thus essentially use our softwood lumber export tax to which the federal Government agreed, not only to deprive us of access to the American market but to deprive us of access to our own market. That is why the tax should be repealed, not only for the Maritimes but, indeed, for the whole of the industry in this country.

• (1750)

Mr. Fred McCain (Carleton—Charlotte): Madam Speaker,first, I would like to draw to the attention of the House that contrary to the remarks made by opposition speakers to this moment in time, recognizing the difficulty which it faced and the inequity of the proposed application by all of those who were lobbying in the United States to get a much, much higher level of duty than that presently imposed as tax in Canada, the Maritime Lumber Bureau was very satisfied that the Government of Canada had in fact driven the best deal it possibly could for the maritime lumber industry. Probably it would have been much worse had the only impact upon that duty been the declaration of the rate of duty by the American Department of Trade and Commerce as influenced by the lobbyists in the United States. Anyone who feels on experience of application of former such duties that this was a bad deal, had better examine some of the other deals.

I will very briefly discuss another subject matter with which I am very familiar. They made equally strong representations on behalf of duty on potatoes shipped from Canada to the United States, and when the duty was levied, it was levied on individual shippers. Unfortunately, the American Department of Trade and Commerce has neither the manpower nor the time or capability to determine what duty should be charged on individual shippers on the basis of their law.

In the case of two particular people, both of whom are personal friends of mine and I am very familiar with their business, one person in the potato industry was subject to no duty for shipment of potatoes to the United States and the other, identical, I repeat, in the *modus operandi* of the business, was levied at 40 per cent. One has to have some knowledge of how these things work when they are imposed by the United States.

I submit that the last two speakers, the Hon. Member for Cochrane—Superior (Mr. Penner) and the Hon. Member for Kenora—Rainy River (Mr. Parry), do not have the personal familiarity with the system and how it works and how very prejudicial it can be. I repeat again that the lumber bureau was pleased that it got a deal, which is only a 15 per cent deal, and it has never said anything else before the committee of the House of Commons or in public. Therefore, I think we have to start from there. I support the Hon. Member for Timiskaming (Mr. MacDougall) when he says that lumber costs in New Brunswick are very high. The amount of wood is small. The expense of product from the sawmill is very high. The final finished product, as a result of the size of the timbers we have to use, puts us in a position of disadvantage with almost any other lumbering area of Canada. I submit that both on the basis of the cost of the operation in New Brunswick and on the basis of the cost of stumpage, as was so very well outlined by my colleague, the Hon. Member for Fundy—Royal (Mr. Corbett), we are in every way qualified for exemption from that tax, which was the ultimate decision of international negotiations.

I would also like to point out that it has been said today that in the markets which exist, the industry has been able to survive and to profit in spite of the tax. I agree with that. But normal markets will be down the road and this was not a normal demand. It was not a normal market. It happened to be at the peak of the cycle. Those people who were shipping lumber under those circumstances did in fact find they could survive and prosper to a limited degree, limited by the amount of the tax, of course. Yes, they have not been put out of business as we initially feared they might be. No, there has not been the abnormal trans-shipment of lumber to different areas of Canada as a result of a restriction of flow from Atlantic Canada to the United States market. Nevertheless, we do need to be relieved of that tax at the earliest possible date.

I am very pleased to know that the Government of Canada is in fact putting the issue forward. It is not correct to say that it was never put forward in the negotiations because it was. It is not correct to say that negotiations have not been taking place in the period of time since the introduction of the Bill which opposed the tax. They have been and are promoting to get rid of that tax as far as Atlantic Canada is concerned. I think the Government has acted in an extremely responsible way.

I compliment the Hon. Member for Fundy—Royal for his motion, for the research he did and the presentation he made in his usual dedicated fashion on behalf of Atlantic Canada. He should be commended for that presentation. But let us not spread false rumour around this country that this was not a good piece of legislation, that it was not a good deal for the lumber industry. We found ourselves in a cycle of market in which we survived in spite of it. All the negotiations which can possibly take place should be encouraged by virtue of this motion and by virtue of the interest of the lumber industry of Canada to negotiate our way out of it. But we got off as a result of very astute, careful and deliberate negotiations with much, much less duty than otherwise would have been imposed had we not had the influence we had and had we not been treated in the good faith with which we were treated in Washington. Had the lobbyists had their way in a clear field, the duty they would have imposed would have crippled us. We did negotiate ourselves into a sustainable position on an economic basis for the lumber industry of Canada, including Atlantic Canada, but we do need to negotiate our way out of it. That is what this motion is intended to encourage.

Mr. Felix Holtmann (Selkirk—Interlake): Madam Speaker, I realize I only have about three minutes, but I would like to commend the Hon. Member for Carleton—Charlotte (Mr. McCain) who brought to the attention of this House quite clearly that not only the Hon. Member for Cochrane-Superior (Mr. Penner) but the Hon. Member for Kenora—Rainy River (Mr. Parry) really have it all wrong. If we go back to the very creation of the lumber dispute with which the Hon. Member opposite is very familiar, it was the present Liberal Premier of Ontario who in fact said that the problem clearly was that stumpage was not adequate in Quebec and in fact in British Columbia. He admitted there was clearly a problem and it should be addressed.

The Hon. Member for Cochrane-Superior suggested we should have let it fall through the normal trade negotiations and dispute mechanisms we presently have. Does he realize that the countervailing duty on hogs by the United States went through the normal channels, through the Commerce Department of the United States, and we are living with it today? Having a free trade agreement rather than having to go to some other foreign mechanism to settle this dispute, which we would clearly like to negotiate back to a normal situation we had, is really what the exercise is about.

My hon colleague, the Hon. Member for Fundy—Royal, brings an important point to the debate by indicating that stumpage in the Maritimes was always high, perhaps almost on a level playing field with the American stumpage charges in different parts of the United States. However, as a country,

and as a national program, it was looked at. Even today, the Hon. Member for Carleton—Charlotte indicated that if we look at the Memorandum of Understanding, it explicitly provides for the reduction or elimination of export charges on the basis of increased stumpage or other charges by provinces in softwood lumber production. I do not think that we have a tremendous problem, but clearly Canada is heading in the right direction to bring about an end to this charge.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please. The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 is deemed to have been moved.

SCIENCE AND TECHNOLOGY—FUNDING OF RESEARCH AND DEVELOPMENT/CONSORTIUM'S APPLICATION FOR FINANCIAL ASSISTANCE

Mr. David Orlikow (Winnipeg North): Madam Speaker, last June I asked the then Minister of State for Science and Technology why, when the Conservative Party had been in opposition it had promised to double support for scientific research and development, we now find that the expenditures for scientific research and development are running at only 1.35 per cent of Gross National Product. The Minister replied that spending has increased significantly but that it took time to reorganize the apparatus of government in line with the Government's plans.

I point out that Canada is the only major industrialized country with trade deficits in all the major high technology groups, including aerospace, data processing, machines, drugs and electronic equipment. One of the major reasons for this low level of sales is because there is a very low level of research and development undertaken in Canada. To deal with the problem the Government has adopted an approach to scientific research and development under which government funding will not increase. In fact, funding for research in government laboratories and universities might decrease. Programs and institutions such as the National Research Council have already been eliminated or scaled down.

The Government expected that the increased effort and expenditures for scientific research and development would come from the private sector. This raises important and serious questions which have not even been considered let alone answered by the Government.

For example, will the private sector increase its efforts and expenditures by the very large amounts needed if we are ever to reach the goal of 2.5 per cent of GNP devoted to scientific research and development, a figure at which most other industrialized countries aim? Or will the private sector invest in the kinds of basic research which have been done in government laboratories and in our universities which, according to most scientists is absolutely essential, as has been emphasized so clearly by both our Nobel prize scientists, Dr. Herzberg and Dr. Polanyi? Or will its efforts be directed at its particular interests in the development part of scientific research and development for its specific benefits?

My second question to the Minister was why had the Government which looked to the private sector not approved the proposal for start-up assistance made by Pre-Carn Associates, a consortium of 31 member companies including Inco, Stelco, Hydro Québec and Ontario Hydro, to mention just a few. Dr. McNabb, the former head of NSERC, plays a leading role in this organization.

It was last June that I asked these questions. We checked again today and were told the following. Some 31 member companies have identified areas of research that they would like to pursue. The technical advisory committee has met a number of times. In the new year it will be putting out a call for proposals on research projects. It has not heard a single word from the federal Government with regard to its application for financial assistance to start up its organization. It understands that the Minister of State for Science and Technology (Mr. Oberle) is preparing a memo for Cabinet.

It seems obvious to us that the Department has been terribly slow in responding. Yet, it splashed grants around this summer for numerous high tech companies. We have to ask ourselves why a government which puts so much store in the private sector, a government which believes that the private sector can do most things and certainly do scientific research and development better than government laboratories and universities, has been so slow to fund this organization. Why can it not do something for basic research, which this organization proposes to foster, and come through with the grants for this organization which is dedicated to working on basic research in co-operation and conjunction with some of the major industrial companies in this country?

• (1805)

I call upon the Government to deal with this application quickly, and to deal with the whole question of scientific research and development in a serious manner, which it has not done up until now.

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Madam Speaker, I welcome the opportunity I am given this evening to respond to the Hon. Member for Winnipeg North (Mr. Orlikow), the science and technology critic for the New

Democratic Party. I can inform the Hon. Member that first of all, our gross expenditures on research and development have increased by an annual 4.1 percent in 1985-1986 and an estimated 4 percent in 1986-1987. At a time when the pressure on both corporate and government budgets is tremendous, these figures demonstrate the emphasis placed by government and the private sector on research and development as instruments of economic growth.

Granted, gross domestic spending on research and development as a percentage of GNP went down in 1986. However, the actual figure is not important, statistically speaking. What is important is that economic growth has been enhanced by our policies, and that the Government has managed to rein in inflation, lower interest rates, reduce the massive deficit we inherited from our predecessors and increase spending on research and development. To me this proves that our emphasis on research and development as instruments of economic growth is justified.

I may remind the Hon. Member that gross domestic expenditures on research and development as a percentage of GNP are merely statistics and should be interpreted only as performance indicators. We cannot use these performance indicators to compare directly our R and D performance with other OECD countries. No other OECD member, except perhaps Australia, has a combination of primary and secondary industries similar to ours, with a substantial percentage of its industrial capacity belonging to foreign interests and a relatively low commitment to military research and development.

Nevertheless, we do engage in world-class research. By restructuring and concentrating our resources, we will make it possible for our researchers to emulate the achievements of Dr. Polanyi, Bell Northern, Mitel and all those who helped to develop the Canadarm. We have a national science and technology policy that has been accepted by all the provinces, a carefully selected group of science and technology advisers and a national advisory council on science and technology. We also have a space program and a micro-electronics program under which $90 million is available to participating industries. We supported the Canadian Institute for Advanced Research.

Finally, we launched InnovAction, a program that will help all Canadians realize the importance of science and technology in their lives. As the Economic Council of Canada stated in its report "Making Technology Work", published last June, all Canadians must openly embrace the new technologies and realize there is no alternative. Our Government has made science and technology its priority and will continue to do so.

[*English*]

EXTERNAL AFFAIRS—EL SALVADOR—DISCOVERY OF HEADLESS BODY OF AGRICULTURAL WORKERS' REPRESENTATIVE/CANADIAN AID TO EL SALVADOR

Mr. Dan Heap (Spadina): Madam Speaker, on May 29 I asked the Hon. Secretary of State for External Affairs (Mr. Clark) a question regarding El Salvador. In part, my question was, "Will the Minister indicate to the President—" that is, of El Salvador, "that Canada's decision to extend that aid was based on an expectation that the President would be willing and able to control human rights violations of this sort—" and I was referring to the recent murder of another trade union leader by the death squads in El Salvador, "—and that the continuation of the aid is conditional on progress in that matter?"

• (1810)

The Minister said:

> I do not want to make any general comment that might make that delicate situation more difficult. However, I will certainly look into the information which the Member has provided and will take whatever action is appropriate.

The Minister made no protest to the Government of El Salvador about its continuing murders of trade unionists, which is what I had asked in my first question. He gave me no answer as he promised to my second question after he looked into it. The only action he took was to signal earlier this year the renewal in the next phase of bilateral aid to the Duarte Government.

We have in a story in *The Globe and Mail* the description of the futility of aid controlled by a Government which is itself controlled by a murderous or Fascist army. An article in the October 27 edition of *The Globe and Mail* written on the murder of Herbert Anaya, the President of the Salvadoran Human Rights Commission, in front of his family as he prepared to take two of his six children to school, reads in part:

> The killing appears to be part of a recent increase in death-squad murders and disappearances apparently linked, analysts say, to the rise in anti-Government and anti-army protests.

It refers to the gruesome amnesty offered by the Government to those killers, that is, the death squad murderers. Also, referring to the amnesty, it indicates:

> It pardons all political crimes, including more than 50,000 political killings during the past seven years. Most of those were clearly committed by death squads linked to the military and security forces.

The Minister was quite mistaken to declare El Salvador democratic in any sense when it is controlled by such a Fascist army, when the army even ignores the cease-fire order of the President of El Salvador. They laugh at him.

He was equally mistaken to give aid to the Duarte Government. The Minister claims that he gives aid not to the Government but to poor people, but that is not true. The Duarte Government controls the distribution of Canadian aid money through the Minister of Planning. This was told to me by the Vice-Minister of Planning who explained that the list should be vetted ahead of time before it is shown to the Minister, so that there might be no embarrassment of a name on there that the Minister might not wish to see.

What we have is what *The Globe and Mail* aptly calls "dirty wars" in El Salvador and "dirty wars", in Guatemala. For example, its October 28 editorial reads:

> The situation is no different in Guatemala, where tens of thousands of Indians have been killed in the past decade for a presumed association with the country's guerrillas, and where human rights crimes continue under the civilian government of President Vinicio Cerezo Arevalo.

In today's edition of *The Toronto Star* we have the same. People have noticed that disappearances have continued since Guatemala returned to civilian rule, and some have noticed that death squad activity is on the rise again. The American Embassy in the spring indicated that death squads this year had doubled the rate of the death squads last year under the same President.

The Minister is also mistaken to call Guatemala a democratic country when that Government is also controlled by the army, by a Fascistic murderous army. The Minister has no basis for saying as quoted in today's *The Citizen*:

> The election of Vinicio Cerezo as president of the country has resulted in the beginning of a democratic process.

He has no basis for saying:

> Consequently, and in keeping with our conviction that the root causes for instability and violence in Central America are economic and social in nature, we have decided to renew Canada's bilateral aid relationship with Guatemala. We believe that with care and imagination it will be possible to organize a program that benefits the poor.

That is simply not based on the real facts. The Minister has never given me his reasons for the decisions he has been considering for over a year and which he has now announced.

Human rights violations go unpunished. Whether they were a little less last year or a little more this year makes no difference in El Salvador or in Guatemala. When I visited Guatemala a year and a half ago I saw Canadian aid in the form of corn given through Canadian NGOs to Guatemalan NGOs. I saw the corn being distributed by a member of the civil patrols. In other words, Canada's money was going to help confirm the dictatorial power of the Guatemalan army.

• (1815)

I commend the Hon. Minister for his plan to visit Central America. I believe it will be a useful thing for him to do. I hope he will visit Central America and visit it more than once to learn at first hand what is going on. I hope he will reconsider his decision to aid Guatemala and not make the same mistake he made in El Salvador, and that he will not fund the army that controls Guatemala.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker, I have always felt the House of Commons was a tremendous forum, however one should exercize caution when making accusations. Clearly there has to be some facts behind the Hon. Member's comments, but they must be viewed within the general outlook and the general policy of the Government.

Human rights violations must be punished. I think that generally speaking, Madam Speaker, this may be said in this House but there is a lag between saying it and implementing it, and that lag indeed the Secretary of State for External Affairs (Mr. Clark) is attempting by every available diplomatic means to make sure that human rights are respected. We as a Government have very close links with all the agencies which deplore those facts and we are closely monitoring them. Our assistance program, Madam Speaker, are designed to reduce disparities. And it is my view that if we base our assistance program on human rights violations only, we might very well make mistakes that would prevent us from meeting that first goal of reducing inequalities.

That violations should be punished is a principle that can be stated but implementing it is a different story. Our programs are aimed at reducing those inequalities, and very soon, indeed next week, the Secretary of State for External Affairs will be touring those Central American countries to verify and I may say to verify and discuss with the authorities. This may be a way of doing things with which the Hon. Member may not entirely agree, but it is my view that in light of his visit, and it will be my privilege to also take part in that tour and discussions, but I think that in light of that visit and especially of those discussions with the Secretary of State, some points will be clearly established.

I have already attended similar meetings and on that I can state that there is a full range of means available. Rising in this House to violently condemn is one way. It solves nothing in San Salvador, Nicaragua or other countries. Ours is a very special forum that can be used sometimes, but I think there are other ways and we should not reduce our assistance on those grounds. Quite the opposite, our assistance is aimed at reducing inequalities. Examples such as those given by the Hon. Member may be true. There are examples in every country, including Canada, where people will attempt to abuse the system by every means. That is true. But for making diplomatic charges, voicing statements in this House with the sole purpose of stating that, we prefer solutions that are much more effective.

• (1820)

REGIONAL ECONOMIC DEVELOPMENT—REGION OF MONTREAL—REQUEST FOR $25 MILLION GRANT—GOVERNMENT POSITION—AID—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Madam Speaker, my intervention this evening follows a question I addressed to the Minister of Regional Industrial Expansion (Mr. de Cotret), who is supposedly responsible for economic development in the Montreal region. I should remind the House that, two years ago, after the announcement of the closing of Bombardier, Canadian Steel Wheel, Laforge, Daoust, La Parisette and Vickers, I established along with provincial and municipal political representatives, as well as the citizens and unions, a survival committee to avoid the loss of 5,000 jobs in East Montreal.

At the time, as this House will also recall, the Conservative Government had responded to our representations, and to the closing of the Gulf Refinery in East Montreal by annoncing

the creation of two committees, in addition to the Picard committee. There were therefore three committees: the Ministerial Committee, presided by the Minister of Regional Industrial Expansion, the Picard Committee for the Montreal Region and the East Montreal Economic Recovery Committee presided by Mr. Pichette.

At the time, the Conservative Government did nothing to help the economy of East Montreal and to avoid the loss of thousands of jobs. Fortunately, the provincial Government led by Mr. Bourassa was able to save three quarters of the Gulf Refinery and three quarters of its employees. Bombardier was able to get contracts with the assistance of the provincial Government and to avoid closing down immediately. However, six months ago, the Picard Committee made public its 86 recommendations for the development of Greater Montreal, including the development of Montreal Harbour, the Space Agency, the International Banking Centre and so on, and for six months, the minister of Regional Industrial Expansion has been saying: "Yes, I shall announce decisions in due time." But nothing is being done. The Government keeps dragging its feet.

Two months ago, the East Montreal Development Committee, presided by Mr. Pichette, whose members include representatives of business, labour, the social-economic sector, Montreal, as well as federal and provincial representatives, unanimously recognized that, as pointed out in the study before me, while there has been economic recovery in Quebec, in Greater Montreal and throughout Canada, it had not yet happened in East Montreal. In fact, businesses were closing down, and at the time the report was published, early in September, Montreal East had 22,000 unemployed workers, 9,400 people on welfare, and if nothing was done, 3,000 jobs would be lost in the shipbuilding and rail transportation industries and at Angus.

Some of the recommendations were addressed to the authorities of the City of Montreal, and I must say that two weeks later, city authorities reacted quickly—they had taken part in the consultations with Mr. Pichette—and announced concrete measures to revitalize Montreal East and ensure there was a development plan for establishing new industries and providing the requisite infrastructure to attract new industry to Montreal East. Unfortunately, the federal Government is once again dragging its feet. There were five recommendations that were important for the development of Montreal East and were supported by the unions, including the metal workers. There was the question of a national procurement policy for the rail transportation industry. We all know that Bombardier, Angus, Canadian Steel Wheel and Laforge depend enormously on railway contracts, and as far as Vickers, the shipyards are concerned, they favoured preferential procurement in Canada for the shipbuilding industry, which would have been excellent both for Vickers in Montreal East as well as for the Sorel and Lauzon shipyards near Quebec City.

Madam Speaker, an important point was that that everyone agreed that contracts for refitting ferries and ships should be given to the Vickers yards and that Montreal East should be designated under the adjustment program for older workers, so that these people who lost their jobs at the age of 55 or 57 and had worked 25 or 27 years in these sectors . . . unfortunately, the Conservative Government and the Minister of Labour (Mr. Cadieux) abolished the existing program, the adjustment program linked to unemployment insurance, before providing for a replacement.

So the people want the East end of Montreal to be a designated area for all the workers to become eligible.

Therefore the Federal Government was invited to inject $25 million, together with the Quebec Government, into the setting up of a bureau to help with the restructurisation and upgrading of large businesses and also to create a special fund for manpower training and retraining. It is clear that welders working on huge ships in marine shipbuilding yards need highly technical training; that is why a manpower training and retraining programme, together with a manpower skill updating programme for senior citizens as well as a development fund to attract industries to the East end of Montreal, would help solve the short-term problems there, so that the East end of Montreal could progress at the same pace as Greater Montreal.

Madam Speaker, two weeks ago marine shipyard workers—people now living on unemployment insurance benefits—had to organize a demonstration here in Ottawa simply to ask the federal Government to provide them with jobs by finding ships for them to repair. Neither the provincial nor the municipal governments are responsible for building or repairing ships, and it would be important for the federal Government . . .

I dare hope that the Parliamentary Secretary who will respond will be able to meet the expectations of the men and women living in the East end of Montreal, an area which is not only represented by Liberal Members, but also by three or four Conservative Members. The industries in dire straits are all located in ridings represented by Conservative Members. The welfare of these people would require a positive answer.

• (1825)

Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations): Madam Speaker, first, I would like to correct something my honourable friend said about the POWA Program, or Program for Older Worker Adjustment. We are all aware that, in 1984, before we came to power, the Liberal Government had said that this program would be abolished and that, when our own Government came to power, it maintained this program for another year.

For the information of the Hon. Member and of older workers, I would like to point out that we are actively negotiating the terms of a new program with the Quebec Government.

As for the assistance that the federal Government could, should or did bring to East Montreal, I believe that it is important to point out to the Hon. Member and to the people

of Montreal, especially East Montreal, that the federal Government, through its Minister of Regional Industrial Expansion (Mr. de Cotret), did not hesitate one second to deal with these issues. As proof of this, we find that 73 business development projects were approved by the Department of Regional Industrial Expansion and that they have provided investments of nearly $200 million and the creation of 2 500 jobs, and another 2 000 jobs have also been saved.

Madam Speaker, what we must understand is that the federal Government, with the provincial Government, the city of Montreal and the businesses themselves, is now trying to find ways to improve the quality of life of workers. This is exactly what we are doing as evidenced by the fact that the rate of unemployment in the Montreal region has gone down from 10.6 to 9.6 per cent.

If we forget any political ideology or philosophy, whether it be red,blue or green, we realize one thing: In real terms, the city of Montreal and the population of East Montreal have received positive assistance for the workers from the federal Government, and this is what we shall continue to work for in coming months and years in the hope that Bill C-22, which has been long awaited by the people and the workers of Montreal, will be supported and promoted by my colleague for Montreal—Sainte-Marie so that the Montreal region and the city of Montreal will finally receive their fair share of jobs and investments.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, November 18, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

GOVERNMENT AID FOR DEVELOPMENT AND RENOVATION OF OLD PORT OF MONTREAL

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): In Montreal last week, Mr. Speaker, Mayor Jean Doré told the Quebec media that the City of Montreal and the municipal administration will not accept unfair treatment with respect to Montreal Old Port development and renovation.

Mr. Doré recalled that Toronto and Vancouver had received $140 million to help develop their old ports, and the mayor of Montreal stated that he would accept nothing less.

Current rumour has it that the federal Government will earmark only $39 million for the development of Montreal's Old Port. I would therefore urge the Conservative Members of the Montreal metropolitan area to bring pressure to bear on the Minister of Public Works and the Minister of Regional Industrial Expansion so that Montreal may get its fair share, $140 million.

* * *

[*English*]

WORLD ENERGY CONFERENCE

RECOGNITION OF CANADIAN ROLE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the World Energy Conference was founded in 1924 to study energy problems in both national and global contexts. It has 80 member countries. The world organization is headquartered in London and the active Canadian branch has its head office here in Ottawa.

It is an honour to Canada that the incoming Chairman of the International Executive Council is Mr. John Foster, former President of Atomic Energy of Canada Limited. Also, Canada's position in the forefront of world energy developments has been recognized in the choice of Montreal as the site of the fourteenth congress of the World Energy Conference to be held in September, 1989, when the theme will be "Energy for Tomorrow".

Blessed with abundant reserves of hydrocarbons, coal, uranium, and hydro, Canada is well placed to reap future energy benefits.

* * *

• (1405)

ENERGY

ETHANOL BLENDED FUEL

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Department of Energy, Mines and Resources' discussion paper on oxygenated fuels confirms that 10 per cent ethanol blends are equivalent or even superior to gasoline, and that this fuel is environmentally safe and clean.

Ethanol, if properly promoted, will provide a market for surplus Canadian grains and forest wastes. Saskatchewan, British Columbia and Manitoba now have incentive programs in place for this fuel and we must ask what action we can expect from the federal Government to promote the development of this fuel in Canada.

In the meantime, why has Petro-Canada joined with other major oil companies in denouncing fuel ethanol when studies, including the Minister's own, have shown otherwise? Should not Canada's national liquid energy company be supporting ethanol development, particularly when it is using ethanol to fuel the torches in its Olympic torch relay?

* * *

[*Translation*]

TAX REFORM

CHILD TAX CREDIT—SOCIAL JUSTICE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in *Le Devoir*, a taxpayer described how unfairly she was treated by our tax system. This woman, separated since 1983, is fully responsible for and has custody of her daughter. Her estranged spouse has custody of their second child and is financially responsible for

that child. This seems to be a sensible couple, where both parties have agreed to share their parental responsibilities equally. And how are they being treated under our tax system?

This woman always gives the father the family allowance payment she receives for her son. She does not claim any deductions for this child because she is not financially responsible for that child. And now Revenue Canada is asking her to pay $1,089. Why? Because her file was reviewed and the tax credit granted for the child not in her custody has to go to her since she receives the family allowance cheques.

Mr. Speaker, this tax credit is granted on the basis of family income. Revenue Canada reviewed this woman's income tax returns while also taking into account her estranged husband's income, an income that is not hers—in fact she didn't even know how much it was. It is incredible that this taxpayer should be forced to avail herself of a right that costs her more than $1,000. What did the tax reform do for those who take their parental responsibilities seriously? This is an anachronism in a society where divorce and separation are common and where it is essential that fathers shoulder their share of the responsibility for their children.

* * *

[*English*]

CANADA POST CORPORATION

CLOSURE OF RURAL POST OFFICES—PROVISION OF ALTERNATE SERVICE

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, the Bloomfield Station post office closed its doors for the last time on October 31.

Bloomfield Station is a small community of some 50 households in my riding. When the acting post mistress resigned, Canada Post took the opportunity to implement changes according to its 1986 corporate plan.

I have no quarrel with progressive change, especially when it will save millions of tax dollars, but Canada Post could not and did not fulfil all of its obligations to this community.

The residents must now make a 30-kilometre round trip to get retail counter service. I do not feel this is right. Canada Post should not close rural post offices unless it can ensure that the residents will have retail service at their disposal.

If rural post offices are to be closed, then the postal corporation should be obligated to provide some type of alternate retail service within the community.

Closing rural post offices without providing alternate retail service is unfair to rural Canadians.

ST. LAWRENCE SEAWAY

CONCERNS EXPRESSED BY INTERNATIONAL ASSOCIATION OF GREAT LAKES PORTS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, this week the International Association of Great Lakes Ports is holding meetings here in Ottawa. This association, which comprises representatives from all of the ports situated in and around the Great Lakes, on both sides of the border, is a dynamic and influential group doing everything it can to make both the Canadian and U.S. Governments understand the desperate situation of the maritime industry along North America's fifth sea-coast.

Led by Jim Hill of the Port of Thunder Bay and Davis Helberg of the Port of Duluth, they are trying to point out that the Great Lakes-St. Lawrence Seaway system is facing a great many obstacles to its continued viability. While some of these obstacles are the result of changing international economic conditions, and are not ultimately within our control, many others are the direct result of Canadian government policies implemented both by the present Government and the previous Liberal Government. They are policies which are, quite frankly, pricing the Seaway system out of existence. I am speaking of such things as elements of the Western Grain Transportation Act, inequitable distribution of grain by the Wheat Board, tolls, fees and pilotage charges, marketing of the system, and the list goes on.

• (1410)

I want to encourage all Members of the House to listen very closely to the voices of the IAGLP which is raising matters which are of the greatest concern not just to eastern Canada and the shipping industry but to our country and our whole economy.

* * *

HISTORIC EVENTS

LATVIA—ANNIVERSARY OF PROCLAMATION OF INDEPENDENCE

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, today marks the 69th anniversary of the Proclamation of Independence by the nation of Latvia. On November 18, 1918, after years of occupation by Tsarist Russia, Latvians united to create a sovereign and democratic republic. That treasured status perished when the Soviet Union invaded and occupied this Baltic country in 1940.

In commemorating this event, Latvians around the world are paying tribute to the brave and independent spirit of their nation. In spite of Soviet threats of reprisal, Latvians in Riga are rallying at the Latvian Statue of Liberty, and a sympathetic demonstration is scheduled at the former Latvian Legation in Moscow.

I have just received reports that three Latvian demonstrators have been arrested. Telephone lines used by the foreign press have been cut off and the CBC has been refused permission to travel to Riga.

Today the Latvian community in Canada invites all Canadians to join with them in commemorating the spirit of independence, and in demonstrating their desire for liberty and justice in their homeland.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON POLYESTER YARN MILL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I received a letter in the mail which really confirms just how lousy the Prime Minister's (Mr. Mulroney) free trade deal is. It reads as follows:

> This letter is written objecting to the planned agreement on free trade with the U.S.A.
>
> You are familiar with our operation on Cameron Street in Hawkesbury at which we produce textured polyester yarn in a modern plant with excellent high-speed equipment. Should total free trade with the U.S.A. be placed in effect, we beyond doubt will have to close our plant in Hawkesbury.
>
> We could not possibly compete with firms in the U.S.A., one of which presently produces in excess of five million pounds weekly. Our production in Hawkesbury is approximately 200,000 pounds weekly.

This letter was sent to me by the Texturon Mill in Hawkesbury. Less than 50 miles from Parliament Hill, plants will be shut down as a result of this lousy free trade deal. The Prime Minister should be ashamed of his deal. He should be ashamed to ruin the livelihood of my constituents.

* * *

ENVIRONMENTAL AFFAIRS

NITROGEN OXIDE EMISSIONS

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, Canada is leading the fight against acid rain. The Government has implemented a series of programs that will drastically reduce nitrogen oxide emissions from the largest Canadian sources by up to 45 per cent by the year 2000. In regard to protocol, it is the Government's belief that all countries should immediately freeze their nitrogen oxide emissions.

Second, decisions should be reached quickly on the level of nitrogen oxide that cause environmental damage in each region. Once those target levels or "critical loads" are identified, each country should ensure that nitrogen oxide emissions do not exceed those levels.

Our Government has implemented one of the strongest nitrogen oxide control programs in the world. For mobile sources, the elements of the program include, amongst others, anti-tampering and misfueling programs for vehicles in Ontario, Quebec and Newfoundland, and virtual elimination of leaded gas by 1992. All 1988 cars and light trucks will be subject to three times stricter emission control than before.

The Minister of the Environment (Mr. McMillan) has been relentless in his efforts to convince everyone of the dangers of acid rain. For that, and the strict standards he has implemented, he is to be congratulated.

* * *

LABOUR CONDITIONS

CALL FOR NEW PROGRAM TO HELP OLDER WORKERS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I was most pleased to read this morning in the paper that the Prime Minister (Mr. Mulroney) has finally lived up to his promise and set up a pension plan for workers in his former riding of Central Nova. At the same time I would like to ask the Prime Minister and the Minister of Finance (Mr. Wilson) what happened to their promise for older workers in the financial statement of November, 1985.

There is a woman in my riding who, under the previous Liberal administration, would have been eligible for a pension when a clothing factory ceased to operate. She lived up to all the requirements of the Labour Adjustments Benefits Program. However, because the Government cut the program she does not receive a penny.

The Government promised it was going to replace the program with a new program for older workers. What is good for the older workers in Central Nova should be good for the older workers across Canada. I ask the Prime Minister to live up to his promise to every older worker, not just the workers in his former riding.

* * *

[*Translation*]

FREE TRADE

NECESSITY TO MAKE POPULATION WELL INFORMED

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I would like to share with Hon. Members a most gratifying experience. After an agreement in principle on free trade was signed by Canada and United States, I decided to explain the facts of the matter to my constituents, using the information material prepared for the House of Commons. I set up a temporary office in a mobile booth that goes to the three main shopping centres in my riding. This gives me a chance to meet with my constituents and discuss free trade and any other questions they care to bring up.

People's reactions have been very positive. In fact, I am especially pleased to have a chance to correct the false allegations being made by the Opposition with respect to free trade. When the issues are properly explained, people quickly understand the advantages of this free trade agreement. Mr. Speaker, I hope my colleagues will do likewise and that the Opposition will finally stop its political rhetoric and tell the truth about this historic project we have undertaken here in Canada.

* * *

• (1415)

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF PRIME MINISTER

Mr. Rod Murphy (Churchill): Mr. Speaker, today I stand to defend those elected officials and other individuals who are being attacked by the Government. In its desperate attempt to sell the Conservative trade deal the Government and the Prime Minister (Mr. Mulroney) have been attacking their opponents and fanning regional animosities.

In 1984 the Prime Minister came to power preaching national reconciliation. We now see him fueling the flames of regional hatred. The Prime Minister has accused those who are against his trade deal of being against the economic well-being of the less fortunate economic regions of the country.

When questions were raised in the House of Commons about the Auditor General's Report and regional development grants being issued to the West Edmonton Mall, the questioners were accused of being against the economic interests of western Canada.

Accusations such as this made by the Prime Minister and by his cohorts are entirely unfounded. The Prime Minister speaks out against people from Ontario. His Ministers attack personally the Premiers of those provinces which oppose his deal. Where is the civility that we used to hear about? Where has national reconciliation disappeared?

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF NDP LEADER

Mr. Bill Attewell (Don Valley East): Mr. Speaker, as the debate on free trade continues I believe many Canadians must find it passing strange that the gurus of doom and gloom, people such as the Leader of the NDP (Mr. Broadbent) and Bob White, have an atrocious record of forecasting job losses or new job creation.

They were against the Auto Pact when it was signed. The Auto Pact has brought unprecedented wealth and job creation to Ontario. It has created jobs in other regions.

The NDP Leader was against the privatization of de Havilland whose prospects have never looked better. Over 1,000 jobs have been added since its sale.

When the Finance Minister announced his new directions for Canada in November of 1984 the Leader of the NDP predicted the loss of thousands of jobs.

You know, Mr. Speaker, over almost 1 million jobs have been created.

A recent quote from an article stated this:

> Oshawa drops right off the unemployment map. The healthy job situation in Oshawa may prove somewhat embarrassing to the federal NDP Leader Ed Broadbent who represents the city. The present situation makes it tough for him to persuade his constituents that Prime Minister Brian Mulroney didn't live up to his "jobs, jobs, jobs" election promise.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—ST. PIERRE AND MIQUELON—REPORTED DEVELOPMENT OF FRENCH NAVAL VESSELS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister. The news service *Agence France Presse* has reported that France has decided for the first time in history to deploy full-time French naval vessels on patrol off the Islands of St. Pierre and Miquelon to "establish a military presence in French waters".

According to the report the French naval vessel *La Centaure* will be the first to patrol the waters off St. Pierre and Miquelon from December 3 to January 13. This vessel will be followed by additional vessels of the French navy after it returns to France.

• (1420)

In light of the breakdown of the Canada-France fish talks, and in light of the Minister of Transport's commitment in this House on October 29 when he stated:

> —if they go fishing one iota, one jot, one tittle outside the disputed zone, we will arrest their vessels just as we arrest the vessels of other countries.

In light of those facts, does the Government now consider the deployment of the French naval vessel *La Centaure* as an act of provocation? If so, what is the Government going to do about it?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, France has a perfect right, as the Hon. Member

should know, to send patrol vessels out to patrol the disputed waters in 3PS, or to accompany its fishing fleet. There is nothing strange or startling about that. We certainly do not regard it as a provocation; the same as there is no provocation when Canada sends its own vessels out to accompany our own fishing vessels, or to perform whatever services they perform. There is no provocation here, nor is any provocation meant, nor do we take it to be a provocation.

Ms. Copps: We don't believe you one jot.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF JAPANESE PARLIAMENTARIAN, MR. HIROSHI OHKI

Mr. Speaker: I hope the Hon. Member will forgive the Speaker for interrupting his lead question. However, we have a distinguished guest here who must leave shortly.

I wish to draw to the attention of Hon. Members the presence in the gallery of Mr. Hiroshi Ohki, Chairman of the Commerce and Industry Committee of the Upper House of the Diet of Japan and Member of the House of Councillors.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

CANADA-FRANCE DISPUTE—MINISTER'S POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my supplementary question is directed to the Minister of Transport.

Last month the Prime Minister of France, Jacques Chirac, announced that French fishermen will now illegally take at least 36,000 tonnes of fish in Canadian waters, and that French fishermen will operate, to use his words, "under the best possible security conditions".

When asked about it by the Leader of the Opposition, the Minister of Transport stated, with respect to Prime Minister Chirac, that there has been no threat from the Prime Minister of France.

In light of the news today that a French naval vessel for the first time in history will permanently be deployed off the islands of St. Pierre and Miquelon, in light of the French Prime Minister's statement that France will take 36,000 tonnes of fish illegally under the best possible security conditions, when will the Minister of Transport wake up and realize that Canada is being turned into an international wimp? Will he wait until his home in St. John's West has been claimed by France as part of St. Pierre and Miquelon's 200-mile limit, or will he act now?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, where is the Member for Gander—Twillingate when he is needed? I regret very much that he is not here today to make something out of this piece of froth and puffery that the hon. gentleman is huffing and puffing about.

Ms. Copps: Some sovereignty.

Mr. Crosbie: I might point out that at no time has the French Prime Minister stated that France will take 36,000 tonnes of fish or cod in the disputed zone this year. He has never stated that. The Hon. Member opposite cannot show that having been stated by the Prime Minister. It is a figment of his imagination, or a piece of conjuring by him.

The Hon. Member's Government, when he was a member here of the previous Government, entered into an agreement with France where we both agreed that in the disputed waters—

Ms. Copps: Not one tittle, not one jot.

Mr. Crosbie: The hon. lady can squeal as much as she likes, but it will not change the situation *vis-à-vis* France. It is not frightened by her interjections, and neither am I.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The hon. gentleman's Government entered into an agreement with France wherein we both agreed that we would not interfere with the vessels of the other in the disputed waters, or board those vessels, or otherwise accost them. That agreement is still in effect.

I do not know where this appellation of wimp comes in, Mr. Speaker. We did not call them wimps. We had a better description of them, which I cannot use here out of politeness.

EFFECT OF REPORT ON CANADA-FRANCE DISCUSSIONS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, if the Hon. Member for St. John's West paid as much attention to the French Prime Minister as he does to the Hon. Member for Hamilton East, then Newfoundlanders might begin to expect that this Minister would put aside his body by Fisher and tongue by Gillette and take this matter seriously in the House of Commons.

Ms. Copps: Right on.

Mr. Tobin: France has been illegally fishing Canadian waters and denying Canadian fishermen their livelihood.

• (1425)

They threatened to catch 36,000 metric tonnes of fish illegally. They promised the best possible security conditions. They have now established, for the first time in history, a French naval presence off the East Coast of Canada, and this

Minister says that he has no concern. This Minister should be fired from Cabinet.

Some Hon. Members: Oh, oh!

Mr. Tobin: I want to ask the Deputy Prime Minister whether he will be in touch with the Government of France, specifically the French Prime Minister, Mr. Chirac, and tell him that this kind of provocative action in the face of a breakdown of fish talks will not result in a positive conclusion of these talks and is unacceptable to Canada. Will he do that?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am not going to get into the "good cops-bad cops" game with the hon. gentleman from Newfoundland; suffice it to say that one of the problems with the country is that there are too many policemen in the country, in some people's view.

Some Hon. Members: Oh, oh!

Mr. Tobin: That will get you a two out of ten.

Mr. Crosbie: I do not want Members of the House to become alarmed. There has been no change in the relationship between this country and France. There have been negotiations which took place just a week or so ago on the *compromis*. We are hoping that we will have a more positive response from the French Government in the next several weeks.

There has been no change. The French have been sending out patrol vessels to Newfoundland and Canadian waters now for some 400 years. There is no dramatic change.

It ill behooves the hon. gentleman to be crying wolf in the House when it is totally unnecessary.

* * *

TRADE

EXPORT CONTROL POLICY—ALLEGED USE OF CANADIAN-MADE HELICOPTER PARTS BY IRAN

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Deputy Prime Minister. A year ago I raised in the House of Commons the issue of Iranian helicopters powered by Canadian-made motors. I would like to quote the answer of the Deputy Prime Minister at that time. As reported in the November 17, 1986 edition of *Hansard*, he said:

> Where there is a clear case of spare parts being used for military purposes, the export permit requests are turned down.

Now we know, a full year after this statement, that Iranian helicopters are still being deployed in the Persian Gulf. They are still in need of and they are still receiving made-in-Canada spare parts.

Why did the Government turn a blind eye to the shipments of Canadian-made parts that are being used militarily in one of the hottest conflict spots on the face of the earth? Why, at the same time in so doing, did the Government give Canadians their own brand of Irangate?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the short answer to that is that we did not.

I have noted, as have other members of the Ministry, the report on Radio-Canada and CBC last night. To my knowledge all that has changed from last year to this year is that there has been a news report of an old story. Certainly there is no evidence in my possession—and if the Hon. Member has any, I would welcome receiving it—that there has been any shipping of Canadian parts for military purposes to Iran.

When the matter was raised last year I was in touch directly with officials at Pratt & Whitney. I think the House will join me in recognizing that Pratt & Whitney, although not obligated to do so by the law, took decisions to stop shipments to Iran from Canada for peaceful purposes that might be permitted under the law but that also might be subject to diversion to military purposes.

To my knowledge there is no shipment from Canada now. If the Hon. Member has evidence to the contrary, I would ask him to put it before us.

Mr. Guilbault (Saint-Jacques): Certainly the Minister knows that these helicopters need Canadian parts to remain operational, and that is the problem.

[*Translation*]

ALLEGED EXPORT OF PARTS TO IRAN—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I wish the Minister would confirm that the Department of External Affairs has investigated these spare parts shipments that are getting to Iran. I wish the Minister would confirm that the Government refused to publish the report on this investigation, despite a request by the CBC under the Access to Information Act. I want to ask the Minister why the Government is refusing to publish this report. Why is the Government trying to cover up the report's conclusions? Why is the Government passing up this opportunity to take the kind of action that would save lives and reduce hostilities in the Persian Gulf?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I asked the Hon. Member for proof and I did not get any. He asked me for confirmation. I can confirm several things. First, I can confirm that our Government changed the legislation on exports to make the system far stricter than it was under the previous Liberal Government. That is one change we made. Second, I can confirm that I have no indication that Canadian goods are being delivered directly to Iran from Canada. Today, however, I have asked our ambassadors in countries where there may be diversion of Canadian commodities to seek information on how Canadian commodities are handled once they are outside Canada's

jurisdiction. As far as what goes on within Canada's jurisdiction, I have no proof to support the charges made last night and again today by the Hon. Member. If he has any evidence, I hope he will realize he has a duty to disclose it.

* * *

• (1430)

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

PRELIMINARY DECISION ON CANADIAN FISH EXPORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Yesterday in response to a preliminary GATT ruling, the Minister then in British Columbia responded to the potential devastating effects of this decision on the fish processing industry by saying that he offered his assurances that "those jobs are not going to be jeopardized in any way".

I would like to ask the Minister, who uttered these encouraging words, does that mean if the final GATT decision is consistent with the preliminary decision that Canada will ignore it?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think it would be unwise to speculate to that extent at this point. I can assure the Hon. Member that the provisions of Canada's participation in GATT allow for export controls for the purpose of preserving security of supply, for ensuring adequacy of supply to plants and for the conservation of the resource. Many member nations of GATT take advantage of such export restrictions.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister will know that the security of supply and security of resource are one kind of argument but a lawyer could perhaps make short shrift of that if the ultimate purpose is actually to have processing jobs in Canada, something which is totally defensible.

Will the Minister clarify once again what he said? Having gone to GATT to defend our position, as the Government has indicated it is going to do, and if we lose that decision, will the Minister live up to his commitment to make sure those jobs are protected by not agreeing with the final decision if it goes against us?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, there are many ways of dealing with the question in due time, but I can assure the Hon. Member and all who are concerned about this issue that a Government which spends over $100 million a year to manage and enhance the West Coast salmon and herring industry will not allow jobs, historically established, to be threatened by any such initiative.

IMPLEMENTATION OF GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister will know that it is one thing to say before a group of Canadian workers in their region that their jobs will be protected, but it is quite another thing to repeat that with equal assurance here in the House of Commons.

Therefore, I would like to ask the Minister for the third time, in order to live up to his commitment, will he make it very clear to the public of Canada, the Parliament of Canada, and not just to people in British Columbia to whom he was speaking yesterday, that he will implement his policy and not abide by that GATT decision if it goes against us?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think it is unfortunate that the Hon. Leader of the New Democratic Party is so skeptical at this point. I have given my assurance that both within our obligations under GATT and the free trade agreement with the United States there are provisions to ensure that adequate supply for reasons of production and conservation are reflected and quite appropriate for a nation, and we will take such measures.

AMERICAN COMPLAINT AGAINST CANADIAN FISH EXPORT REGULATIONS

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister for International Trade. During two full years of negotiations, the Government has had numerous opportunities to get the Americans to withdraw their complaint against our fish export regulations.

Why did the Minister ignore this American complaint during the negotiations? Why did she fail to protect those thousands of jobs in our fish processing plants, not only in British Columbia but also in Atlantic Canada? Was the Minister so stuck on appeasing Washington that she turned a blind eye to what was going on in Geneva?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, as I have already explained at some length to the House, the proceeding in front of the GATT panel has nothing to do with the free trade agreement. I just wish that the Hon. Member could accept that.

Mr. Henderson: That is the problem with this free trade agreement they talk so much about. It has no protection for the fishery whatsoever, Mr. Speaker.

Mr. Crosbie: What nonsense.

MINISTERIAL ACTION

Mr. George Henderson (Egmont): Mr. Speaker, I would like to come back to the Minister of Fisheries and the question asked by the Leader of the New Democratic Party. The Minister seemed to be wimping out in his answer, saying one thing in British Columbia and another thing here in Ottawa.

Mr. Clark (Yellowhead): That is absolutely false.

Mr. Henderson: I would like the Minister to answer very concisely just what action he intends to take. He had the glowing words that he said in British Columbia about what he is going to do and the power he has, but specifically will he tell the Canadian fish plant workers what action he will take if this ruling is upheld?

Mr. Speaker: I have listened diligently to questions both by the Hon. Member for Oshawa and the Hon. Member for Egmont. I would point out though that the questions are not only bordering on hypothetical but probably are. The Minister, of course, can answer if he wishes.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): O ye of little faith, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Siddon: O he of little faith, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Siddon: Nothing that I have said in this House is inconsistent with what I or other members of this Government have said either in British Columbia or elsewhere in Canada in recent days.

Many members of GATT use export controls to ensure adequate supply of raw material for their own domestic industries. I would even speculate that representatives of nations who sat on that GATT panel use such export controls. What we have here is a panel recommendation which will, in all likelihood, be overturned by the GATT council of which we are a member, and we will be opposing that recommendation when it reaches the GATT council.

CANADA-UNITED STATES TRADE NEGOTIATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Minister's assurances sound suspiciously like the assurances we kept hearing in the softwood lumber deal, and we saw what happened as a result of that. All the time that the Canada-U.S. trade talks were taking place—

Mr. Crosbie: Do you support GATT or not?

Mr. Manly: —the Americans were staking a larger and larger claim to our resources by appealing to GATT against our export restrictions.

Why wasn't the U.S. appeal to GATT part of the trade negotiations while they were taking place? Why did we not get that question solved when we were dealing face to face with the Americans?

Mr. Clark (Yellowhead): Get out of NATO; get out of NORAD; get out of GATT!

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): When are you leaving for Central America?

Mr. Shields: Elect Shirley Carr. That is who you need.

Mr. Speaker: I would ask the Hon. Minister's colleagues to give her the courtesy of some silence so she may answer the question.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, in order to deal with the Hon. Member's anxieties about softwood lumber, may I remind the House that that industry has enjoyed record production and record profits this year at a time when the provinces owing the resource have experienced the refund of money to them. I can assure the Hon. Member that he does not have a problem on that front.

• (1440)

I again point out to the House that the proceedings before the GATT on this and other issues have nothing to do with the free trade agreement. For instance, in the same period in which the U.S. took this action against Canada we took action against the U.S. on their customs users' fees. That, again, is an action separate from the free trade agreement.

You will recall clearly, Mr. Speaker, that the opposition Parties have put great faith in the GATT process. They have told us over and over again to forget about bilateral agreements and deal only in the GATT. Now they do not like the result.

EFFECT OF POSSIBLE GATT RULING ON CANADIAN JOBS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I will direct my supplementary question to the Minister of Fisheries and Oceans. We have had vague assurances from the Minister, from which he is backing down all the time, that no jobs would be lost. In the meantime thousands of fisheries workers are being left in the dark. There is a GATT ruling the details of which they have not seen. No one in Canada has seen the final text of the trade agreement with the United States.

Can the Minister tell us precisely what he is going to do to ensure that those jobs will not be lost, rather than only a vague commitment?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I would prefer to illustrate by example. If the precision with which we have created over one million new jobs in Canada—

Some Hon. Members: Hear, hear!

Mr. Siddon: —including over 100,000 new jobs in British Columbia, is any example, then I can ask the Hon. Member to be somewhat patient. Our objective is to create additional employment, not by being hewers of wood or drawers of water, but by adding value to all of our resources. That is in the nature of our commitment in this matter.

TRADE

EXPORT CONTROL POLICY—IRAN—ALLEGED USE OF CANADIAN-MADE HELICOPTER ENGINES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Secretary of State for External Affairs. It is supplementary to the very serious matter raised by my colleague with regard to the use of Pratt & Whitney engines in war helicopters in Iran.

Mr. Crosbie: A very serious matter indeed.

Mr. Axworthy: It is a serious matter. Perhaps the Minister of Transport does not take anything seriously, but this is a serious matter.

The Secretary of State for External Affairs asked for some proof. He must be aware of the fact that last summer the Stockholm International Peace Research Institute named Canada as one of the major suppliers of war materials to Iran. I know that the Minister is fully aware of that international organization and knows that it has a good reputation. It has named Canada.

At that time the Canadian Government made no response to that particular proof which was provided by that institute. At the same time the Minister promised in this House that the Department of External Affairs would undertake an investigation into the use of Pratt & Whitney engines in military helicopters in Iran. We have not received a report from the Minister on the results of that investigation.

The onus of proof is really on the Minister. What were the results of the investigation which he promised to undertake?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have three quick things to say. First, the export control law of Canada is much tighter now because we made it tighter than the loose law that existed under the Liberal Government of which the Member who placed the question was a nominal member.

Second, he exaggerates, as he knows, the SIPRI report.

Mr. Axworthy: I never lost a convention though.

Mr. Clark (Yellowhead): He has not lost a convention but he is planning to and, by golly, when it happens he will.

Mr. Axworthy: That must be the voice of experience talking.

Mr. Crosbie: Go down to Harvard, Lloyd. Join your brother down in Harvard, buddy. Where is Tom when he's needed?

Mr. Axworthy: Tell us about losing conventions.

Mr. Speaker: Order. The right hon. gentleman will complete his answer. I would ask Hon. Members beside him to refrain from expressing their opinions unless they have the floor. The right hon. gentleman.

Mr. Clark (Yellowhead): Thank you, Mr. Speaker. The third point I want to make is that we have no proof. The Hon. Member has no proof that there is a shipment of Canadian parts to Iran. If I have proof, and if I have means to stop that kind of shipment, I will stop it.

We have already secured the agreement of Pratt & Whitney with regard to direct shipments from this country to Iran. I assume that it is now being alleged that there is a diversion in third countries. I have already indicated, in answer to one of his colleagues, that I have instructed ambassadors of Canada to those countries in which a diversion might occur to seek all the information which may be available in those third countries in an effort, first, to find the facts.

Second, if the facts are as alleged, we will determine whether we can, by influence, change practices outside our jurisdiction which we do not have the legal power to change because they are outside our jurisdiction.

EXPORT CONTROL LOOPHOLES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Government promised to do that a year ago and it is now doing it all over again. The fact is that the so-called export controls which he says are so tight have major loopholes in them. One of the loopholes is that there is no provision for an end use certificate which would require trans-shipments to be recorded by the industrial supplier.

Why does the Minister not simply change the rules and regulations as he committed himself to do before the committee on external affairs a year ago? At that time he promised to look at that provision and come back with proposed changes. The Minister is simply not doing his job and is being caught out red-faced and red-handed on this issue.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have a couple of things to say about that. The Member referred a moment ago to a request by the CBC for information from my Department under the Access to Information Act. He did not say that the request was for all material since 1980. That is a very large request and it was submitted only ten days ago. He did not bring those facts to the attention of the House of Commons.

Second, he makes reference to end use requirements. If he is paying any attention to the facts, he will know the situation with regard to the voluntary assumption of end use requirements in the case of Pratt & Whitney.

Third, he referred to loopholes in the law. There are fewer loopholes in the law now than there were when he was a Minister of the Crown because the Government has tightened that law.

Mr. Axworthy: They didn't use engines when we were in government.

[*Translation*]

FREE TRADE

REQUEST THAT GOVERNMENT PUBLISH 98 PER CENT OF FINAL WRITTEN AGREEMENT BEFORE FIRST MINISTERS' MEETING

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister for International Trade.

Can the Minister comment on reports in today's papers that the final text of the free trade agreement between Canada and the United States will not be released until November 30?

What is the current situation? How much longer the wait? And can the Minister assure us that, if the full text is not drafted, 98 per cent of the text which is now complete will be made public before next week's First Ministers' conference?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the chief negotiators have assured us that they are working as rapidly as possible on the final text and that it will be made available as soon as it can possibly be ready.

REQUEST FOR PUBLICATION PRIOR TO MEETING OF FIRST MINISTERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, there is now a chance that we may not even see the text before it is submitted to Congress on January 3 at the rate the Minister is going.

According to press reports, we are talking about an eight-week delay between the October 4 signing and the possible November 30 publication of the text. Why can Canadians not know what is in the text of this accord? Why should Canadians be dragged into a free trade accord without knowing the details of it? Will the Minister assure us that the 95 per cent or 98 per cent which has apparently been signed is made public before the First Ministers meet to talk about the economy next week?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, we have just had a very disturbing example of the kind of misinformation which the opposition Parties are spreading about the free trade agreement. The suggestion being made by the Hon. Member is quite simply wrong. By advancing the suggestion repeatedly, as he is doing, he is again doing what the Opposition is always doing on this issue—giving Canadians misinformation. I have said that the text is being worked on now and will be ready as soon as possible.

• (1450)

TAX REFORM

FLOW-THROUGH SHARES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Deputy Prime Minister. It looks like the Government has decided to sacrifice regional development on the twin altars of the U.S. trade agreement and the marketplace.

Some Hon. Member: Oh, oh!

Mr. Garneau: Which is further evidence—

[*Translation*]

Mr. Speaker, could you ask people on the other side to refrain from holding private conversations? Look at the polls and then—

[*English*]

Mr. Speaker: I can call for order, but the Hon. Member is entering into a preamble which is very argumentative. That does sometimes create a reaction. I would ask the Hon. Member to put his question.

Mr. Garneau: If I can have the floor for a moment, I will repeat that the Government seems to have abandoned the regions. This is evidenced by another decision of the Government—to abandon earned depletion on flow-through shares.

Will the Government change its White Paper and reintroduce the earned depletion allowance on flow-through shares so that mining regions such as the Abitibi, northern Ontario, northern Manitoba, western Canada and even the Maritimes, will be assisted in exploration for new mines?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member knows very well that the Government has not abandoned its commitment to regional economic development. As a matter of fact a number of specific programs have been designed to overcome regional economic difficulties that are being experienced in some areas of the country.

If the Hon. Member is really interested in overcoming regional economic disparities, particularly in the Montreal region, he will join with his colleague, the Member for Montreal—Sainte-Marie, in petitioning the Senate to move Bill C-22 along.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: As far as the Hon. Member's reference to flow-through shares is concerned, the Minister of Finance has pointed out in the House on a number of occasions since the report of the standing committee was brought down that he will study the report very carefully and will respond to the recommendations when he tables a Ways and Means Motion.

[*Translation*]

FLOW-THROUGH SHARES—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the finance committee report does not radically change the White Paper proposition. Since I cannot get a response from the Deputy Prime Minister, I will direct my question to the Minister of State (Forestry and Mines). What does he intend to do to convince his colleague the Minister of Finance to maintain the earned depletion allowance on flow-through shares so that such regions as Abitibi—Témiscamingue, northern Ontario, northern Manitoba, in fact a major part of western Canada, and even the Maritimes may continue to benefit from this tax incentive which creates many jobs and promotes regional development throughout the country?

[*English*]

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines): Mr. Speaker, we share the view that the flow-through share mechanism has been very useful. In fact there has been an increase of some 30-fold in mining exploration in terms of what has been spent. A great deal of that money has come through the flow-through share mechanism.

The Hon. Member knows full well that the tax reform program left the flow-through share mechanism in place. It is in place this year, and it will be in place next year and the years following.

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TRADE

UNITED STATES GRAIN EXPORTS—USE OF EXPORT ENHANCEMENT PROGRAM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds. The discussions some weeks ago between the Secretary of State for External Affairs and Mr. Schultz do not appear to be inhibiting the U.S. from continuing its use of the Export Enhancement Program in Canada's traditional grain markets.

Since the United States is now offering to sell China one million tonnes of subsidized wheat and has added Bulgaria to its list, is the Government doing anything to convince the U.S. that it should switch tactics and attack the problem at its source, which is price? Has the Government asked the United States to raise its loan rate and to revert to its old policy since its new one has been so harmful to all world grain markets?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member will know that we regularly advise the Americans of our concern in this matter and let them know that we do not think it is helping at all as far as price is concerned. He will also know that our sales continue to increase, in spite of what the Americans are doing.

If the Hon. Member wanted to be fair about it, he would also do as the Government has been doing, which is to complain to the Europeans who are in many ways more guilty than the Americans in seeing the problems develop in the international grain markets.

The Hon. Member talks about Bulgaria. That is not a major market for Canada. While we do not like what the Americans are doing in Bulgaria, we have only sold wheat to Bulgaria two out of the last nine years. We do not feel it is a major market for Canadian grain.

REQUEST FOR PROGRAM TO INCREASE GRAIN INCOMES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since it appears that all the Government's initiatives thus far have not corrected the grain pricing problem, and there is a great shortfall since the implementation of the U.S. Farm Bill, will the Government announce now that it will put into place a $2.6 billion program to bring grain incomes close to what they were before the implementation of the U.S. Farm Bill?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I have three comments in response to the Hon. Member. First, we are preparing to announce shortly a record amount of money available to western farmers under the Western Grain Stabilization Act. We have been holding discussions with the Minister of Agriculture and the farm leaders about the possibility of having another direct financial assistance package available for all Canadian farmers this fall.

Third, if the Hon. Member wants to do something, he should deal with his cohorts in Manitoba. Agriculture is a joint responsibility. The Province of Manitoba is doing virtually nothing on behalf of farmers. This year the federal Government will spend $600 million in the Province of Manitoba while the province itself will probably spend about one-tenth of that. There is a great responsibility on behalf of the province, and his NDP friends in Manitoba are letting the Manitoba farmers down.

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SENIOR CITIZENS

PROGRAM TO MEET NEEDS OF SENIORS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Minister of State for Senior Citizens. May I say in passing that it is my experience from travelling with the Human Rights Committee that the seniors of this country are very confident that the Minister will apply the same dedication and sensitivity to them as he has given to veterans.

Some Hon. Members: Hear, hear!

Mr. Attewell: Approximately 10 per cent to 12 per cent of the population of Canada is now over 65. By the year 2020, that group will jump to almost 25 per cent.

It is time that we made some long range plans for these demographic changes, not just in health care but in the whole question of improving self worth and living meaningful lives.

Does the Minister agree that there is a sense of urgency to this issue? Is he taking steps to develop plans to meet the needs of seniors?

Hon. George Hees (Minister of Veterans Affairs and Minister of State (Senior Citizens)): Mr. Speaker, I have been conferring extensively with seniors and seniors' organizations to find out their ideas regarding useful measures which could best be included in a program for seniors. I expect to be announcing such a program in the very near future.

Some Hon. Members: Hear, hear!

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NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—ESTIMATED COSTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Associate Defence Minister. I preface it by stating that the Liberal Party remains opposed to the acquisition of nuclear powered submarines for many reasons other than purely economics. However, with respect to economics, will the Minister explain to the House the discrepancy between the estimates his Department gave in June of this year of $5 billion for the acquisition of submarines and the report by the Centre for Arms Control which states in their opinion that these costs are at least in the neighbourhood of $10 billion?

• (1500)

The Minister's own Department has changed the original $5 billion numbers upward to what is now estimated to be between $7.5 billion and $8 billion. Consultants to the British Navy estimate the cost of the program at $11.25 billion. Would the Minister explain the discrepancies between all of the numbers, and which numbers is the Department now using?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I would be very happy to try to explain to the House and to the hon. gentleman. If he followed the democratic procedures followed in this country and in the United Kingdom, he would find that in the estimates of defence expenditures put before the British Parliament is listed the cost of the Trafalgar Class submarine. We used those same figures last December, this June, and again recently when the discussion came up.

The difference, translated into Canadian dollars, has been the exchange rate differences as the dollar has been going down and the pound has been going up. That is the only difference that has been going on.

There is an additional expenditure of which we estimated about $2 billion for the infrastructure. We have been consistent on that all the way through.

REQUEST FOR TABLING OF DEPARTMENTAL ESTIMATES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, they have been using different sets of numbers, and I think they are attempting to confuse the Canadian public's mind. The numbers the Minister is using do not include the cost of training, setting up facilities on both coasts, Pacific and Atlantic, nor the cost of the recycling of the fuel which will be used in a nuclear powered reactor. Would the Minister table in the House of Commons the estimates that the Department is now using to acquire 10 to 12 nuclear powered submarines, the same estimates which are now being used as the Government debates the five year capital project plan within the Cabinet committee system?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I can assure the Hon. Member that we are using the same figures in debating the annual review at the Cabinet level as we have been using publicly because those are the accurate figures for the construction and implementation of a submarine program. The fact that seven years later we may happen to recycle some fuel hardly is a cost which can be applied to the construction program. That is seven years later.

Mr. Speaker: I want to advise the House that there will be a question from the Hon. Member for Winnipeg—Birds Hill, followed by a single question from the Hon. Member for Fundy—Royal, and that will close off Question Period.

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EXTERNAL AFFAIRS

GUATEMALA—RESUMPTION OF CANADIAN AID

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It concerns his impending visit to Central America. The Minister will know that many Canadians welcome the fact that the Minister has chosen to go to Central America, and we wish him well on that visit.

Many of the same people who welcome that visit are also concerned that the Minister chose, prior to his visit, to make a decision to resume aid to Guatemala, given the fact that they feel the situation there has not improved to the degree which would warrant such a resumption. Why did the Minister feel he should take this kind of action prior to his fact finding mission? Would it not have been better to have waited to visit Central America and to have arrived at a judgment after his

visit rather than prejudging the situation and making that decision last week?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are two reasons. First, it is our view that there has been an improvement in the human rights situation there, not the improvement we would like to see but an improvement nonetheless. Second, I think the Hon. Member will agree with me, and has agreed in the past, as his Party has with the analysis of the Government of Canada that the fundamental problems in Central America are problems of poverty and inequality. They are not problems of ideology.

If the fundamental problems are problems of poverty and economic development, then it makes sense for countries like Canada to follow aid and development programs which will lead to the resolution of those basic problems. It is a demonstration of Canada acting as we speak, which is something we on this side of the House try to do.

MINISTER'S IMPENDING VISIT TO CENTRAL AMERICA

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I hope the Minister would also agree that questions of poverty and inequality cannot be separated in many cases from the quality of the regimes which are in place in these various countries, and from the responsibility of countries like Canada to put pressure on such Governments. So I repeat the question, to a degree, and further ask the Minister whether or not he intends upon his return to make a statement in Parliament so that we might have an opportunity to hear his views and to respond to whatever the Minister has decided as a result of his visit to Central America?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will know that it has been my practice quite regularly to make statements to the House. In fact my predecessors in the Liberal Government, to my knowledge, in four years made no statements to Parliament on foreign policy. I have made several because it is the belief of this Government that it is important to try to involve the whole of Parliament and, indeed, the whole of the country in foreign policy matters. So I will report either directly to the House or to the standing committee.

* * *

CANADA POST CORPORATION

CLOSURE OF RURAL POST OFFICES—PROVISION OF ALTERNATE SERVICES

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Across the country there have recently been a number of rural post office closures. In some cases, such as Bloomfield Station in my constituency and Head of St. Margarets Bay in Halifax West, Canada Post has closed the post office without providing alternate retail service to the community.

In view of the unfairness of this policy, would the Minister consider meeting with Canada Post officials in an effort to restructure the rural services policy to prevent closures from occurring before alternate retail service outlets are found?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as the Hon. Member is, I am sure, aware, the policy Canada Post has been following has been that when there is a retirement, resignation or some other event, where a postmaster or postmistress is leaving their post, it examines whether it is appropriate to continue the same kind of service which existed before. If not, because of changing demographics and so on, it would seek to make changes. It is supposed to do that with full consultation with the community, Members of Parliament and so on. However, I hear the Hon. Member's representation and I will certainly take it to the Crown corporation.

Mr. Speaker: I want to say to the Hon. Member for Regina West that I have his notice of a point of order or a question of privilege and I will hear him shortly. However, I have some matters I have to take up with the House before that.

* * *

PRIVILEGE

ALLEGED UNPARLIAMENTARY CONDUCT—MR. SPEAKER'S RULING

Mr. Speaker: I want to deal now with a matter that arose on Thursday, October 29, which is of some importance to the House. On that day the Hon. Member for Yorkton—Melville (Mr. Nystrom) and the Hon. Member for Saint-Jacques (Mr. Guilbault) asked the Chair to review the statement of the Right Hon. Prime Minister (Mr. Mulroney) made during Question Period on Wednesday, October 28. I refer to *Hansard* at page 10482. The Right Hon. Prime Minister in response to a question said the following:

> I know that my hon. friends in the Liberal and New Democratic Parties are opposed to the interests of western Canada. That becomes clearer every day.

That is the exact quote of the latter part of the answer of the right hon. gentleman.

During the procedural debate, the Chair was asked to carefully review that statement in the context of citation 316 of Beauchesnes' Fifth Edition which states that it is not proper to "impute bad motives or motives different from those acknowledged to a Member".

I have also had the opportunity to review our practice and precedents as well as the whole of the discussion that took place on that difficult afternoon of Thursday, October 29, 1987.

What the Prime Minister said was targeted at Parties in opposition, in a generic sense, and was not directed as a reflection on a specific Member. Some Hon. Members may feel that this is a fine line. As your Speaker, I can say with some experience that Hon. Members often come too close to the fine line in both questions and answers during Question Period. No one Party has the monopoly on walking the fine line from time to time. There is not an Hon. Member here with any experience who does not realize that that fine line can be breached either in the preambles to questions or in remarks made in answers. While it may not be unparliamentary, the experience of this place is that it makes it more difficult to maintain order. Ultimately, of course, in this place what causes disorder eventually will be ruled by someone as being unparliamentary.

However, in keeping with the decisions of my predecessors, I must rule that the statement of the Right Hon. Prime Minister did not violate our rules. There is no doubt that the statement of the Right Hon. Prime Minister was met with considerable emotional responses from both opposition Parties. Indeed, it led to the uttering of some unparliamentary language by some Hon. Members. It was clear that some Hon. Members were clearly offended by the statement of the right hon. gentleman.

• (1510)

In the first case with respect to the statement of the Hon. Member for Oshawa (Mr. Broadbent), the Chair adjourned dealing with that matter for one hour, after which the Hon. Member for Oshawa returned to the Chamber and corrected his own statement out of respect for the Chair and for the dignity of this House. He did so in the finest tradition of this place.

In the latter case, that of the Hon. Member for Skeena (Mr. Fulton), the Hon. Member for Skeena expressed his unwillingness to withdraw the unparliamentary expression he had used in view of the Right Hon. Prime Minister's statement and in view of the way he took that particular statement.

The Chair then invited the Hon. Member for Skeena again on Friday, October 30, to reflect upon his position and to reflect upon the duty of the Chair and of all Hon. Members elected to this House. The House of Commons can only function properly when Hon. Members respect and abide by the rules they themselves have set down.

I know perhaps better than many Members in this place that the Hon. Member for Skeena is an effective Member of Parliament and has made a considerable contribution to British Columbia, my own province, and has represented his constituents very well indeed. I understand that the Hon. Member may have a statement to make to the House. The Hon. Member for Skeena.

Mr. Jim Fulton (Skeena): Mr. Speaker, I accept your interpretation of the Prime Minister's words. While Your Honour has ruled that they are not unparliamentary, you have recognized that they did deeply offend Hon. Members.

I have spent the past ten days in western Canada and have found that westerners were similarly offended by the Prime Minister's attack. The Prime Minister's remarks certainly offended me because they were intended to question the devotion and patriotism which I as a westerner and other members of my Party from throughout Canada serve western Canada. As I stated some days ago, I am a westerner, and a third generation westerner. I love and am honoured to serve Canada. But the west is my home and no Prime Minister should impute motive to those who have long and honourably served the West.

You will understand, Mr. Speaker, why I reacted with such anger to the Prime Minister's remarks. I had hoped for these past two weeks that he would apologize but he has not seen fit to do so. However, I hold this House in great respect and I support the Speaker. Therefore, I withdraw the unparliamentary words which I used.

Some Hon. Members: Hear, hear!

Mr. Speaker: Before leaving this matter I want to thank the Hon. Member for Skeena for making the statement that he has made.

I want to say one other thing to all Hon. Members. I wish that all Hon. Members on both sides of the House would watch the fine line. There are occasions when the preamble invites an intemperate response. There are occasions when, of course, the answer does the same. There is a fine line and I would ask Hon. Members to make every effort to try to keep it in mind.

* * *

PRIVILEGE

ELECTION OF CHAIRMAN TO LABOUR, EMPLOYMENT AND IMMIGRATION COMMITTEE—MEMBER FOR LASALLE—MOTION FOR REFERENCE TO ELECTIONS, PRIVILEGES AND PROCEDURE COMMITTEE

Mr. Speaker: On November 3, 1987 the Hon. Member for La Prairie (Mr. Jourdenais) raised a question of privilege with regard to the conduct of the Hon. Member for LaSalle (Mr. Lanthier) at the meeting of the Standing Committee on Labour, Employment and Immigration, which was held on October 7, 1987 for the purpose of electing a Chairman of the committee pursuant to Standing Orders 91 and 92.

[*Translation*]

I had indicated that I might come back to the House to hear further comments, but when looking at *Hansard* for that day, I found everything I needed to make a ruling on the matter today. I wish to thank the Hon. Members who took part in this procedural debate for their interventions.

[*English*]

The Hon. Member for La Prairie maintains that the Hon. Member for LaSalle misled the committee by stating that he had relinquished the position of Parliamentary Secretary to the Minister of Public Works on the day of his election, namely, October 7, 1987, when he offered his candidacy as Chairman of the Standing Committee on Labour, Employment and Immigration. He furthered claimed that the Hon. Member for LaSalle was being paid an additional amount of salary awarded to Parliamentary Secretaries as shown in the Public Accounts of 1986-1987 on page 12.9 for the period covering October 15, 1986 to October 16, 1987. The Hon. Member for La Prairie seems to imply that this somehow made the Hon. Member for LaSalle ineligible for that chairmanship.

[*Translation*]

The Hon. Member for LaSalle replied that he had told the Minister of Public Works and other people about his resignation from the position of Parliamentary Secretary at a meeting on October 6, 1987, and that, that same day, he had written a letter of resignation to the Prime Minister indicating his intention to seek the chairmanship of the Standing Committee on Labour, Employment and Immigration. He also pointed out that, as he was Parliamentary Secretary to the Minister of Public Works and not to the Minister of Labour or the Minister of Employment and Immigration, even if he had kept his position of Parliamentary Secretary, there would clearly have been no conflict in his seeking the chairmanship of the Standing Committee on Labour, Employment and Immigration. However, he formally stated that he had resigned and gave as evidence of this fact his letter to the Prime Minister.

[*English*]

The receipt of the additional amounts of money as Parliamentary Secretary did not cause concern to the Hon. Member for LaSalle because, he argued, adjustments will be made as soon as the change in his status affecting his salary is made known to the appropriate authorities.

I wish to underline to all Hon. Members the role of the Speaker with respect to a question of privilege raised by any Member of the House. The Speaker simply determines whether a *prima facie* case of breach of privilege has occurred. If he so finds, the motion moved by the Hon. Member raising the matter is immediately proposed to the House by the Chair and thus all other business is set aside until that motion is disposed of by the House. It is for the House to decide the matter and not the Speaker.

[*Translation*]

After examining the reports carefully, for several reasons, I cannot find a *prima facie* case of privilege.

[*English*]

As to the issue of the Hon. Member for LaSalle being a Parliamentary Secretary and whether or not he was eligible to be the Chairman of the Standing Committee on Labour, Employment and Immigration, Standing Order 89(2) has a note which was adopted by the House in June of this year. That note reads:

[*Translation*]

> For the purpose of this Standing Order, a Parliamentary Secretary shall not be a member of a standing committee which has in its mandate the review of a department to which the said Parliamentary Secretary is attached.

This note should be sufficient to settle the matter as the Hon. Member for LaSalle was Parliamentary Secretary to the Minister of Public Works and not to the Minister of Labour or the Minister of Employment and Immigration. There was therefore no objection to his being elected chairman of the Committee.

[*English*]

Further, the Hon. Member for LaSalle has told the House that he had in any case resigned his parliamentary secretaryship. We have so much tradition in this area that I do not need or intend to cite the authorities about accepting the word of an Hon. Member.

[*Translation*]

I note on page 10687 of *Hansard* for November 3, 1987, that the Hon. Member for La Prairie moved the following motion:

> That the question of the behaviour of the Hon. Member for LaSalle (Mr. Lanthier) be referred to the Standing Committee on Elections, Privileges and Procedure, and in the meantime I would ask you to invite the Hon. Member for LaSalle to relinquish the chairmanship.

● (1520)

[*English*]

May I point out that it is not sufficient to make a charge in general terms with regard to the conduct of another Member. Such charges should contain specific accusations. I would like to remind all Members of the long established traditions of the House, and its committees, that an inquiry with respect to the conduct of a Member can only take place provided that he has been charged with a specific offence or offences.

[*Translation*]

I think that it is especially important to remind all Hon. Members of the comments made by Speaker Michener in his often-quoted ruling on the Pallett case on June 19, 1949. These comments can be found on page 584 of the *Journals*:

[*English*]

> In my view simple justice requires that no Hon. Member should have to submit to investigation of his conduct by the House or a committee until he has been charged with an offence.

Such a procedure or requirement is the only means of ensuring fairness, and Speaker Michener was clear that Members are as entitled to such protection as is every ordinary Canadian citizen.

Therefore, I must rule that there is no *prima facie* case of privilege in this matter.

PRIVILEGE

ALLEGED RESTRICTION OF RIGHTS OF MEMBERS OF STANDING COMMITTEE—MR. SPEAKER'S RULING

Mr. Speaker: I have another ruling with respect to a matter raised on October 13 by the Hon. Member for Nickel Belt (Mr. Rodriguez), who raised a question of privilege alleging improper restrictions on the rights of the members of the Standing Committee on Labour, Employment and Immigration. Supported by several other Members, the Hon. Member objected specifically to the adoption by the committee of the following motion:

> That during the course of the evaluation of the Committee's researchers and research needs, no Member of the Committee engage any of the researchers without the consent of the Chairman.

[*Translation*]

Just before the motion at issue, it had been agred to proceed to an evaluation of the committee's research needs.

[*English*]

On October 13, I told the House that I did not think that the Hon. Member for Nickel Belt had a question of privilege. I said that perhaps he had a complaint. After studying the precedents and the authorities I can now confirm that my first view of the matter was indeed correct. There is no *prima facie* question of privilege to be found in the issue raised by the Hon. Member.

[*Translation*]

Previous rulings and parliamentary custom are quite clear. Committees are definitely in control of their own procedures. In this respect, I may refer Hon. Members to Beauchesne's, Fifth Edition, Citation 569(3), which reads as follows:

[*English*]

> The Speaker has ruled on many occasions that it is not competent for him to exercise procedural control over the committees. Committees are and must remain masters of their own procedure.

On May 3, 1972, Mr. Speaker Lamoureux had the following to say about a problem in a committee that was raised in the House:

> I think it is long-established practice that difficulties in discussions and debates in a committee should be settled by the committee itself, and that if there are difficulties which are to be considered by the House this should be done at the time the report of the committee is before the House for debate and consideration by the members of the House.
>
> In addition to these points there is in my mind a question of the propriety and practicality of having the proceedings of one committee investigated by another committee of the House. I can foresee all sorts of difficulties if this were allowed and became a practice of the House.

That is a quote from the judgment of Mr. Speaker Lamoureux on May 3, 1972.

[*Translation*]

> According to established custom, the proceedings of committees may not be considered or debated in the House except in the form of a committee report. If a point of order or question of privilege is raised in a committee, the matter should be dealt with in committee rather than being raised in the House.
>
> Traditionally, the conduct of a Member may not be submitted for scrutiny to the House by way of a question of privilege.

[*English*]

The Speaker went on in the same ruling to say that he had:

> —always had serious doubts of the advisability of having proceedings of a committee investigated by another committee of the House.

I would also cite Mr. Speaker Jerome on May 26, 1975, when he stated:

> First, both Members at one time or another suggested that the Standing Committee on Privileges and Elections ought to have these questions referred to it, which to me would seem to establish a precedent and initiate or encourage a practice wherein the Standing Committee on Privileges and Elections would become some kind of court of appeal on the proceedings of other standing committees. It seems to me that nothing could be more unacceptable as a practice which ought to be more directly discouraged.

I can refer Hon. Members to many rulings that are similar and make the same point.

I thus feel that our precedents are clear and repeat, with regret, that I cannot find that the Hon. Member for Nickel Belt has made out a prima facie question of privilege.

I should also add that, perhaps appropriately, the Chair has been lenient in hearing complaints that may have come forward as a question of privilege or point of order from committees. I have done so because the committees have new powers and are finding their way. Perhaps by hearing some of those matters, it has assisted all Hon. Members to make the committee system work more satisfactorily.

I would ask Hon. Members to keep in mind that the leniency of the Chair for a while ought not to be pressed too far, and especially because of that I have taken a few minutes to put some of the procedural law, which is our tradition, before the House. I would ask Hon. Members to strive mightily to resolve their problems in committee before they feel it necessary to come to the Chair on those matters.

* * *

POINTS OF ORDER

TRANSLATION OF REPORT OF STANDING COMMITTEE ON TRANSPORT

Mr. Speaker: The Hon. Member for Regina West (Mr. Benjamin) has given me notice of perhaps a point of order or question of privilege. Perhaps the Hon. Member could advise the Chair.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am not certain which it is, and I will leave that to you to judge, Sir.

I have two points. The first one concerns the welfare and good order of the operations of this House, and most particularly the operations of the standing committees.

Almost three weeks ago a report of the Standing Committee on Transport was sent over to the translation division. There

was a meeting scheduled for last Tuesday which had to be cancelled because the report had not been translated. We had a meeting scheduled for tomorrow morning which has now been cancelled because the translation has still not been received.

I am informed, Mr. Speaker, that the translation division took off all last week when the House was adjourned. It was my impression that the House of Commons was adjourned, meaning the MPs. I did not understand that the people who are supposed to be working here on a full-time basis also adjourn.

I think that is a handicap. We have had a chronic number of times, including occasions when cabinet Ministers have had to rise in the House and state that they are waiting for the translation. If the division is understaffed, something should be done about that. If they are goofing off, something should be done about that. If it is both, something should be done about both things.

PARKING ON THE HILL—ALLOCATION OF SPACE NOS. TO MPS

Mr. Les Benjamin (Regina West): My second point is an entirely different subject. For the fourth time in the past three weeks I have driven up behind the Centre Block of the House of Commons and found that all the parking places were taken. I would like you, Sir, to inquire as to how many staff people of MPs or cabinet Ministers are using parking places, or whether Members of Parliament who have a parking place around the Confederation Building are bringing their car up here.

Would you consider, Sir, allocating a parking place number to each Member of the House of Commons in order that this does not occur. My car is presently illegally parked, and if I get a ticket, Sir, I will be giving it to you.

Mr. Speaker: I think that both of the Hon. Member's points are points of order. I can advise the Hon. Member that neither of them are points of privilege.

Let me deal first with the question of the translation services. This is a very serious matter indeed, and the Chair takes it as serious. Except for the press of other things, I was about to deliver this afternoon a reply to exactly the same problem which was raised some weeks ago by colleagues of the Hon. Member. I will attempt to do that tomorrow. The Hon. Member will see then that the Chair does think that the matter is not only of interest to this place, but it is a serious matter. Somehow we must find a resolution to it.

• (1530)

On the other question the Hon. Member has raised, I will take notice of it. I will ensure that at the appropriate time someone gets back to the Hon. Member and, hopefully, the matter can be resolved. In the meantime, of course, he can send his tickets to the Speaker's chambers.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

FIRST MEETING OF COMMONWEALTH COMMITTEE OF FOREIGN AFFAIRS MINISTERS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, all Parties in this House have supported the actions taken by the Prime Minister and Government of Canada to hasten a peaceful end to apartheid. A central element of our policy has been to recognize and enlarge the important role of the Commonwealth in encouraging peaceful change in Southern Africa. Members of the House shared the Prime Minister's determination that the meeting he chaired in Vancouver of the Commonwealth Heads of Government should maintain the pressure upon South Africa to end apartheid.

Four of the Front Line States are members of the Commonwealth. So are Lesotho, Swaziland and Malawi; so was South Africa, until her adherence to apartheid cast her out. These "family connections" of the Commonwealth impart a unique capacity to help end the evil of apartheid, and help promote secure and endurable economic development. Other nations have more economic influence in southern Africa; but no other organization has the potential political influence of the Commonwealth. That was demonstrated most clearly by the work of the Eminent Persons Group, whose authority rested upon the combined credentials of the individuals involved and the Commonwealth which sponsored them. The negotiating concept formed by the Eminent Persons Group remains the best prospect of ending apartheid, and was obviously the most enduring result of their work. But the Eminent Persons Group was also important as proof that the world's abhorrence of apartheid was not passing and would not wane.

Part of the challenge facing serious opponents of apartheid is to maintain and increase the steady pressure upon Pretoria. That becomes even more important as the Government of South Africa increases its repression and censorship at home, and intensifies its propaganda abroad. Commonwealth Heads of Government, in Vancouver, noted, and I quote:

> The unfolding—but often unseen—tragedy of South Africa impels us to ensure that the world continues to focus its attention on apartheid until we meet again in full session.

In that spirit, all member countries except Britain accepted a Canadian proposal that a Committee of Foreign Ministers be established to meet periodically between now and the next Heads of Government meeting in Kuala Lumpur in 1989. The mandate of that committee is broad—"to provide high level impetus and guidance in furthering the objectives agreed upon" by Heads of Government in what has become their Okanagan Statement.

I have the honour, on behalf of Canada, to chair that Committee, whose other members include the Foreign Ministers of Australia, India, Guyana, Nigeria, Tanzania, Zambia, and Zimbabwe.

I have been in touch with my colleagues on the Committee, and with the Commonwealth Secretariat, and am advising Parliament today that the Commonwealth Committee of Foreign Ministers will hold our first meeting in southern Africa itself, in Lusaka, Zambia, at the beginning of February. We are using the weeks before that meeting to take up directly some of the initiatives in the Okanagan Statement, and to work with the Commonwealth Secretariat on others.

The Vancouver Conference focused on three major areas—sanctions, aid to the Front Line States, and reaching into South Africa to aid the victims and opponents of apartheid, and generally promote dialogue. The Committee of Foreign Ministers, and the Secretariat, will look into means to widen and intensify the program of economic measures already in place, including an examination of the way sanctions have been frustrated and studies on the impact of sanctions and on South Africa's financial relations.

The Committee will also give priority to encouraging and assisting the opponents of apartheid within South Africa, and to counteracting the effects of censorship and propaganda. Real progress against apartheid requires genuine dialogue between the South African Government and authentic black leaders. Unfortunately, as I learned for myself during a visit to Southern Africa in August, the short term prospects of reaching that goal are not great. But we believe the Commonwealth can contribute to the possibility of internal talks by increasing our contacts with South Africans of different view points.

At Vancouver, heads of Government were unanimous in their resolve to strengthen the capacity of South Africa's neighbours to resist Pretoria's policy of destabilization and destruction. Mozambique is particularly important to the landlocked Front Line States; so the Commonwealth established a special technical assistance fund for Mozambique, and is committed to establishing secure infrastructure, including the rehabilitation of transportation routes, and measures to protect them against attack. Each country will decide how it can best contribute, and Canada has pledged $20 million to rebuilding the vital Limpopo railway line.

The mandate of the Committee of Foreign Ministers is far-reaching. It will keep the pressure on South Africa. It will give encouragement to the opponents of apartheid. It will reinforce the Commonwealth's role in promoting change and dialogue. Canada will contribute to the committee's work in every possible way. Everyone in this House believes apartheid must be ended. The Government also believes apartheid can be ended, and a better system put in place. That of course, requires countries like Canada to continue the kind of leadership the Prime Minister provided in Vancouver. South Africa should be in no doubt that, if other measures fail, all of Canada's economic and diplomatic contacts with be ended. That would be a last resort, when our other influence has ended. Both the Government of South Africa, and the opponents of apartheid, should also know that Canada intends to continue to mobilize our resources and our influence to maintain steady pressure and leadership against apartheid and the violence it engenders.

Some Hon. Members: Hear, hear!

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, there is no doubt that the Government has gone a long way in its policy on South Africa. Many of its initiatives have been good. In this respect I think a good deal of credit should go to the Minister personally.

Unfortunately, however, these actions taken by Canada and other countries have only had minimal success. Apartheid, which is institutionalized racism, remains intact in South Africa and is still a way of life in that country. The state of emergency is still in place. Thousands of political prisoners, including children, are incarcerated for opposing apartheid. There is heavy censorship, and there is increasing unrest, violence, and repression.

The Minister's statement today in respect of the Commonwealth Committee of Foreign Ministers is another step in the right direction, but one wonders if it will be enough. If we look at the statement, the commitment by the Minister and the committee to look into means to widen and intensify the program of economic measures already in place is a worthwhile pursuit, and we wish them success. The committee also intends to examine the whole problem of why the sanctions have been frustrated; a worthwhile pursuit that must be encouraged. Concerning the assisting of opponents of apartheid within South Africa, again we think that must be supported and we encourage the committee. Finally, again we support the initiatives to strengthen the capacity of South Africa's neighbours to resist the policy of destabilization and destruction.

• (1540)

The Commonwealth Committee of Foreign Ministers, made up of a number of countries is good; they have a lot to offer. Unfortunately, Britain is not a member. We all know that Britain would have more economic clout in getting results with respect to the goals we all pursue than many other countries. I must say that the response by the big hitters; the United Kingdom, the U.S. and West Germany, has been disappointing concerning these problems. The U.S. Government has put in place a strong economic embargo against little Nicaragua but fails to do the same with respect to South Africa.

What further can be done, Mr. Speaker? At the Commonwealth Conference in Vancouver all countries, except the United Kingdom, called for wider, tighter and more intensified sanctions. These were not announced today, but let us hope they come out of the Lusaka meeting in February. I hope, and it is not made clear in the statement by the Minister, that we will not have to wait until the meeting in Kuala Lumpur for the committee to report before further action is taken. If I understand the Minister correctly, following Lusaka some further action might be taken with respect to these matters.

The Government has said before, and it has said again today, that if there is no progress in ending apartheid Canada is prepared to invoke total sanctions and may have to sever relations. We still hold the Government to that commitment. Sweden and Denmark have already severed diplomatic ties.

In September, the leader of the Liberal Party took the following position and I quote from his speech to Liberal International "We must see concrete action by the end of this year. The message must be direct. If clear progress is not made by the end of the year to end apartheid, our Government should impose complete economic sanctions and withdraw diplomatics relations from that country".

Today, we in the Liberal Party would like to say that a minimum indication of clear progress, as referred to by the Right Hon. Member for Vancouver Quadra (Mr. Turner) in September, would be the unconditional release from prison of Nelson Mandela before the end of this year and the commencement of discussions between the South African Government and authentic black leaders opposed to apartheid, including Mandela, to prepare for the dismantlement of apartheid and to establish a non-racial representative government. That is the minimum we would expect, and we hope that the Minister will put this proposal on the table at Lusaka. When Alan Boesak and Tambo M'beki were in Canada earlier this year they praised Canada's efforts to fight apartheid but said that measures the Canadian Government had taken so far, at that time, were too weak to be regarded seriously. They said that far tougher sanctions are needed if apartheid is going to be dismantled.

As I said earlier, we support many of the efforts and initiatives taken by the Government. However the situation is degenerating in South Africa and more will have to be done. We will look closely for greater progress as a result of today's announcement and the meetings that take place in Lusaka.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, of course my Party welcomes the statement by the Secretary of State for External Affairs (Mr. Clark) today which announces the holding of the first meeting of the committee of foreign ministers delegated by the Commonwealth Conference held in Vancouver recently to examine the effectiveness of sanctions, to ensure their application and effectiveness and to pursue other measures.

I think it is fair to congratulate the Government and the Prime Minister (Mr. Mulroney) for having reflected the attitude of the Canadian people with respect to apartheid. We have as a nation assumed leadership in the Commonwealth, assumed the leadership abdicated by Great Britain in a way which I think is serious with respect to the Commonwealth. If there was any significant characteristic of the Commonwealth that gains respect for it, it is that it is a multi-racial, multi-ethnic, multi-religious and multi-national collectivity. It falls far short of the necessary characteristics which must bind it together if it refuses, or any nation within it refuses—particularly if the motherland refuses—to understand that the most fundamental enemy of the Commonwealth and what it stands for is, in fact, apartheid in South Africa.

Our Party has been, as the Secretary of State for External Affairs knows, supportive of the leadership that Canada and the Government have provided for much of its term. Indeed, the New Democratic Party is truer to the statements on the issue by the Prime Minister than is the Government itself. This I think is very nearly the second annual occasion on which the Government has indicated that if there is no progress with respect to dismantlement of apartheid Canada would sever all diplomatic and economic relations with South Africa. There is, therefore, a difference between my Party and the Government Party, more recently less difference between us and the Liberal Party as it has identified where it stands.

With respect to a particular approach and strategy, we feel that Canada must exercise another kind of leadership than that heretofore expressed. If we are going to encourage others to follow our lead, then we must, of course, live up to our promises and impose the strongest possible sanctions available to us. I have stood in this House many times without contradiction and said that the Secretary of State for External Affairs has indicated to us that he has the approval of Cabinet for the imposition of yet further sanctions. What we have out of the foreign ministers committee is commitment to ensure that the present sanctions are effectively applied.

Many of the sanctions that we have applied are not being effectively imposed. Indeed, to give just one example, Madam Speaker, we find recently that there is no compulsory imposition of an embargo on a shipment of oil and petroleum products to South Africa, irrespective of the fact that that is supposed to be a mandatory sanction out of the United Nations. Furthermore, we find that the Minister of State (Fitness and Amateur Sport) (Mr. Jelinek) has refused to react to many complaints about the failure of Canada to impose the sanctions under the Gleneagles Agreement. Further, Canada has not acceded to the United Nations Convention on the imposition of yet further sanctions in the area of sport upon South Africa.

In spite of the manifest leadership of Canada and its Government concerning the battle against apartheid, we too are deficient and we ourselves have a requirement to tie up a considerable number of loose ends. Even that, as I have said, is not enough. If we are to express the kind of leadership which

this Party feels we should be expressing, and if we are going to show others what should be done, then Canada should proceed to live up to the promises of the Prime Minister and act accordingly.

Far from being dismantled, apartheid, and the Government which supports and implements it in South Africa, seems to have been in a measure unleashed. There never has been since the issue arose such an effective propaganda campaign in Canada. Supporters of the Conservative Party are leading activities designed to discredit the battle against apartheid. More than that, Madam Speaker, we find that South Africa is imposing censorship so that we know not what goes on there and that South Africa continues to oppress, jail, and treat brutally those who are not members of the Africaans or other white races of South Africa.

• (1550)

South Africa continues, with some collusion by Canada through the contact group in Namibia, to act in complete contradiction to world opinion and actions of the United Nations in the occupation of Namibia. Canada has kept its voice silent with regard to what is happening there and with regard to the collusion of the United States of America with South Africa in the attacks on Angola most recently taking place over the last week or so. It has been stated that 30,000 South African troops are arming and supporting UNITA as surrogates for the United States in the overthrow of the Angolan Government, which is one of the Front Line States.

The battle is not being won. If the battle is to be won it will have to be won with far more commitment than the western nations have so far shown. Although I express my appreciation to the Government for the leadership it provides as a reflection of the view of the Canadian people, we have yet more to do.

* * *

STANDING COMMITTEE ON EXTERNAL AFFAIRS AND INTERNATIONAL TRADE

AUTHORIZATION OF EXTENSION OF STANDING COMMITTEE TRAVEL TIME

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, the House will remember that prior to the break we passed an order on consent which set out the days on which the Committee on External Affairs and International Trade would travel in Canada. At the request of the committee we have extended that from December 5 to December 7. There have been discussions among the Parties and it has been agreed that this would be appropriate. I think you would find consent for the following motion to be moved and passed:

> That, further to the order of this House adopted on November 5, 1987, authorizing the Standing Committee on External Affairs and International Trade to travel within Canada for the purpose of holding hearings on the free trade agreement between Canada and the United States be amended by deleting the words "December 5, 1987" and substituting the following therefore "December 7, 1987".

The Acting Speaker (Mrs. Champagne): Does the Hon. Minister have unanimous consent to move the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

REQUEST FOR CESSATION OF BILATERAL AID TO EL SALVADOR

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, I have the honour to present a petition forwarded to me by Mr. David D. Brown of Dundas, Ontario, on behalf of a number of Canadians who are concerned about the "disappearance" of Luis Armando Lemus Urrutia and Miguel Rivas Hernandez along with the murder of Eduardo Garcia Cuellar in El Salvador. The petitioners pray that the Government stops bilateral aid to El Salvador until arbitrary arrests, murders, disappearances, and torture are practised no longer by the security forces of that country.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, I ask that all questions on the Order Paper be allowed to stand.

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, I ask that all notices of motion for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all notices of motion for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): I wish to inform the House that because of the ministerial statement Government Orders will be extended by 21 minutes.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed from Tuesday, November 17, consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Hopkins: Madam Speaker, I have a question.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Spadina (Mr. Heap) had finished his intervention when the House rose last night. There would normally be a period for questions and comments. As Hon. Members will be aware, we cannot proceed with that right now. I am in a very difficult situation in that I do not like to say that a Member is or is not in the House. However, we are in the position that we cannot proceed with questions and comments.

Mr. Hopkins: I rise on a point of order, Madam Speaker. It is normal that after Members deliver a speech they are in the House for questioning. The Hon. Member for Brant (Mr. Blackburn) started off this debate by saying that he was the only one in the House to debate while I was on my feet when he was recognized.

Mr. Blackburn (Brant): Haven't you got over that yet?

The Acting Speaker (Mrs. Champagne): Order. I believe the Hon. Member will agree with me that we have gone over this point of order on a previous day with regard to who was in the House and ready to debate this Bill. The Hon. Member for Spadina is not in the House to answer questions or hear comments on his speech. I believe that we should proceed with this debate.

Mr. Hopkins: I rise on a question of privilege, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) on a question of privilege.

Mr. Hopkins: I simply want to put on the record, Madam Speaker, that it is a question of privilege that Members of this House are able to question other Members. The fact that the Hon. Member is not here inhibits debate in this House because he did make statements that should be answered. If they are not answered here, we will have to find other means of having them answered.

Mr. Friesen: Madam Speaker, I rise on the same point of order. I raised the same grievance several weeks ago after the Member for Kamloops—Shuswap (Mr. Riis) spoke. He spoke one evening and the period for questions and comments did not conclude that evening. I rose the next day to ask him questions but he had left the House. I rose on a question of privilege because I could not harass the Member from Kamloops. I thought that was terribly unfair and unjust. Nevertheless, I lost the question of privilege because there is plenty of precedent to establish that the Member does not have to be here. It is too bad that the Member for Spadina (Mr. Heap) is not here, but that is the way it is.

The Acting Speaker (Mrs. Champagne): I believe that this point of order has been discussed thoroughly. We can all agree that the Hon. Member is not in his seat to answer questions. I believe that in the interests of the House we should go on with debate on the Bill before us at this time.

• (1600)

Mr. Les Benjamin (Regina West): Mr. Speaker, it is with some pleasure and sadness that I rise to speak on this Bill. Before beginning my remarks let me say that I read the speech made by the Hon. Member for Brant (Mr. Blackburn), and I thought it was good.

In the 120-year history of this country, Parliaments and governments have taken actions that we have later regretted. We must ensure that any legislation to replace the War Measures Act will not allow any government of any political stripe to repeat the errors of omission or commission that were committed before. There must be safeguards in the law to prevent a government or, for that matter, a Parliament from taking actions in a moment of panic or hysteria that we will all regret later.

We must ensure that there are safeguards in the Bill to prevent a repeat of what happened to Japanese Canadians, who are still awaiting redress and an apology, or of what was done during the Winnipeg general strike in 1919, when there was a hue and cry to get rid of what was called the foreign element in this country.

There must be safeguards in the law so that our police and security forces will not be able to carry on as they did between 1920 and 1950, following people who were not attempting a violent overthrow of the Government, but trying, through dissent and debate, to bring about a fundamental change in this nation and the purpose of our society.

We must have a law that will not allow the kind of discrimination that took place against Chinese immigrants, who are the only people on whom we levied a head tax. I still believe that tax can and should be refunded, because the records are still within the Department of Immigration. We owe the Chinese Canadians that money and an apology.

During the so-called October crisis of 1970, over 400 people were arrested, none of whom were ever charged and convicted. I believe those people deserve some kind of redress and apology. I believe it is proper for a government or a parliament to provide redress to correct a historical error because, not only does it correct a mistake that was committed many years before, it shows a sign of national maturity and allows the nation as a whole to display an element of conscience.

We must keep these events in mind as we debate this Bill, when we hear evidence in the committee and decide upon amendments before passing the legislation in its final form.

I believe this legislation should go to the appropriate standing committee rather than a legislative committee, unless the House is prepared to provide the authority for the legislative committee to travel. Otherwise, we will only hear form those who can afford to come to Ottawa. We should hear from others throughout the country who, either themselves, or their parents or grandparents, have been affected by the implementation of the War Measures Act or other discriminatory and uncivilized measures of a parliament or government.

I was a Member of Parliament in 1970 when every Member of the House went through a great deal of agony during the so-called October crisis. One of my very few regrets, which I will carry with me all my days, is that I missed the vote on the War Measures Act. I would have voted against the implementation of that Act if I had been here. My leader, the Hon. T. C. Douglas, was to speak at an NDP nominating convention in southern Manitoba on the day of the vote. Naturally, I thought it was more important for my leader to be here. Therefore, I took his place to speak to that nominating convention in southern Manitoba and missed the vote. There were two unfortunate consequences on that day. First, I missed the vote, and second, that overflow crowd in the hall in southern Manitoba came to hear Tommy Douglas but got me instead.

During that October crisis some of the over 400 Quebecers who were never charged or convicted spent from 24 hours to 96 hours in jail before being released. One humourous incident during those bitter days took place when one of those put in jail had the same name as a person on the RCMP list. That person turned out to be a Liberal organizer who ended up in jail in Hull. Many said at the time that he was more deserving of jail than an FLQ member.

The lengths to which the government went during that moment of hysteria and panic, generated primarily by the premier of one province, is illustrated by the fact that an 18-year old soldier carrying a loaded automatic rifle was assigned to follow my leader. It did not seem very suitable for a soldier to be following a clergyman, even to the washroom and to his home; my leader never did collect the bill for room and board.

The implementation of that Act not only put the civil liberties of people in Quebec into jeopardy but the rights of people from coast to coast. Everyone was subject to arbitrary arrest, search without warrant, and being jailed without communication with anyone.

When we consider the lengths to which Parliament went in that moment of hysteria, surely it is incumbent upon this Parliament to ensure that there are safeguards in any legislation that replaces the War Measures Act.

• (1610)

The War Measures Act came into being in this country at a time when one can hardly say there was a great degree of tolerance, understanding and compassion among the population and our rulers of that day. We now have a great improvement in the attitudes of the the public and of the Government.

There is one section of the Bill to which I take particular exception, that is the section entitled "Public Welfare Emergency". Should there be another national railway or postal strike, or a strike by the airlines, grain handlers or the St. Lawrence Seaway, the Government will not have to bring in back-to-work legislation and let Parliament decide each case on its own merits. It has only to invoke that clause of the Bill, which means that a fundamental right to strike or, for that matter, the fundamental right of an employer to lock out, is denied in advance and for all time. And this applies to anything the Government considers to be an essential public service.

Those kinds of circumstances must be decided individually as and when they occur. The Bill allows Government to bypass Parliament in such cases for 90 days and it must confirm it by motion within seven days. Thirty Members of Parliament can sign a motion for revocation. If it is passed, it can then be revoked, but many days, weeks or months will have gone by and great harm can be done to many people directly affected.

Part I of the Bill, Public Welfare Emergency, covers a breakdown in the flow of essential goods and services or resources as a result of a strike or lockout. I submit that that must deleted from the Bill and should not be covered in any way, shape or form in this legislation. I recommend to the committee that Clause 3(d) of the Bill should be deleted.

Public welfare emergencies should be in the Bill and I think the rest of Part I is legitimate. Clause 3(a)(b) and (c) provides that public welfare emergency means fire, flood, drought, storm, earthquake or other natural phenomenon, an epidemic of disease among human beings, animals or plants, or some horrendous accident or pollution, such as Chernobyl, for example. It seems to me it is legitimate for a province and the national Government to have the powers to declare an emergency within a matter of hours and act upon it. Therefore, I have no particular objection to that definition of public welfare emergency.

However, I would hope that the committee would take a good strong look at it in the sense of is it really needed in this Bill? Probably the same thing could be accomplished by a strengthening of legislation on emergency measures both by

the national Parliament and by the provinces and territories so that the ability to act quickly and call upon all sectors of the community to assist is there in place at all times.

It does not matter whether the Government leaves the part of the Bill in place regarding natural disasters or strengthens the emergency measures legislation, the fact is that we as a country are still not equipped to deal with an emergency, anyway. I hope the debate on this legislation and the discussion in committee will help to persuade the national Government and the provincial Governments to further enhance and strengthen the resources they have to deal with in emergencies of this kind. That includes, I submit, additional training for our Armed Forces so that they not only know how to handle guns, tanks, planes and ships, but will know how to put a city back together, be it to fix the sewer and water systems or establish a hospital. They should be prepared to deal with the electrical power distribution system, the direction of traffic and looking after refugees, the homeless. We, would always have that kind of training, resources and equipment to help in case of some disaster in our own country, and what makes it so worthwhile is that should we be called upon to assist in the event of another earthquake in Nicaragua, or Mexico, Yugoslavia or anywhere else in the world, we could send people there who had the equipment and know how to be of even better help than they are at the moment.

It is not enough just to have a law that allows a national Government to declare an emergency of a public welfare nature. Unless we have facilities and resources in which to carry out the requirements of the law and the regulations that will come thereafter, all we are doing is making symbolic gestures. This will cost a lot of money, but it seems to me it would be money well spent. That part of the Bill which the Government can invoke in the event of a national strike of something that is considered an essential public service should be deleted.

There is also the heading of "Public Order Emergency"; I think not only of the Winnipeg general strike of 1919 but of the Estevan strike and the Regina riot. People who were peacefully dissenting were victimized by a government which I can only say over-reacted in a paranoid fashion. If there is one thing we must guard against in this legislation it is that kind of paranoia; looking under the bed all the time for a Commie, a Bolshevik or whatever is uppermost in the minds of those who happen to be governing at the moment.

• (1620)

There are some measures in the Bill which I like. I have spent my time on the items in it that I do not like. I hope that the committee and the Government will address them and correct them as I have outlined.

[*Translation*]

Mr. Prud'homme: Madam Speaker, I am not sure I will take an active part in the debate this afternoon, but I would like to make a few comments. As a Member who experienced those tragic events that affected our lives as Canadians, Quebecers and residents of Montreal, I read and especially listened very carefully to yesterday afternoon's proceedings. Yesterday and the day before, I had the privilege of attending festivities in honour of a visit to Canada by the Armenian *Katholikos* from Soviet Armenia, who received an enthusiastic welcome in Montreal. He was suppose to visit Parliament, but unfortunately, he was not well enough to come to Ottawa. So I was in Montreal, and this is just by way of explaining to my constituents why I was not in Ottawa. I attended the festivities, Monday night and last night until three o'clock this morning, but in my office I could not help watching what was going on in the House of Commons, and I heard a few speeches which quite frankly astonished me.

Mr. Blackburn (Brant): Glued to your television set!

Mr. Prud'homme: Yes indeed, but you may have something else to say when I finish.

I was particularly interested in some speeches by Hon. Members of the New Democratic Party, and especially some of their statements in French.

Madam Speaker, it is always easy to judge history with today's hindsight. After the fact we can do no wrong, we are perfect, we can make sweeping moral judgments and we are always right. This is more or less what our NDP friends wanted to do with a message that was obviously directed to the people of Quebec—that is why I will make my statement in French. What they said was more or less that the New Democratic Party knew what it was all about in 1970. And this despite the fact that 88 percent of Canadians—it's true — were asking the Government to do something, and despite the impact these events had on me personally—anyone who is interested can read my speech—and the impact on our Quebec caucus. It also had an impact on our national caucus. We were divided on what should be done, and in the light of the information we had—that is the important point: Did we have all the information? That is another chapter I hope we will be able to write someday. However, in the light of the information we had at the time, we thought it was our duty, unfortunately, to vote in favour of a measure we found abhorrent. I found it abhorrent to have to vote in favour of the War Measures Act. I more or less said so in my speech at the time. And I think that trying to woo Quebecers by saying that a certain political party had virtue on its side from the word go is stretching the truth somewhat. It is a tarted-up version of the facts, because I have a clear memory of those important events. In fact, they say I still have an excellent memory for the important things in life. I remember that the party that today is trying to woo Quebecers was divided as well and that four Members of the New Democratic Party, and that is what Hon. Members forgot to tell us yesterday, four Members, including one as illustrious as the Members in the House today, and I am referring to Dr. Saltsman. Everybody always liked Dr. Saltsman. He was a distinguished, and a great parliamentarian.

Yet, he voted against it. Who does not remember—with your indulgence, Madam Speaker, I shall conclude by giving these four names—who does not remember the great parliamentarian, Mr. Winch? This member of the New Democratic Party and former member of the CCF also voted for the War Measures Act. He probably found this as repugnant as I did, but he still voted for the War Measures Act. I also recall that Barry Mather, a distinguished Member from Western Canada, also voted for it. I also recall one of our colleagues, who is now a member of a National Asembly, I believe, Frank Howard—

[*English*]

I do not know if Frank is still a Member in the provincial House in British Columbia or not.

[*Translation*]

Mr. Howard still sits in a legislature, but he now sits in the provincial legislature of British Columbia. He also voted for the War Measures Act. Even when you want to score political points and attract votes, you should still have to tell all the facts. I am not saying that my colleagues lied, but they would have done better to give the whole picture instead of giving us only part of it by suggesting as they did yesterday to Quebec, and it is to this that I object, that all NDP members opposed the War Measures Act when the fact is that they were very much divided. They remained divided up to the end since four of them voted for the War Measures Act, which was a repugnant gesture for which we shall one day have to offer reparation and excuses to those who were stupidly arrested by the police. All this will be said during the third reading debate, but I still wanted to state the facts, and I thank you for your patience, Madam Speaker.

The Acting Speaker (Mrs. Champagne): I simply wish to point out to the Hon. Member for Saint-Denis (Mr. Prud'homme) that I certainly did not want to show any sign of impatience. I simply wanted, in the spirit of parliamentary reform, to remind the Hon. Member that the period for questions and comments is normally restricted to short exchanges to allow everyone to take part and to make the debate and exchanges as animated as possible. I am certain that the Hon. Member will want to get back to this issue during his own intervention. This is why I indicated that he should speed up his comments.

Mr. Prud'homme: Madam Speaker, as an experienced parliamentarian, I immediately accept your suggestion. Instead of going on, I shall ask the previous speaker whether he remembers—

[*English*]

Mr. Blackburn (Brant): You have had eight minutes out of ten. Sit down and let him answer.

Mr. Benjamin: Order, order.

The Acting Speaker (Mrs. Champagne): The time will of course be added to the Hon. Member's response.

Mr. Benjamin: I thought bootlegging was illegal, Madam Speaker.

Mr. Hopkins: You should have been here yesterday.

Mr. Benjamin: My hon. friend makes a bootlegger look like an honest man. If he wants to get up to give a diatribe against the NDP and what we did in 1970, then let him get up and make a 20-minute speech at second reading and not use up my time.

Mr. Prud'homme: It is not your time. I rise on a point of order, Madam Speaker.

Mr. Benjamin: There he goes again, Madam Speaker. He can get up right after me and make a 20-minute speech if he wants.

[*Translation*]

Mr. Prud'homme: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Madam Speaker—

[*English*]

Mr. Benjamin: What is he up for now? He has had his turn on questions and comments.

The Acting Speaker (Mrs. Champagne): The Hon. Member has risen on a point of order.

Mr. Benjamin: Another bootleg.

• (1630)

The Acting Speaker (Mrs. Champagne): I will listen and rule afterwards.

Mr. Prud'homme: I assure you, Madam Speaker, that it is a point of order.

Madam Speaker, you know my respect for the Chair and the rules. I was not taking time away from the Hon. Member since he had finished his speech. According to the new rules, I am using the second part. Therefore, I was not bootlegging. I know that it was said in good spirits and was meant well, so I will not pursue the matter.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Regina West.

Mr. Benjamin: The hon. gentleman sitting beside my colleague rose a little while ago and complained that the Hon. Member who had just finished his speech was not present for questions and comments. Then this hon. gentleman rose and proceeded to direct comments, and I presume that they were comments to me. The Hon. Member did not need to use up the whole 10 minutes. He can make his own 20-minute speech.

I wish to respond to the remarks of my hon. friend who stated that the NDP always posed as the great moralists who are always right. Like everyone else, I hate people who say, "I told you so". I cannot stand them. Therefore, I will not say it. It is not something that we are saying now in hindsight; we are not curling behind the glass. This is not hindsight, it is what we stated in October, 1970. Of course our caucus was divided. I believe there were two members of the Conservative caucus who also voted against the War Measures Act. We all knew that there were many members of the Liberal caucus who were very unhappy with the invocation of the War Measures Act. We tried to encourage them to have more courage of their convictions.

In any event, all I can say on that matter is that we felt then deeply, and just as easily we could have been wrong as we turned out to be right. I am not denying that. You have a position, you take it, and you take your chances. History will judge.

To the everlasting credit of a former Hon. Member of this place, whom I considered to be one of the finest human beings to ever grace this Chamber, one of God's gentlemen and a real humanitarian, the former Leader of the Conservative Party, Robert Stanfield, who, even though he was unhappy about the desires of the overwhelming majority of his caucus, acceded to their wishes. But within a year or two of no longer being a Member of this place he had the grace and the humanity to say that of all the things that occurred during his tenure as Leader of the Official Opposition, he wished that he had done as Tommy Douglas did in October, 1970, and I will leave it at that, Madam Speaker.

Mr. Simon de Jong (Regina East): Madam Speaker, I too wish to participate in this very important debate. Unfortunately, this debate has not received much press, public attention, or very much attention in the House. We have debated it for a while, but it certainly does not seem to be on top of people's agendas. Yet it is extremely important legislation, because surely in some ways how we are judged as a country is reflected by it.

First, I wish to congratulate the Government for bringing in a piece of legislation that will replace the War Measures Act. The War Measures Act was introduced at the beginning of World War I. It was found to be quite unacceptable to most Canadians, yet the ability and the opportunity to change or amend it never came forward. Despite former Prime Minister Trudeau having stated publicly on several occasions that the War Measures Act had to be replaced, that it was wrong for such tremendous powers to be placed in the hands of any Government, he failed in his long tenure as a Prime Minister to indeed bring forth the needed changes.

I do wish to commend the Government for taking this important step and fulfilling an important promise that it had made.

With a piece of legislation that gives tremendous emergency powers to a Government, great care must be taken with the type of powers that a Government is given over its citizens in times of emergencies. First, we must be concerned that the term "emergency" itself is properly defined; that the legislation has a very clear definition of what is meant by an emergency. We must be concerned that the powers that the Government takes upon itself and therefore takes away from its citizens are not abusive and will not be abused.

When we give this type of power to a Government, the nation and our civilization stands on the edge of falling into the abyss of a dictatorship with the very emergency powers that are called upon to attempt to protect us. There must be great consideration given that in the name of defending democracy we do not destroy it; that in the process of defending civil liberties and the rule of law we do not destroy them. That is why legislators are called upon to exercise great wisdom and care in drafting legislation that is needed in times of emergencies.

I underline the word "needed" because certainly there will be instances when emergency powers are needed by Government. We know that living in this day and age, not only will natural phenomena occur, for instance, tremendous storms, dust or drought, and various other natural disasters, but with modern technology there are man-made disasters.

There was the pesticide chemical plant in India and the melt-down in the nuclear plant in the Ukraine. Given modern technology and its power, a disaster can occur that would endanger the lives and well-being of thousands of citizens. In fact, when we talked about nuclear energy as the melt-down started in the Ukraine, we know that the radiation emitted from that plant was endangering the well-being of the globe. Because of modern technology, we do face those crises that endanger our global village.

In those circumstances, it is necessary for Governments to be able to act decisively and with speed; to be able to move and direct people and bring forth manpower without proper appropriation from Parliament and, at times perhaps, without care for due process because the well-being of the community at large, whether it is a village, a city, a province, a nation or the globe, is at risk.

I wish to warn again that, in drafting the type of legislation that gives that emergency power, great care and wisdom must be exercised. As various of my colleagues have pointed out, we have found the legislation brought in by the Minister of National Defence (Mr. Beatty), Bill C-77, to be wanting. We have major concerns, for example, that the reference that once the Government assumes any emergency powers, those powers shall be referred to Parliament within a certain period of time and passed by Parliament. This also means that it must be passed by the Senate. Is the Government serious in giving this extra power to the Senate, an unelected body? I urge the Government to rethink this provision and to consider seriously amendments in committee.

• (1640)

Four basic classes of emergency are described in the Bill. Each one is more severe than the previous one. The first one is an emergency based on public welfare—natural disasters, the outbreak of contagious diseases, man-made disasters, et cetera. The Government will be given the power to order persons. In other words, part of the possible interpretation of the emergencies power under public welfare is that an interruption in the flow of central services can be considered an emergency. This can be interpreted as giving the Government the power to break a legal strike or to use the legislation against strike-breakers.

I was encouraged to hear the Minister of National Defence (Mr. Beatty) state that that was not the intention of the Government. He indicated that the Government would seriously consider amendments to this section to ensure that the Act would not be used against a legal strike. I take the Minister at his word and I hope, when the legislation comes back from committee, that this section will be properly corrected.

The second level of emergency is public order. This would be similar to what was used in the October crisis of 1970. The Government would assume emergency powers at the appearance of an outbreak of civil unrest or civil disorder.

We also have some problems with this section. In part, the "threat to the security of Canada" definition comes from the Act which created CSIS. In terms of the record of CSIS, we know that it has some difficulty from time to time being able to differentiate between legitimate and illegitimate protests. We are also concerned that the public order emergency provision might be used against legitimate protests or legitimate opposition to government.

Another concern is that the Act, taking the section from CSIS, would allow action on the part of the Government in a situation where there might be economic or political unrest in some area of the globe that it deems to be of vital interest not only to Canada but to a major ally of Canada. In such a situation the Government could use its emergency powers under the section dealing with public order emergencies to impose the Emergencies Act.

We could interpret that in such a way that indeed it would open the door to the Government imposing the Act at any time. I remember debating this point when the previous Liberal Government established CSIS. We in this Party—and I believe it was the case with members of the Conservative Party at that time—found this section wanting. We are facing a major global challenge with the outbreak of hostilities between Iran and Iraq. These potential hostilities certainly threaten the economic well-being of the United States, a major ally of Canada. In that event would the Government, under this section, impose these emergency powers? It does not seem to make much sense.

Another area of concern that we find unacceptable is that persons affiliated with a group which advocates the use of violence in another country could conceivably have their basic liberties and freedoms removed under this Act. As some of my colleagues have pointed out, the Secretary of State for External Affairs (Mr. Clark) and the Prime Minister (Mr. Mulroney) have met with representatives of the African National Congress. The National African Congress certainly advocates the use of violence to overthrow the racist regime in South Africa. We could think in terms of the President of the United States who addressed us and attempted to justify his support of the Contras. Certainly the Contras are involved in the use of violence to overthrow a legitimate regime, a legitimate Government. Perhaps, had this Act been in power, the President of the United States might have been arrested when he came to Canada.

Of course the President of the United States will not be arrested and our Prime Minister will not be censured for meeting with members of the ANC. It is ridiculous to assume that they would be. However, the point we are trying to make is that the Act would allow for that interpretation. We are asking the Government to tighten the interpretation so that major powers would not be used in an illegitimate way.

We have other concerns. The greatest level of power will be given to the Government under the section dealing with war emergencies. In essence, Cabinet will have *carte blanche* to do anything it wants to do. It is no different from the War Measures Act.

These are some of the concerns of my Party. I am happy to hear that the Minister of National Defence has expressed interest in our concerns and has sounded as though he would accept some of our amendments.

I hope the Minister would also give serious consideration to the area of compensating people who might have lost property, their civic liberties, or income during an imposition of the Emergencies Act. We are concerned that in this area where expropriation can occur it will be up to Cabinet to set the limits of compensation. It will be up to Cabinet to determine arbitrarily whether there will be any compensation whatsoever. As well, there will be no appeals to the courts, just an appeal to a person appointed by Cabinet as an assessor.

I think history has taught us that this is wrong in terms of the Japanese Canadians who were wrongfully treated under the War Measures Act at the outbreak of World War II. They lost property and economic opportunity. Under the War Measures Act they did not have legal opportunity to obtain compensation for this wrongful act. I think everyone in the country now recognizes that it was a wrongful act. Let us make certain that these wrongful acts will not happen in the future. Let us make certain, if they are applied in a wrongful way, that those people will have a chance of getting compensation for the wrongs committed to them.

• (1650)

When one thinks of the history of Canada one thinks of the Japanese Canadians and the October crisis of 1970 which should surely have taught us all some lessons. It is so easy in the name of national emergency to trample on the individual freedoms and rights of people. It is my belief that a country that cherishes its democratic tradition, freedoms and individual civil liberties would take great care to ensure that in the defence of those freedoms and liberties it does not destroy the freedoms and liberties of its citizens and others. That is why again I repeat that a great amount of wisdom is needed. In times of national emergencies there is a tremendous groundswell of public opinion by the majority wanting quick, decisive action. It is a wise government and wise legislators who are able to say no, that the preservation of individual rights and freedoms must be fully considered.

We heard earlier today from the Hon. Member for Saint-Denis (Mr. Prud'homme) stating that during the October crisis 80 per cent of the population wanted action. That must have been very difficult for legislators in this House to deal with. After all we are political animals. We do read our mail, and when 80 per cent of our constituents tell us to put this violence that was occurring in Quebec down and to put it down fast by giving consent to the War Measures Act, it was very difficult to stand up for one's own feelings and one's own sense of what is right.

Mr. Benjamin: In the face of hysteria.

Mr. de Jong: As my hon. colleague from Regina West (Mr. Benjamin) has stated, in the face of hysteria.

In addressing Bill C-77 today I wish to pay tribute to Members of this House. I understand that there were members of the Conservative Party who had misgivings. I understand that the Leader of the Opposition at that time had grave misgivings and there were numerous government Members who had grave misgivings about the measure. A large number of my colleagues from the New Democratic Party were able, in the face of that hysteria, to stand up and do a very non-political thing in expressing opposition to the measures being taken. I hope all of us as legislators in the future, if ever situations like that occur again, will have the courage to exercise our wisdom.

I urge the Government to consider amendments to the proposed legislation so that when this legislation is passed by the House it will have the support of all Members.

Mr. Prud'homme: Madam Speaker, I have listened with a great deal of attention to my esteemed colleague who has just spoken. It is always very difficult to talk about a subject that dates back so far. I agree with the Hon. Member that it took a lot of courage to vote against the measure. I agree that when hysteria hits the fan it is always difficult to make a decision. But I have to remind him that what was happening was happening in the Province of Quebec so the people in Quebec were right in the middle of the turmoil. This turmoil did not happen overnight. I am pleased to be still here today because it was an unbelievable debate, I admit that, and it was a terrible decision to take.

I have not looked at the speech I made in 1970 since then but I think I could repeat it today. I was not part of student life at that time. I was a leader in a way at many universities. I had in mind Kent University. My colleague is well aware of that. Kent University had a youth rebellion, a rightful one. I was a protector of American deserters and draft dodgers. It is written in many books in the United States what I did then, so I have no lesson to learn from anybody for having taken a tough decision then.

I do not know if the Hon. Members know the Van Doos in Quebec, but that regiment was given the task. I was afraid that if a student from my province had jumped on the military in Quebec, someone could have been shot. I repeat again that the agony I personally and others went through was terrible. I had a choice to make, being an elected person. My duty was to stop something that may take place, never knowing if the event would take place. If one does nothing and something happens one is forever sorry for not having acted. That was the agony many Members had to go through then. We will never know in our conscience if we were right. In our conscience some of us, as repugnant as it was, voted for the War Measures Act because we thought we were stopping something from taking place.

I just want to tell Hon. Members something before I sit down. Someone from my own family attended the meeting of the youth at *l'aréna Paul Sauvé*. They were being warmed up to go out in the streets. My relative called and said that they were about to go out in the streets. She was convinced that terrible events would take place. So I voted for the measure.

The Member was very kind in saying that it was repugnant for some, but I noticed that all people from Quebec then voted for the measure.

Mr. de Jong: Could I have one minute before we recognize it being 5 o'clock, Madam Speaker?

The Acting Speaker (Mrs. Champagne): The Hon. Member for Regina East.

Mr. de Jong: I thank my colleague, the Hon. Member for Saint-Denis, for his comments. I understand the internal turmoil and difficulty that he faced and which many faced at that time. I also remember the October crisis in 1970. I was in Vancouver working with a youth agency. We had a mayor called Tom Campbell who wanted to impose the War Measures Act against the Georgia Strait, against the organization I was working for called Kool-Aid as well as against a number of other people. Had people of the ilks of Tom Campbell had the power of the War Measures Act within their hands they would have thrown into jail hundreds of young people who were involved in legitimate, democratic organizations. That showed me how power in the wrong hands could have done

tremendous harm to the democracy, the freedom and the rights of ordinary Canadians.

Mr. Prud'homme: The Hon. Member is right.

Mr. de Jong: Living in the late 1960s and early 1970s was a period of tremendous social upheaval and unrest. I predict in this day and age that there will continue to be periods of tremendous unrest. We are living in tremendous social, economic, cultural and psychological changes. Pieces of society do not fit in as nicely as they did before. The social glue that has held communities, families, and societies together is dissolving in many ways. I am afraid that it will be an easy cop-out to use the Draconian powers of a War Measures Act to impose order while what is needed is the freedom and wisdom to allow for organic changes and searches for solutions to the problems which society faces today.

• (1700)

The constant fear I have is that as we are thrown into tumultuous changes in our lifetime the forces which fear progress, the future, and change, will use these powers to impose a political order that will be unacceptable and, of course, anti-democratic. They will do it all, of course, in the name of preserving democracy. That, unfortunately, is the greatest fear I have for this legislation.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say no.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion (Mr. Beatty) which was agreed to on the following division:

• (1710)

(*Division No. 292*)

YEAS

Members

Attewell
Belsher
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Bourgault
Browes
Caldwell
Cardiff
Champagne (Champlain)
Clinch
Collins
Comeau
Cook
Cossitt
Crosbie (St. John's West)
Crouse
Darling
Daubney
Dorin
Duplessis
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Friesen
Gagnon
Gormley
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Grisé
Gustafson
Halliday
Hamilton
Hardey
Harvey
Hicks
Hnatyshyn
Horner
Howie
Jacques
James
Jardine
Jepson
Kelleher
Kempling
Leblanc
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Malone
Mayer
Mazankowski
McCain
McCrossan
McCuish
McInnes
McKnight
Minaker
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
Oostrom
Peterson
Plourde
Porter
Reid
St. Germain
St-Julien
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Stackhouse
Stewart
Suluk
Taylor
Thacker
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vankoughnet
Warner
Weiner
Wilson (Swift Current—Maple Creek)
Witer—95

NAYS

Members

Althouse
Angus
Benjamin
Berger
Blackburn (Brant)
Boudria
Cassidy
Copps
de Jong
Dewar
Finestone
Foster
Fulton
Gray (Windsor West)
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Kaplan
Keeper
Killens
Malépart
Manly
McDonald (Broadview—Greenwood)
Murphy
Orlikow
Parry
Penner
Pépin
Prud'homme
Robichaud
Robinson
Rodriguez
Rompkey
Skelly
Young—36

[*Translation*]

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

• (1730)

[*English*]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, in view of the progress we have made today I think you will find that there is a disposition to call it 6.21 p.m.

Emergencies Act

Hon. Herb Gray (Windsor West): Madam Speaker, I am glad to offer my consent on behalf of the Official Opposition.

The Acting Speaker (Mrs. Champagne): It being 6.21 p.m., the House stands adjourned until tomorrow at eleven a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.39 p.m.

HOUSE OF COMMONS

Thursday, November 19, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (C) 1987-88

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) A message from Her Excellency the Governor General transmitting Supplementary Estimates (C) for the financial year ending March 31, 1988, was presented by Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) and read by Mr. Speaker to the House.

* * *

[*English*]

STRIKING

PRESENTATION OF FORTY-SECOND AND FORTY-THIRD REPORTS OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the forty-second and forty-third reports of the Striking Committee. If the House gives consent, I intend to move concurrence in the forty-third report later this day.

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

* * *

• (1110)

SUPPLEMENTARY ESTIMATES (C), 1987-88

REFERENCE TO STANDING COMMITTEES

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Pursuant to the provisions of Standing Order 83, I move:

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1988, laid upon the table earlier this day, be referred to the several standing committees of the House as follows:

Since the list is naturally rather lengthy, being a detailed allocation of the Supplementary Estimates to the committees, in keeping with current practice, if it is agreeable to the House, I would ask that the list be printed in *Hansard* at this point as if it had been read.

Mr. Speaker: The House has heard the suggestion of the Hon. Minister of State (Mr. Lewis). Is that agreed?

Some Hon. Members: Agreed.

[*Editors Note: List referred to above is as follows:*]

To the Standing Committee on Aboriginal Affairs and Northern Development

Indian Affairs and Northern Development, Votes 5c, 10c, 15c, L20c, L21c, 35c, 40c, 45c and L47c.

To the Standing Committee on Agriculture

Agriculture, Votes 5c and 15c.

To the Standing Committee on Communications and Culture Communications, Votes 1c, 5c, 10c, 46c, 50c, 55c and 75c.

To the Standing Committee on Consumer and Corporate Affairs Consumer and Corporate Affairs, Votes 1c and 22c.

To the Standing Committee on Energy, Mines and Resources Energy, Mines and Resources, Votes 1c, 5c, 25c, 30c, 35c and 45c.

To the Standing Committee on Environment and Forestry Agriculture, Votes 20c and 30c.

Environment, Votes 10c, 15c, 20c and 25c.

To the Standing Committee on External Affairs and International Trade

External Affairs, Votes 1, 5c, 10c, 15c, 21c, 30c and 50c.

To the Standing Committee on Finance and Economic Affairs Finance, Vote 1c.

Privy Council,Vote 20c.

To the Standing Committee on Government Operations Governor General, Vote 1c.

Privy Council, Vote 1c.

Supply and Services, Vote 1c.

Treasury Board, Vote 1c.

To the Standing Committee on Justice and Solicitor General Justice, Votes 1c, 15c, 35c and 40c.

Solicitor General, Votes 1c and 20c.

To the Standing Committee on Labour, Employment and Immigration

Employment and Immigration, Votes 5c, 15c and 20c.

To the Standing Committee on Management and Members' Services Parliament, Vote 5c.

To the Standing Committee on Multiculturalism Secretary of State, Votes 1c and 5c (portions dealing with multiculturalism)

To the Standing Committee on National Health and Welfare National Health and Welfare, Votes 1c, 5c, 10c, 20c, 25c, 35c, 45c, 55c, 60c and 70c.

Motions

To the Standing Committee on Research, Science and Technology Science and Technology, Votes 1c, 5c, 10c, 15c and 20c.

To the Standing Committee on Secretary of State

Secretary of State, Votes 1c and 5c (excluding portions dealing with multiculturalism) and votes 10c and 30c.

To the Standing Committee on Transport

Transport, Votes 2c, 10c, 25c, 35c and 40c.

To the Standing Committee on Veterans Affairs

Veterans Affairs, Votes 1c and 26c.

Motion agreed to.

* * *

STRIKING

CONCURRENCE IN FORTY-THIRD REPORT OF STRIKING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I should like at this time to move that the forty-third report of the Striking Committee presented earlier this day be concurred in.

Motion agreed to.

* * *

FISHERIES AND OCEANS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Rod Murphy (Churchill): Mr. Speaker, I believe you will find there is unanimous consent for the Hon. Member for Comox—Powell River (Mr. Skelly) to move the Motion standing in the name of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) with respect to the Standing Committee on Fisheries and Oceans.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Speaker: By consent, the Hon. Member for Comox—Powell River (Mr. Skelly) for the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) will move the motion.

Mr. Ray Skelly (for Mr. Manly) moved:

That the second report of the Standing Committee on Fisheries and Oceans, presented to the House on Friday, June 19, be concurred in.

He said: Mr. Speaker, it is indeed a pleasure to speak to an issue as important as the small craft harbour issue. The subject, of course, of the debate today revolves around concurrence in a report by the Standing Committee on Fisheries and Oceans with respect to an inquiry into the small craft harbour situation in Canada.

The Government, of course, manages a large number of harbours across Canada. There are some 1,415 commercial harbours and something in the order of 840 recreational harbours. In the management of that program there have been many serious concerns about the operations. In response to those concerns, the Government, when it first came to power, began with a policy that would be judged by many Canadians as less than desirable.

The Government in a very rigorous attempt to cut back federal spending, and to cut back on the number of people involved in the public service, essentially froze activity in this important area. In the freezing of this activity the Government made the statement that it was all the fault of the previous Government that the small craft harbour arrangements were in chaos, and that the previous Government had assigned resources to small craft harbours in Canada on a political basis and had created far more harbours than Canada needed and certainly far more than the Government of Canada was able to maintain.

The Government used this as a justification to shut down many small craft harbours, but said it would do it on a priorization basis. Those harbours which were now deemed to be under utilized and in a very degraded state of disrepair would be simply barricaded off and closed. Other harbours not important in the minds of the Government would not undergo extensive repairs to bring them up to the standard required by fishing communities across Canada. The Government had a further category of harbours that would in fact undergo regular maintenance and repair and be considered for later upgrading of facilities. Then, of course, there is the need for new facilities.

This was essentially a continuation of the restraint program that involved the cutting of staff and budgets as per the overall policy of this particular Government. This policy caused an enormous amount distress. This distress was reflected back to Members of Parliament and in turn to the Standing Committee on Fisheries and Oceans and, of course, to the Minister.

The political pressure rose to the point where the standing committee felt it absolutely had to do something in terms of an inquiry into the impact of the Government's restraint position, the cutting of staff and budgets; that came about because government Members in the Conservative Party were under such tremendous flack in their own areas. Their own constituencies were rising up against them and threatening to defeat them in the next election if this issue was not addressed. There was pressure on the Minister, pressure on the Government and pressure on sitting Members in the Conservative Party. As a result, they then were prepared to undertake an examination of this matter through the Standing Committee on Fisheries and Oceans.

When the examination was complete, the findings were that the program was inadequate. The Government also found there was enormous pressure, and it put in place a new

program which was announced in June of this year in the small craft harbour area.

It is interesting to note that the Government now deemed that there was a substantial need for small craft harbours. It seems to have forgotten the old sins of the previous Government in creating too many harbours and the need to shut them all down. It now finds there is an need for safe accessible harbours. The Government also said there was a very strong need to emphasize repair and improvement to ensure there was safety in those harbours, that someone did not drive a forklift out on the wharf in a small craft harbour in winter time and fall through it with the forklift; to determine that there was not such rot and decay in those harbours that one could not work on the harbour facility.

The Government said another need was to ensure that there was not disruption in the commercial fishing activity. There are communities like Port Hardy with a very limited number of berths available in the small craft harbour area. Because of this poor management by the Department of Fisheries and Oceans, if a storm suddenly came roaring in, there could be up to 900 major commercial fishing vessels trying to tie up in a community where there was no moorage facilities, or very few, and creating a grave danger to the fishing vessels. The beach and the very small harbour facilities are then littered with garbage, vessels are tied to each other for mooring security, and the disruption to the commercial fishing service is incredibly apparent. Small Craft Harbours and the Government of Canada have seen a need to build facilities to ensure that there is not a disruption in service.

• (1120)

Many, harbours in Atlantic Canada have received extensive damage from storms. The Government was told of this time and time again. Those harbours need to be dredged and to have the storm damage repaired. Communities were paralyzed because the people could not get out to fish. They could not get out to earn a living. They could not safely moor their vessels, the tools which they use to earn their livings.

Surprise of surprises; the Government has now discovered that the dredging and the storm damage repair in Atlantic Canada can be done with the very paltry amount of $5 million, a figure which certainly understates the case. I think this represents the Government's failure to come to grips with the needed level of improvement in those Atlantic Canadian communities.

There must be an enhancement of that improvement. There must be a steady and ongoing allocation of resources to ensure that the damages are repaired in a quick and timely manner and that the dredging goes on on a regular basis. Those harbours in Atlantic Canada must be maintained so that people can continue to earn their livings safely without disruption.

As stated in the government program, the needs are correct. But what is required, something which is lacking, is the repair of the storm damage and the implementation of the dredging programs in a timely manner so that further disruptions do not occur.

In the Great Lakes region the Government recognizes that high waters in those lakes have damaged a substantial number of harbours. It is being proposed that the damage level is at around $10 million. The harbours must be repaired in order to ensure the integrity of local economies. Because the damage was not repaired as it occurred it has cost the taxpayers a great deal more money. That is unfortunate. The dislocation which has occurred to local economies because of the failure of the Government to keep in place its infrastructure, which structure maintains and supports the local economy, has not only cost the taxpayers of Canada more money in terms of federal dollars but has also created major dislocations in the tourism and recreational sectors of those economies.

These measures must be carried out without causing the enormous disruptions we saw with the three-year program of the Government that turned a blind eye on these facilities under the guise of instituting savings. These are false savings and in the long run the taxpayers will pay a lot more.

One advantage the Government feels may accrue to it is, that if it suddenly stops spending money on small craft harbours, the damage which occurs can be repaired during an election period. What has happened on those occasions is that the Government has attempted to put itself forward as recognizing the needs of people and as attempting to buy votes during an election period. This is the manner in which the activity we are faced with today has occurred. Instead of regular and thoughtful priorized activity to fix storm damage, to repair facilities and to ensure federal support for communities both in Atlantic Canada and in the Great Lakes region, we have the situation of simply stopping all progress to try to make false savings. Then during an election period the Government opens the purse strings and tries to spend money effectively and as rapidly as possible in the hopes of buying a few votes.

That does not work. It creates a very poor contracting, repair and building regime. Often the contracts are let with the next Government trying to put them in place. The process is done in a very unplanned and generally unacceptable manner.

One of the things the Government says is wrong with the previous approach is the imprecise targeting of the upkeep program on these harbours. That is absolutely true. What we see is a situation in which the loudest voices receive the treatment. There is no effective priorization. Therefore, someone who happens to come along with the same party card as the Government in power will say, "We want our wharf fixed". When that happens, and when moderate problems in an area with very low utilization caused by major damage or major need for infrastructure are ignored, then instead of winding up where it should, the money goes to serve the needs of citizens. This seems to be politically expedient, and then the program has to start.

At least the Government has moved a fraction of an inch forward in recognizing that there has been, as the Government puts it very euphemistically, an imprecise targeting of the upkeep program. Resources are very thinly spread. That is quite a statement. The results of it fall on the previous Government which used these harbours as political plums wherever it could. Yet it did not provide the maintenance budget to ensure that those harbours were kept functional for the communities which depend on them. Indeed, they do depend on them. There was a complete under-budgeting for maintenance of important federal assets, the small craft harbours system. As a result, it is being damaged even further because the necessary repairs to maintain the integrity of those facilities was not done.

Stating that the resources were spread too thin and that the targeting was imprecise is an admission of the Government's negligence in its trusteeship of important Canadian resources. The need, the Government claims, is for expanded funding for small craft harbours, improved maintenance and project improvements. There is no doubt about that. There needs to be a substantial increase in facilities.

The nature of fishing is changing on the West Coast, for example. On the West Coast we have a large and active commercial fleet. We have two types of action that require servicing by the federal Government in small craft harbours. We need fishing ports in the fishing grounds so that vessels can moor during times when the fishing season is closed. They need places where they can moor in order to unload at processing facilities. They need places to moor and to seek security during storms when fishing cannot continue.

I point to the example of Port Hardy where we have had 900 vessels tied up at one time, with nowhere near that number of berths. During periods of storm such berthing causes damage to vessels. There is not proper garbage facilities or servicing facilities in the harbour environment and garbage is thrown overboard. There is tremendous environmental degradation. What has happened as a result of the actions of management regimes, and in this case in the Johnstone Strait fisheries, Fisheries and Harbours, through their Small Craft Harbour arm, have not kept pace with the need for additional harbour facilities.

The Government of Canada and, indeed, the Government of British Columbia have actively encouraged the development of aquaculture which is part of the fishing industry. There are many people who are absolutely appalled at the completely unplanned approach of both governments to aquaculture. They are appalled at the fact that foreign investors are allowed almost more priority than Canadian entrepreneurs in the industry. They are appalled that upland owners of property adjacent to fish farms and those with fish licences are given no say in the location of those particular facilities. Nevertheless, that industry is in place and growing rapidly.

The Government of Canada is making no movement to service that industry. This is definitely a function of Small Craft Harbours. In many areas, especially on the northern and central coasts where licences and fish farms are selling rapidly, places away from major centres, the only movement of goods and people back and forth to those facilities is through Government of Canada wharves and small craft harbours.

Of course, the Government of Canada is doing nothing to develop those facilities. There needs to be a definite facility at Sultry Bay on the Sunshine Coast in the area of Powell River. What the Government of Canada is saying is that it has two agencies, the Small Craft Harbour agency under the Department of Fisheries and Oceans, and the coast guard facility under the Coast Guard, which handles wharves and piers for the purposes of moving goods and people.

Small Craft Harbours says that its mandate is exclusively related to the tying up of fishing vessels. Therefore aquaculture is falling between the two, because Transport Canada says that it concerns fishing and Small Craft Harbours says that it concerns the movement of goods and people. What they are both saying is that neither one is responsible.

What is happening is that there is no planning for the federal Government to service the aquaculture industry and to ensure that these infrastructure resources come onstream in a time that is useful to the industry and to facilitate its growth. There is no provision for the safe movement of goods and people back and forth to the sites where the work is going on. Nor is there a method for moving the product in such a way that it will come ashore in top quality condition for the market to which it is destined. This is a serious failing. Communities like Port McNeill have appealed to the federal Government to examine the sites and develop them in order that the aquaculture industry developing on the northern end of Vancouver Island and along the central coast can develop in an orderly and effective manner. To this point, the Government has no plans on the drawing board to service that industry.

• (1130)

In the area of Jervis Inlet, an appeal has been made by the Powell River Regional District, by the Municipality of Powell River, and the aquaculture industry in the area to get moving on an acceptable dock where goods and people can move freely. Again the Government is stating that it is the other Department's responsibility, and it is falling right through the crack. The long-term losers are the communities that hope to benefit from that industry and, of course, the industry itself that does not have an effective area to move its goods and people back and forth safely, quickly, and effectively with no degradation of the product involved.

It is important, because for those areas that do have aquaculture potential, one of the major things is the federal Government infrastructure. This is absolutely imperative for communities on the west coast of Vancouver Island that have a large number of licences put into place. People are stating that those licences and the aquaculture sites cannot be developed until there is some assurance that there will be infrastructure;

a small craft harbour, or a pier with loading and unloading facilities.

The people who run the programs in the regional offices are completely unwilling, or have been in the past, to go into those communities and talk to the people about development. They have been very unreceptive to suggestions that plans should be put on the drawing board for those communities to service that industry in addition to the commercial fishing industry, and to service the small processing plants that tend to develop around those areas to handle that product quickly and effectively in order that the benefits from the product are maximized, and it can move quickly from the area where it is grown or taken into the markets.

Not only is the Government ignoring this, but in cases that I have specifically dealt with regional managers are stating that they do not even wish to talk to those people or listen to their story, that their minds are made up. They state that there is enough harbour facility, there is not the economic justification, or there is too much processing. They have no vision of the needs of the community or the industry, and the potential of the area. It is a tragedy that I feel can be rectified by the Government ordering people to move quickly in this matter.

I see that I am drawing rapidly to the end of my limited time here, and I have 20 more pages of very thoughtful material for the House to consider.

In summary, the important aspect of the small craft harbours issue is that in the past the Government has completely failed to put an orderly process in place. If I were to give a single recommendation to the House, it would be to move the whole business of priorizing the small craft harbour activities away from departmental officials to an advisory body. That body would represent the organizations by election and nomination of those organizations to sit on an advisory body. It would then provide advice to the Government on what harbour facilities are needed and where they should be developed.

[*Translation*]

Mr. St. Julien: Madam Speaker, I can appreciate the concerns of the Hon. Member for Comox—Powell River (Mr. Skelly) over small craft harbours.

In a region such as ours, Abitibi, a number of localities really deserve to be included in this program. Strangely enough, we have been hearing about eastern and western Canada, but this is the first time ever a government has been listening to the residents of a vast region like Abitibi. I have two examples which might interest the Hon. Member: Belcourt, a small village close to Senneterre, and Louvicourt, the gateway to Abitibi. Department officials came to see the people and for the first time ever they discussed access to lakes which people considered important. We did get some funding recently, this was last month, and discussions are continuing.

I should like to ask the Hon. Member whether remote regions like ours—Abitibi—are entitled to their share. Do you think it is important? Nobody says it has to be by the ocean-side. But I am saying that we have our share, we will continue, and it is important for a region like ours to have programs and funds for small craft harbours.

[*English*]

Mr. Skelly: The Hon. Member for Abitibi (Mr. St. Julien) has raised an interesting question. To develop it a little further, the question is in relation to where the federal jurisdiction lies. This Government has been giving a mixed message. When it started out it stated that it wanted nothing to do with anything except established commercial fishing harbours. The problem is that commercial fishing goes on all over. There is a great freshwater fishery.

Another area in which the Government became involved years ago was with recreational harbours and the developing of major recreational facilities. Then this Government stated it did not wish to become involved in recreational facilities. That is something that Abitibi certainly could be interested in, whether it is moving hunters, people who travel in the lake regions, or the commercial fishing that goes on in the lakes. Indeed, there are two main areas, recreation and tourism, and the commercial fishing fleet.

Essentially now the Government is coming back and stating that it made a mistake, it is interested in the recreational tourist aspect. In that regard, it certainly could be looking at freshwater commercial fisheries in an area such as Abitibi, and other areas of the country. If in fact the freshwater commercial fishery is felt to be an important part of the local economy, the Government has to quit going both ways on this issue. It has to stand up and say that it will take responsibility for that infrastructure and get rolling in Abitibi and other areas of the country where the freshwater fishery is important. The harbour facilities are needed there for safety, moorage, and as infrastructure to aid the local economy.

Tourism and recreation is another area; sports fishing, hunting, people who wish to enjoy the wilderness in a water environment, and it is an area especially important for native communities attempting to develop these facilities. Is this indeed a federal responsibility? At one time the Government said that it was not, but in some areas it has stated that it is.

We need to answer the question of the Hon. Member for Abitibi and other Canadians who want to know where they stand and why another community can receive the support of several millions dollars for a recreational and tourist harbour, yet a community with the same type of needs is told by the Government that it does not get involved in that.

One has to ask, is it because of the political affiliation of the Member who represents that area, or is it the size of the donations that have been contributed by those communities to the political Party? It is difficult to say. At the beginning of this Parliament the Government stated it was no longer interested in participating in areas that were not exclusively within its mandate. Its definition of the mandate appeared to

be managing existing harbours, and managing only those harbours where commercial fishing was under way.

Mr. Murphy: I was pleased that a representative of our caucus moved this motion, and I was happy to second the motion. In my own riding of Churchill and in ridings adjacent to it, such as the Interlake riding and the Provencher riding, the whole issue of small craft harbours is of major concern to fishermen. We are talking about people involved in freshwater fishing. For too long they have been ignored by the federal Government. Many of the harbours in their areas come under this legislation.

• (1140)

In the past the federal Government, in a very slow method, has built up harbours in communities in areas which needed harbours for the livelihood of fishermen. Over the last couple of months I have had a chance to tour many of those areas. I have found that maintenance over the last number of years—and I am not only blaming the present Conservative Government—has been completely deplorable. We have harbours which are unsafe, and we have harbours which are a threat not only to the livelihood of the people involved in the fisheries but to their lives.

I would like the Hon. Member who introduced the motion to speak, as he did so eloquently for the West Coast, as one of our representatives on the fisheries committee about our concern for the people involved in freshwater fishing. I would like him to assure me, the House, and people across the land, that our policies would be for all Canadians and would ensure that we have a solid and safe harbours policy in Canada.

Mr. Skelly: Madam Speaker, I am very pleased to have the opportunity to examine another aspect of the matter, which only shows what an enormously large and diverse area is covered by the small craft harbour infrastructure of federal government.

The Hon. Member for Churchill (Mr. Murphy) indicated the need for proper harbour facilities for the freshwater fishery in Manitoba. Of course we would work vigorously toward providing safe and necessary harbours. We would also be looking at that in terms of the major lakes and freshwater fisheries in the Northwest Territories. The federal Government is a partner in exploiting these resources, in assisting communities which depend upon them, and in making their economies viable.

It is almost impossible for freshwater fisheries harbours, such as the ones in Manitoba, in the Northwest Territories, and in other areas like the Great Lakes, to achieve the full benefit of the resource.

My Party is firmly committed to developing and securing those harbours through regular improvements. Additionally, on the decision in terms of where harbours should go, as I mentioned before this should be the responsibility of an advisory group which represents the communities and the users of harbours. Whether it be freshwater fisheries regions, Atlantic Canada, the St. Lawrence or, indeed, the area around James Bay, there should be advisory committees which examine the small craft harbours situation, decide how the budget will be allocated and used for repairs, and decide where the budget will be used to enhance new facilities.

This would remove the whole matter from the political game. Small craft harbours people would be able to lay information before those who are dependent on them and before users' groups. They would give advice to small craft harbours people and the Minister on the allocation of resources. The Minister would not hand them out on the basis of political affiliation or the membership of a particular Member from an area. The tragic history of small craft harbours is that they have been given out as political patronage rather than under a rational, consistent system.

Mr. Suluk: Madam Speaker, I have a question for the Hon. Member.

The Acting Speaker (Mrs. Champagne): The time for questions and comments has expired. The Hon. Member for South West Nova (Mr. Comeau).

Mr. Gerald Comeau (South West Nova): Madam Speaker, it gives me great pleasure to participate in the debate today. I listened to the previous speaker who in the past has shown interest in fisheries related issues. It was quite interesting to note that he was extremely cynical about Small Craft Harbours officials who in the past were only looking for good leadership and plans. He used a very cynical approach when he talked about those fine officials.

The previous speaker also talked about the need for a new small craft harbours management plan, as did the committee. The committee met over a number of months. It received representations and conducted many discussions on small craft harbours. On June 19, it submitted a report to the House outlining our concerns about small craft harbours.

On June 29, the Minister of Fisheries and Oceans (Mr. Siddon) announced a program. In that very short period of time from June 19 to June 29 he did an absolutely superb job. I will go into further details in that regard later this morning.

The previous speaker should be extremely happy about what was announced on June 29, but he did not go into very much detail on some of the specific items. He preferred to dwell upon past management plans and so on. If he had read the document he might have been very surprised and extremely happy with the way in which the Government has responded.

The fishing industry in Canada is a far cry from what it was a number of years ago. Vessels are now big, efficient, modern, and expensive. Some vessels are worth hundreds of thousands of dollars. A vessel cannot afford to wait in harbour for high tide any longer in order to go fishing. That is what was the situation in the old days. Fishing vessels now need to be able to get out there to fish, not wait for tides.

I will deal with the situation in Atlantic Canada because it is the area which I know better. It has something over 30,000 fishing vessels and over 59,000 fishermen. The landed value is over $1 billion. Activity in the fishing industry will increase with time, over coming years. The effect of free trade alone will increase the need for more wharfs and more facilities because the value-added aspect will be greater in our communities. We will not need to send unprocessed fish to the United States to be used in TV dinners, foods, and so on. The value-added aspect will occur right here in Canada, which will increase the need for safer and better harbours all that much more.

We have valuable fishing grounds in Atlantic Canada, such as Georges Bank, the Scotian Shelf, the Gulf of St. Lawrence, the Grand Banks, and so on. These areas will become veritable gold-mines for the citizens of Canada.

Yesterday morning I was able to take advantage of the new Small Craft Harbours program. I was able to visit some of the important fishing communities in my riding and to announce very much needed improvement programs for small craft harbours at Dennis Point in West Pubnico, Lower East Pubnico, and Camp Cove in Argyle. A couple of months ago I was finally able to announce improvements for the Saulnierville wharf in Saulnierville, Nova Scotia. Over 20 years ago the wharf had been built and suffered damage in a storm but had never been repaired. I might add that this wharf was ranked third in landings in the whole Scotia-Fundy region of Canada.

For the benefit of the novice, the Scotia-Fundy region of Atlantic Canada is the largest fishing area in the world. After 20 years we now have a program to start doing repairs which are very much needed.

Under the program, in my own riding alone I have been able to announce projects in Little River in Digby County, Little River in Yarmouth County, Cape St. Mary, East Ferry, and Delap's Cove. These communities needed good, safe, and efficient harbours.

Returning to the committee, as I noted earlier it met over a number of months. It pointed out some problems. The first was inadequate funding. It also pointed out our concern for the safety of fishermen and their materials and equipment which, as I noted a moment ago, can be worth hundreds of thousands of dollars. Storms over the years had caused damage on wharfs which had never been repaired.

The committee came up with the following recommendation:

> Your Committee therefore recommends that budgetary and corresponding program actions be taken to assure access to harbour users and their property, and to ensure the economical and timely upkeep of the harbours and the extension of their useful lives. The budgetary or program actions should be consistent with and appropriate for a program involving valuable long-term capital assets.

• (1150)

On June 29, the Minister did announce a program which met all the requirements of the request we had put forward. To respond to the very cynical comment made by the previous speaker to the effect that officials had not wanted to do this, that was not so. It was because, up until this time, we had not had the leadership that would allow us to respond to those requirements.

The program announced by the Minister calls for a management plan for fishing in recreational harbours maintained under Small Craft Harbours. The new management strategy responds extremely positively to our recommendations.

As I have already noted, the question of safety, both for fishermen and their vessels, came first. As well, there has been disruption caused by unsafe harbours, harbours which had not been dredged and harbours which were simply not adequate to respond to the needs of the industry. On the Atlantic coast of Canada alone, $5 million worth of damage had been caused by storms. High water levels on Lakes Superior, Huron and Erie had caused damage estimated at $10 million. These were problems that needed to be addressed.

Over the years there had been an imprecise targeting, as mentioned by the previous speaker. Many wharfs were repaired based on political considerations. This had to be stopped. We must respond to the fishermen and their needs rather than to political needs. That is what this program addresses.

Resources were spread too thinly, and I will note the figures later on. There were simply not enough dollars going into the program. When talking about harbours across Canada, we are talking about billions of dollars worth of harbours with which we needed to deal.

The expansion of funding for small craft harbour maintenance and improvement budgets responds much more fully now to the needs of harbour users and is particularly targeted at those involved in commercial fishing. Priorities have been aimed at safety and the elimination of disruption, and in the process, in order to get proper input, there will be more involvement at the local level of the users themselves. Those people who wish to become more involved in the planning of programs for harbours will receive first and better consideration.

The program is comprised of measures dealing with four main areas. First, there will be more effective management of existing small craft harbours. Structures at harbours which have had to be barricaded because they have become hazardous will be reopened. There is nothing that upsets a fisherman more than to see a barricade placed over a harbour which in the past the fisherman was able to use. There is nothing either that is more upsetting to people like me.

As I noted earlier, repairs of storm damage in Atlantic Canada and the upper Great Lakes will be carried out and there will be new infrastructure projects, services and facilities

at certain harbours where improvements are needed to meet the expanding demands of both the tourism and the fishing industries.

The following specific measures have been taken. There will be an increase from $48.5 million to $70 million. This is a 44 per cent increase to the ongoing level of funding assistance for the federal Small Craft Harbours program under which the federal Government manages some 1,415 commercial fishing and 840 recreational boat harbours throughout Canada. This 44 per cent increase will be in what is called the operating level or the A-Base budget.

The launching of a special three-year infrastructure revitalization program with additional funding of $85 million over three years is aimed at reducing the large backlog of accumulated damage and deterioration to harbours essential to commercial fishermen, recreational boaters and the communities which rely on them. This will bring our harbours up to a level at which they can again be used.

The use of funds for emergency repairs had risen from 40 per cent to 90 per cent of regular maintenance budgets since 1982. As Hon. Members will recall, the maintenance budget had been at the level of about $46 million. It was simply not adequate to repair harbours over the years. Emergency repairs were taking up most of the budgets. Last year alone, it was necessary to place safety barricades at 50 different locations. If these trends had been allowed to continue, 150 harbours would have closed over the next five years.

Under the new program there will be room for more community input. The users themselves—the fishermen—will be able to advise us on how to do improvements and where to put new harbours, as well as what kind of programs there should be for individual harbours. It will give fishermen and other users a more direct role in the management and operation of their harbours. At the same time, there will be important benefits to cost effectiveness. Under this approach, the federal Government will assist in the formation of harbour authorities appointed by the fishermen themselves and in some cases by local governments. In all cases, funding will be sufficient to keep all harbours up to standards of safety prescribed by the federal Small Craft Harbours program.

It is expected that some 500 harbours, which account for 80 per cent of the fish caught in Atlantic Canada, will opt for this local input process. Maintenance projects are far too costly and complex for small harbour authorities to assume on their own, so these will be assumed by the federal Government. Local fishermen will do small maintenance projects which they will be able to do quickly. They will not need to wait months and months for small craft harbours officials to go to the region to carry out these projects.

The establishment of a grassroots user-management system will allow the Government to match programs more precisely to local needs and priorities while reaping the cost-saving benefits of local tendering and procurement. The fishermen themselves will be able to do repairs locally through local contractors under this new program.

The Government has come up with a program which was required for small craft harbours across Canada. As I noted earlier in my remarks, free trade will be coming onstream within the next couple of years. We will need these small craft harbours in order to accommodate the very expanded activity which will be going on in the fishing communities throughout Canada. I for one look forward to the benefits this program will have for my community.

The Prime Minister (Mr. Mulroney) noted in the Throne Speech that we needed to place more emphasis on the safety of both fishermen and equipment. This new program has responded to that.

On behalf of the fishermen in my community, I wish to thank the Government for having come up with this program. It has been extremely well received in my community. The announcements I have been able to make over the past few months have been very well received. The fishermen are looking forward to working in closer co-operation with Small Craft Harbour officials. I see this as being a very positive approach on the part of the Government and I congratulate Small Craft Harbours officials for the way they have met with local communities and fishermen and for the way the program is coming into place.

Mr. Skelly: Madam Speaker, I too would leap for joy if I had found that $6 million had been spent in my riding since the inception and announcement of the program in June of this year. There is no doubt that spending in Canada is profoundly skewed. I would point to the fact that the Hon. Member did receive $6 million. I would not ask that one penny less be spent in that riding, indeed, in Atlantic Canada, or in the Gulf of St. Lawrence. There are still facilities there that need further repairs. However, I want equal treatment for the West Coast. There should be a more thoughtful allocation of resources by the Government. The Hon. Member might want to give us some indication of when the important needs of other regions of the country might be attended to.

• (1200)

The Hon. Member said I was cynical. I am not. It was the committee that he chaired which said that the operation of small craft harbours was a disaster. The committee was most critical of the fact that the Conservative Government was prepared to do nothing about it. Does he stand by that?

The third item is that of independent harbour authorities and the fact that if you do not form a harbour authority, it does not matter whether you have need or not, you are not on the priority list. Some communities cannot afford to take on the responsibility of a harbour authority. This is a move towards privatization of government infrastructure. This is total nonsense. The Government has already started giving away harbours that the people of Canada built and they, through the Government, should take responsibility for them.

These harbours should not be privatized, throwing the burden of maintaining the infrastructure on those who cannot handle it. The advisory committee should be a general regional committee which establishes regional priorities. Not a small group who will assume ownership under the Government's privatization regime, but a legitimate public mechanism.

I want to point out again that I am not cynical. Indeed, I am one of the optimists in here.

Mr. Comeau: Madam Speaker, I am rather surprised that the NDP spokesman denies that the wharf in Saulnierville is very badly needed. Of course, in the next election campaign I will point out what the NDP thinks.

Mr. Skelly: Point of order, Madam Speaker. The Hon. Member cannot be allowed to distort the truth. I said I advocated more money be spent there.

Some Hon. Members: Debate!

The Acting Speaker (Mrs. Champagne): Both Hon. Members are engaged in friendly debate and I am sure the Hon. Member will allow the Hon. Member for South West Nova (Mr. Comeau) to answer.

Mr. Comeau: Madam Speaker, the Hon. Member had his chance to say his piece and I would like to have mine.

Would he deny a wharf to the people of Saulnierville? They waited 20 years for it. That wharf is ranked third in its landing of fish in the Scotia-Fundy area. That is the largest fishing area in the world. My riding alone has the highest landed value of fish in all of Canada. Yet that Hon. Member would deny the need for repairs to that harbour. As I said earlier, the people of South West Nova will be very surprised to hear the Hon. Member's comments.

The Hon. Member would also deny the fishermen of our communities the right to form harbour authorities in order to take a more direct role in the management of their harbours. That is what the harbour authority is all about. Those areas that do not have enough fishermen to form a harbour authority will be given special consideration. Those areas that do have the numbers will be given the right, which they did not have in the past, to form an authority where they can set their own priorities.

The Hon. Member distorts the facts and will not look at the truth. We want to help the fishermen help themselves. Of course, the Hon. Member has never really been known to stress the truth all that much, so we will leave him be on that point.

[*Translation*]

Mr. Robichaud: Madam Speaker, I also have a question for the Hon. Member for South West Nova (Mr. Comeau). Like him, I welcome the efforts of a government that has finally realized that new money should be spent on repairing harbours from coast to coast.

In his response to the report on small craft harbours, there is nevertheless one item that worries me a great deal. It is a subject that was mentioned just now, and I am referring to the harbour authorities. Now this reminds me of the fight we had to put up during the debate on Bill C-75, and I think you will recall, Madam Speaker, that the Hon. Member for Humber—Port-au-Port—St. Barbe (Mr. Tobin) spoke for nearly seven hours to block this Bill, especially Clause 4 which provided fees for users of Canada's ports, which meant that fishermen using various harbour facilities would be charged a fee. In fact, it says on page 3, item 3, that consideration is being given to introducing a user fee mechanism.

My question is as follows: Does the Hon. Member for South West Nova agree with this policy—a policy the Government is now trying to sneak in through the back door—of charging user fees, especially to fishermen?

Mr. Comeau: Madam Speaker, the Hon. Member pointed out that we now have a mechanism to collect user fees. However, he forgets that user fees were collected for years, even by his own government. This has been going on for ages, and at the time, it was the Government that collected these fees. From now on, the fishermen will collect these funds.

Isn't it better to have the fishermen collecting the funds instead of the Government? Perhaps the Hon. Member should consider this aspect.

Personally, I prefer to leave it up to the fishermen.

[*English*]

Mr. George Henderson (Egmont): Madam Speaker, I am delighted to participate in the debate on this concurrence motion, moved by the Hon. Member for Comox—Powell River (Mr. Skelly), I assume because the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) was unable to be here today.

Over the last year and a half the committee worked very hard and spent many long hours trying to obtain funding for the Small Craft Harbours Program. I remember when our committee travelled to British Columbia and Atlantic Canada, hearing witnesses from those areas which are of great importance to the fishery. I guess, in every area that we travelled to, in British Columbia, Prince Edward Island, New Brunswick, Nova Scotia, Newfoundland and Quebec, one of the main irritants we found with fishermen was the lack of funding for small craft harbours. This is understandable because harbours and wharves are the heart and soul of the fishing communities. They are their home base, their infrastructure. They form a very integral part of the fishing community. The primary base of a fishing enterprise is the vessels, nets, gear and, of course, the stocks which they go to sea to fish.

• (1210)

Fishing is a very hazardous industry. Fishermen continue to fight the elements, not only at sea but in the ports themselves, especially in Atlantic Canada where we have a lot of winter

storms and a lot of ice. The elements are very hard on wharves, breakwaters and haul-out slips.

There are over 2,300 harbours across the country. The Department of Fisheries and Oceans is responsible for the maintenance of wharves and breakwaters. The figure of 2,300 includes 750 harbours which are used mainly for recreational purposes but are still included in the budget of the Department of Fisheries and Oceans. I have always maintained that recreational harbours should be funded by another source such as tourism. In the last number of years the budget for the maintenance of harbours has been between $41 million and $48 million. That hardly covers the most basic maintenance of wharves and breakwaters and leaves nothing for dredging.

Another problem we have in Atlantic Canada is in respect to dredging. Harbours which have good water depth this fall may, as a result of storms, be totally sanded in during the spring when the fishermen are trying to go fishing. This is especially true in Prince Edward Island although there are areas in New Brunswick and Nova Scotia that find themselves in the same situation with drifting sand. The fishermen do not know what the water depth is in the harbour until the ice leaves. The situation then, of course, can become an emergency. On top of all other problems we have a tremendous problem with dredging and getting dredging machinery when it is needed.

In my riding there are two seasons for lobster fishing, one on the northeast side and one on the west side of the Northumberland Strait. The season on the east side operates from May 1 until the end of June. It is imperative that the fishermen who fish in that district are able to set their traps by May 1 when the season opens. We all know that in the lobster fishery the first two or three weeks are generally the best weeks.

In my riding, the most important industry, in terms of employment, is the fishery. I was very fortunate this year. After much prodding of the Minister by the standing committee for improved funding for small craft harbours, there was an announcement made. I stress the word "announcement" because the work has not yet taken place and a number of announcements have been made in the past with no follow through. After a lot of debate and fighting, the Government announced that $500,000 would be available for the improvement of the breakwater at Fishing Cove, a very important harbour in my area. Of that, $25,000 is to be spent in this fiscal year on design with the remainder to be used for actual construction next year.

Alberton Harbour is another very important harbour in my area. The Government announced $400,000 for projects there. Of that, $200,000 is supposed to be spent this year with the remainder to be spent next year.

When the Government changed in 1984, tenders had already been called for Alberton. When the Government changed, it cut off the tendering process. Had that work been done at that time, as it should have, that would have saved the Government $150,000. This situation is happening right across the country. It is happening in British Columbia, the Northwest Territories, the Great Lakes area, Manitoba, and Atlantic Canada.

We were able to persuade the Government to announce $800,000 for West Point in my riding. Apparently $25,000 will be spent for breakwater reconstruction this year with the remainder to be used in a number of stages over the next year and a half. This work has been a priority of the port committee for the last number of years. A lot of work has been done there since 1974, but the completion of the work which was scheduled in 1984 for completion in 1984-86 was deferred, basically due to lack of funding.

With 2,300 harbours and wharves across the country it is only natural that a budget of less than $50 million will not be sufficient to do the necessary work. I understand that there are priorities across the country. Therefore, I was very pleased, after a lot of prodding of the Minister by the standing committee, that those projects were announced. However, I repeat that they are only announcements. I will continue to keep after the Government to fulfil the promises it made.

My colleague, the Member for South West Nova (Mr. Comeau), tried to make the point that no politics were being played. Let us not kid ourselves. We are in a political forum. I do not get to make the announcements, of course, because I am a Liberal MP. However, that does not affect me. As long as I get the work done I do not care who announces it, and nor do the fishermen. They all know who fought for them. I have brought the issue up in the House and in committee many times. As a politician I make sure my people understand who is fighting for them in Ottawa.

• (1220)

Having said that, I am the first one to congratulate the Government for announcing these projects. It is proper, and I would fight for the people of South West Nova to get more funding. There was a headline in the Charlottetown *Guardian* on Tuesday, March 3, entitled: "Fisheries wish list carries $1 billion price tag". That is the amount of money they could spend if they had it. I would not be so naive to think they could spend it all in one year because they cannot gear up for it that quickly, but that is the amount of money that is necessary.

I would like to read from the article which states:

> Piled on the corner of Mike Godin's desk at Fisheries Department headquarters here is a wish list half a metre high, with a $1 billion price tag.

It goes on to state where all this money is needed, and that is actually a fact. My colleague, the Hon. Member for South West Nova mentioned that there was something like $85 million announced for the harbour revitalization program. The figures I received from the Department of Fisheries and Oceans, naturally the A-base, continues at $48.5 million, and the harbour revitalization program for 1987-88 is $41.5 million, making a total this year of $90 million.

That is not what we asked for. We asked for a lot more than that. However, I suppose we should be happy receiving at least that much. I was brought up in the school which believes that a half a loaf of bread is better than no bread. But I want to give warning to the Minister and to members of the Government that I will continue to fight. I am sure that when I say that I have a lot of support from Conservative backbenchers, certainly those who represent ridings which have fishing and recreational harbours within their boundaries.

In 1988-89 the A-base, of course, is still $48.5 million, but the harbour revitalization program is now $61.5 million, which gives us a total next year of $110 million. There is obviously a breakdown somewhere, because if I add up the figures of the revitalization program I come to $150 million. I guess there was some money put into the A-base for a short period of time. I imagine that is the explanation. In 1989-90 the A-base, once again, will be $48.5 million and the revitalization program will be $46.5, for a total of $95 million. That gives us a peak, if you will, next year. I never accuse anyone of anything in the House of Commons, but one could say that perhaps we could expect an election next year because there is a peak. This year, 1987-88, it is $90 million. In 1988-89 it is $110 million, but 1989-90, the A-base, including revitalization, will be $95 million. That is a total for revitalization of $150 million over three years. However, I stand corrected in that because the announcement was for $85 million for revitalization and I am told the A-base has not been increased. So somewhere along the line there is some other money going somewhere.

I know there was a lot of money spent on the St. John's East by-election for purposes we all understand. It was not too fruitful, of course, to the Government. I think that points out to politicians and governments that they cannot fool the people. They cannot have those little booms and busts. They cannot spend money a year or so before an election, and then after the election cut it off and freeze the capital.

In 1979 it was quite obvious that everything to do with small craft harbours was frozen under the former Conservative Government. I am not making any accusations because I am happy with the kind of money that has been committed thus far. We need more money in my riding. I need work done in Howard's Cove, paving and dredging. We need about another $350,000 for Miminegash. Tignish, one of the major ports in my riding needs an awful lot of work. We made strides in the 1970s and early 1980s, but we had three years of virtually nothing done at our ports and harbours in Atlantic Canada and, indeed, in British Columbia. The A-base was just enough to barely cover operations and maintenance. In fact, that is why we have seen so many barricades. We need a program. The wish list of $1 billion is perhaps a little high, but I presume it is being projected over a long period of time. I have said for many, many years that the A-base for small craft harbours should be $150 million. Everyone knows with escalating costs, looking at 1981 dollars, that is only about $100 million in 1987-88, so we need at the very least $150 billion in A-base. If there are a few political crumbs coming during election time from small craft harbours, every Member who represents a fishing riding, will accept them. Let us not kid ourselves. There has always been a problem with underfinancing of this very, important infrastructure.

There is one other area in my riding for which I was able to obtain $164,000 for dredging, and that dredging has been completed at Milligan's Wharf. That was badly needed because we really did not have enough water for our boats to come in with even half a load of fish. Under the emergency program we were able to have it done this year. Those are the things about which I am speaking. I am sure every Member who represents fishermen in this House of Commons understands exactly what I am saying. There is tremendous problem when an infrastructure is subjected to the elements. If it is in salt water we have the added problem of salt corrosion. I would suggest as honestly as I can that we need better inspection on our wharves and harbours when contracts are given out.

The Minister made an announcement in committee for the operation of this new program. The Hon. Member for South West Nova mentioned parts of it, but I would like to look at paragraph 3. That paragraph deals with the new management approach.

• (1230)

I have no problem with fishermen determining their own destinies. Indeed, in my riding, and I think in most ridings, we have port chairmen and port committees elected by the fishermen. They were not political elections. I was here from 1980 to 1984 and I never made a recommendation with respect to the appointment of a port chairman. It was strange that out of my 18 wharves and harbours a number of these chairmen were relieved of their duties after the election. Mind you, very few were relieved of their duties; the ones who were known to be Liberals were relieve. The majority stayed on, which proves that I never got involved in that matter. Anyone who gets involved in playing politics at that level will never succeed.

I know that my time is almost up. I want to thank you, Madam Speaker, and Members of the House for you attention, and thank the mover of the motion for bringing forward this very timely subject. I also wish to tell my colleagues, and I hope that they will support me in this, that while this is a small step in the right direction, let us work together to get some more money so that all the ridings can share in the same sort of revitalization that is so needed and necessary.

Mr. Suluk: Madam Speaker, I merely wish to make a brief comment regarding this subject. Every single arctic community in my riding is located on the arctic coast, the Sea of Hudson Bay or along Baffin Island. In fact, Baker Lake, which is supposed to be an inland community, is connected by waterway to Churchill from where that community receives its supplies.

I should say at the outset that I do not have to worry about user fees because we do not have harbours to begin with. Nor

do we have to worry about highways. We have a Highways Department in the Government of the Northwest Territories, but all the highways are located in the west. There are absolutely none located in the east. The new government leader who is from Iqaluit, a major centre on south Baffin Island, was very concerned about getting Iqaluit a wharf. I think that if at least some movement could be made toward the creation of harbours, then I would be able to participate in issues such as this.

The final point I wish to make is that the Hon. Member talks about fishing as a way of life. Hunting, which is also a way of life, is very similar. It involves the gathering of not just fish but other land mammals and birds. There is fishing and hunting done in every single place in my riding. But in the north when we want a place to beach our canoes and even larger boats we have to manhandle the boats on the beaches ourselves with our bare hands—just to get a place to beach our canoes.

I can say that I agree with the Hon. Member for Egmont (Mr. Henderson) regarding his request that the Government spend more on small craft harbours in Canada.

Mr. Henderson: Madam Speaker, I will make just a brief reply to the comment by the Hon. Member for Nunatsiaq (Mr. Suluk). I totally agree with the Hon. Member. I am not as familiar, of course, as is he with his riding, but I have made a number of trips to the eastern Arctic. I want to tell the Hon. Member that I certainly understand the plight of the fishermen and, indeed, the hunters in that part of this great country of ours. The Hon. Member is absolutely correct when he says that it is very difficult to find a wharf up there. A lot of canoes and small vessels are hauled up onto shore by hand. This does present a great dilemma. I understand fully what hunting and fishing means to the people of the north.

I also want to mention to the Hon. Member from the eastern Arctic that there is some connection between my riding and his inasmuch as a number of fishing boats that are used by fishermen in Frobisher Bay and up in the northern Arctic were built at Hutt Brothers, which is located in Alberton in my riding. In fact, two went up there this spring. I have met a number of people from the Hon. Member's riding. I have had the opportunity to talk with them and try to understand their concerns and their problems. I think that I do understand them.

Labrador is another area with a vast coastline. The proper infrastructure necessary to accommodate the fishermen who make their livelihoods from fishing is just not in place.

Mr. Rompkey: Madam Speaker, I just want to ask my colleague if he does not see this as part of a pattern. The fact is that money has been reduced for small craft harbours. Also, the fact is that fishing vessel insurance has diminished, as have fishing vessel subsidies. This is in view of the fact, however, that inshore fish landings, according to statistics of the Department of Fisheries and Oceans over the past six years, have consistently gone down. At the same time the Government is talking about giving away more fish to foreign countries; that is, to France.

Does the Hon. Member not see this as part of a pattern? Are we only talking about small craft harbours? I know that the Hon. Member understands this point better than I because of his long experience with provincial fisheries as well as with federal fisheries. I ask him to bear in mind that in these communities we are not talking only about fishing; we are talking about a way of life. We are talking about villages and a culture. Are we not talking here more than just small craft harbours, more than just wharves? Are we not talking about individuals who are facing not simply a crisis but extinction? Is that not the reality?

Mr. Henderson: Madam Speaker, in response to the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), I wish to say that I am in complete agreement with him. There is a pattern emerging with respect to the small craft harbours about which we are talking today. If we look at expenditures for 1979-80 we see that during that period the Government spent only $28 million. As the Hon. Member knows, those matters are budgeted ahead for some time. In 1981-82, the expenditures totalled $49 million. In 1982-83, they totalled $46 million. In addition, with the Special Initiatives Program which was announced, a great deal of that money went into small craft harbours. Thus, in 1983-84, expenditures rose to $108 million. In 1984-85, the figure was $121 million. It then dropped back down. I do not take any solace in those figures.

What I have tried to say here today is that with respect to the A-base we have to get rid of those fluctuations in small craft harbours before elections. We have to have an A-base of $150 million at the very least. If we can obtain those election goodies, then we will accept them on top of that. But, yes, the Hon. Member is absolutely correct. We have seen the vessel insurance diminish. There has been a drop in funding for small craft harbours. There has not been proper funding for sure. The vessels subsidies program also went out the window. We have seen a number of programs that were very important, especially to the inshore fishermen, that have been curtailed or slashed by the Government. Only now, if we look at it, enough money has been saved by discontinuing those programs to put this little blurp in, before an election, obviously.

• (1240)

But that is what we all have to fight against. Members of the Government, members of the opposition Parties, the New Democratic Party and the Liberal Party, have to fight to get rid of this once and for all and give the fishermen and the communities of this country something that they can understand and plan for in the future, not just before an election.

Mr. Binns: I have a question for the Hon. Member. I appreciate the remarks by the Hon. Member for Egmont (Mr. Henderson) in terms of how important is this new program

that the Government has announced. Perhaps where we disagree a little is when he suggests that this increase in funding is a small step. I see it as a very major step in terms of increasing funding. We had an A-base of $48.5 million which has now been increased to $70 million. Another $30 million can be added on for the new program. That program is approximately $100 million per year. That is more than double the amount of money in the program up until this point. Whenever one sees a program double its funding, that is a very major step and not a minor step at all.

I do not think that there is any program in the whole of Government where that type of an increase in the budget has been made in one given year. I am sure that the Hon. Member would agree with me that this is a major step and an important undertaking.

I appreciate the support of the Opposition, because indeed they have supported it. Even the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) would have to agree that there is no decrease, that this is a major increase. It is a commitment, and it is not an election gimmick as we have seen so often in the past.

Mr. Rompkey: Let the record show that you are only putting back what you took away previously.

Mr. Binns: It is a real increase which has allowed funding for some 1,500 harbours. If we did not have this, 150 harbours would be closed in the next five years across Canada.

Thank you, Madam Speaker, for the opportunity to make that correction.

Mr. Henderson: Where the Hon. Member and I differ is in our terms of a major step and a very minor step. This would be a tremendous major step for the Government but, after all the cut-backs that it made over the years, there have been two steps back and one step ahead.

Looking at the total figures for the total harbour revitalization program and the A-base, it is $90 million this year, $110 million in 1988-89, but I cannot understand why it falls back to $95 million in 1989-90. All the articles that I read and all the information that I receive from staff tell me that we need far more money than that. We could use a $1 billion budget to look after this small craft harbours problem in the country.

Mr. Stan Darling (Parry Sound—Muskoka): Madam Speaker, I rise to participate in this debate with some hesitation, representing a very insignificant part of the country in terms of the budget for Fisheries and Oceans.

I listened with great interest to the Hon. Member for Egmont (Mr. Henderson). Certainly, he came out loud and clear in wanting more money. He was also 100 per cent correct when he stated that Members on the government side of the House are just as interested and have been working very hard.

In my particular area, which is a great tourist area with a considerable number of small craft harbours, we certainly need improvements just to keep our harbours the way they are. With all due respect to the Hon. Member for Egmont and my colleague who asked him a question, it was with some interest and envy over the past year that I looked at the budget for Fisheries and Oceans in the Province of Ontario and compared it with other parts and other provinces. I have every respect for fabulous Prince Edward Island, which I had the privilege of visiting a couple of years ago, and visiting the Hon. Member's home town of Alberton where I have a long-standing personal friend. But up until this year the Province of Prince Edward Island had a higher budget than the Province of Ontario. That did not sit too well with many of us in Ontario with 9.25 million people and, give or take or few, 450 small craft harbours, and a very important tourist industry.

The previous speakers have all stressed the importance of the tourist industry. I am also well aware of the importance of the fishery industry. I am not sure who mentioned the figure of $1 billion for the fishery industry, but the tourist industry generates $20 billion. In the Province of Ontario alone, sport fishing is estimated at approximately $1 billion. So the tourist industry is the second most important industry in the entire economy of Canada. It generates approximately one million jobs when the other industries that tie in with it are taken into consideration. This is important.

I also tell the House and the Members who have spoken that I have gone on my hands and knees to the powers that be in the Cabinet, from the Minister of Fisheries and Oceans (Mr. Siddon) first—I give him every credit for attempting to get additional money for us—to the Treasury bench. Overcoming my usual bashfulness and shyness, I went to the Minister of Finance (Mr. Wilson) where I received promises and promises. Finally, I thought, if one is attempting to really get something, rather than talk to the disciples one should talk to the lord himself. So I certainly had a few words with the Prime Minister (Mr. Mulroney). I think it worked, because the Ontario members of the caucus have been pressuring for some money for the small craft harbours here.

In recent years, our budget has been approximately $3.5 million. I am quite sure that the Hon. Member for Egmont will nod his head and say that Prince Edward Island received more than $3.5 million. That beautiful province is not much larger than the riding of Parry Sound—Muskoka. There is no doubt about it; one has to put pressure on the Government, but every Canadian wants the Government to reduce its deficit. There is no question about that. We all wish to see it reduced at the expense of someone else. I guess that is human nature. I am delighted to know that this year, through pressure, we were able to receive $8.9 million in capital funding for the Province of Ontario, which certainly was a great improvement and for which we are thankful.

The Hon. Member mentioned a figure of $1 billion as what is required to bring all harbours up to what they should be, both small and large harbours. He is probably quite correct. He will certainly receive no criticism from this side of the

House, especially from those of us who have small craft harbours or other types of harbours.

I wish to point out to the House that we are certainly with him, 100 per cent. It is up to us to sell the Treasury bench, the Cabinet, on the importance of the tourist industry. I know that Members who represent coastal areas both on the East and West Coast sometimes think that Ontario is an inland province—which, of course, it is—and the fishing industry means little or nothing. There is some small commercial fishing in Ontario; it runs into a considerable amount.

An Hon. Member: It is not small.

• (1250)

Mr. Darling: No, it is not small. My colleague here represents an area in which there is commercial fishing. However, we must remember that small craft harbours are important to the tourism industry. This is the thing I have been preaching down through the years, and I have had the privilege of being a Member for 15 years; at least that is what it was two weeks ago.

I would point out that in my riding of Parry Sound—Muskoka the tourism industry is all important. Parry Sound—Muskoka is within one day's driving distance of 100 million Americans. A lot of them are potential tourists. Just imagine what that means to the economy of Canada, Madam Speaker.

The Minister of Finance should take note—and the Minister of National Revenue (Mr. MacKay) would probably back it up—that literally millions of dollars are collected by the federal Government and provincial Governments on the sale of pleasure craft, as well as gasoline taxes. They are astronomical figures.

It is a very important industry. The federal Government should look at it on the basis of the fact that a great deal of revenue comes in from the industry. I agree that more money should be allotted to the Minister of Fisheries and Oceans. I know very well that he is doing his best to get more, but the pie is only so large. Of course each Department is pressuring Treasury Board to get as much as it can. I hope there will be more funds. According to the forecasts for next year, there will be a slightly higher amount for capital expenditures for the Province of Ontario. I think it will be some $9 million. I have looked at recent amounts allotted to the Province of Ontario, and there are many of us who take a rather jaundiced view of them. They were allotted on the basis that Ontario does not have many harbours. However, I am quite sure that Ontario has more small craft harbours than any other province.

I know very well that the tourist industry in Ontario generates more dollars than in any other province. I am not trying to be argumentative; it is just a fact of life with 9.25 million people and many outstanding tourist attractions in the Province of Ontario. The population of the riding of Parry Sound—Muskoka doubles or trebles in the summer season because of the great influx of tourists. A great many of them are from the United States.

I was able to obtain approval of certain commitments and expenditures in my area this year. The major one was for $1.4 million in the Town of Parry Sound which is celebrating its centennial, its one hundredth anniversary. It was a pretty nice present from the federal Government. Two or three other smaller areas are getting improvements to their docks, and certainly there are many more which require them.

I am sure every Hon. Member, no matter on what side of the House, will be pressuring the Government for additional funds for this very important industry. I know other Hon. Members wish to make comments, so I will take my seat.

Mr. Caldwell: Madam Speaker, I will be very brief. When the Hon. Member for Parry Sound—Muskoka (Mr. Darling) said that he went to bat for all Members of the House for more money for small craft, certainly he was correct. He did so in no uncertain terms.

I should like to remind the Hon. Member that although he did mention fishing, fishing is a big industry in my riding. In Wheatley, Ontario, we have the biggest freshwater inland fishery in the world. I was very pleased that because of high water we were able to get that harbour back into tip top shape, as well as the one at Erieau which had been neglected by the previous Government for the past 10 years. It was almost falling into the lake. We have made some progress in that particular area.

The Hon. Member mentioned recreational harbours. I have one major, and three smaller ones in my area which are getting improvements under the new program. The tourist industry in my particular area is of utmost importance, as it is in his. I thank the Hon. Member for his significant efforts and contribution.

Mr. Henderson: Madam Speaker, I want to make a brief comment and to put a small question. I thank the Hon. Member for Parry Sound—Muskoka (Mr. Darling) for his excellent speech. I know that he has worked very hard with a number of us to try to get money for small craft harbours.

I have a suggestion to make. We always have a conflict between recreational harbours, which are beneficial to tourism, and commercial fishing harbours. I have often thought that perhaps they should be separated to the point where tourism should be putting in some dollars to maintain or upkeep harbours which have a direct relationship to tourism. It might take away some of the animosity which we sometimes find between commercial fishermen and tourist operators and give us a few more dollars. Would the Hon. Member care to comment on that? They may not have to be separated, but the tourism department should recognize the benefits of harbours and wharfs to tourism. Funds should be either transferred into the Department of Fisheries and Oceans or indeed separated so that recreation and tourism get a package which would go a

long way toward meeting their requirements. We would then also be able to spend more dollars for commercial fishermen.

I think there is a shortfall of money in this regard. I understand full well the difficulty in trying to get money from Treasury Board and Cabinet. All too often, we make requests but the funds are all too few. I have often noticed that the real power on the government benches does not basically come from fishing ridings. Usually the hands which hold the purse strings belong to someone who comes from Bay Street in Toronto, if I can be so rude as to say that, who probably does not have as full an understanding as that Hon. Member and some of us about the importance of the commercial and recreational fisheries.

Mr. Darling: Madam Speaker, I appreciate what the Hon. member for Egmont (Mr. Henderson) has stated. I will be frank and say that this matter has been talked about. There is no question that small craft harbours are oriented to the tourism industry.

There was some talk that perhaps they should be transferred to the jurisdiction of the Ministry of State for Tourism. Many of us looked at that and said that it was all very well and good, but we wondered, with the limited tourism budget, who would pay the shot. As the hon. member rightly pointed out, it could come under the Ministry of State for Tourism but that Ministry would have to have substantial funds. At least there are funds in the Department of Fisheries and Oceans.

In many cases there is joint use of harbours by the tourist industry and fishermen. That in itself may create another problem, aside from lack of money.

It does not matter which Department will administer it. The important thing is that there must be substantial funds. If small craft harbours were sloughed off to Tourism with no funds, we would be a heck of a lot worse off than we are now with Fisheries and Oceans.

Mr. Binns: Madam Speaker, I would like to touch briefly on the creation of harbour authorities, because I think it follows the discussion we are having at the moment. Everyone here is concerned about how we spend the money, but the intention behind harbour authorities is that they would be incorporated bodies to which the Government would give a block of funds—let us say $2,000 or $3,000—to take care of emergency repairs or minor maintenance. Of course minor maintenance problems become major maintenance problems if they are not taken care of quickly.

The present system is awkward in that regard. For example, if a few planks come off a slipway, the fishermen must first get in touch with the authorities in the capital of the province. Next, the Small Craft Harbours people take a trip out to look at the slipway. They go back and get in touch with the Department of Public Works, which sends out officials to look at it. They there get in touch with some contractors and get a few bids. The first thing we know, major damage has occurred because the matter was not taken care of quickly.

These harbour authorities, with money in their pockets, will be able to take care of these problems right off the bat. They probably have a carpenter living next door or down the road who could take care of the little problem so that it does not become a major one. The Government would save money. It would be more efficient, and the fishing community would be able to respond. In that way we would have an opportunity to do more for both fishing and recreational harbours.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

SOCIAL AFFAIRS

YORK WEST YOUNG LIBERALS' CHRISTMAS FOOD DRIVE

Mr. Sergio Marchi (York West): Mr. Speaker, the desperation faced by Toronto's hungry has reached new levels as recent reports indicate that food banks in the city have handed out over $6 million worth of goods this year, an increase of 300 per cent over last year's amount.

The problems faced by the hungry are further aggravated by unaffordable housing costs and low wages. It is incomprehensible that, in the most prosperous city in Canada, many families must be humiliated by lining up for their daily meal at food banks, churches and community agencies.

In an effort to combat this seemingly never-ending dilemma, the York West Young Liberals will launch their second Christmas food drive next Monday, November 23, with the hope of raising 1,000 pounds of food donations. Their campaign against hunger will accept non-perishable food or financial contributions in my constituency office located at 2397 Finch Avenue West.

I urge the residents of my community, the riding of York West, and indeed the Toronto area to help those in need, especially during the holiday season so we can all enjoy this Christmas together and bring a smile to an otherwise dismal situation.

S. O. 21

CANADA POST CORPORATION

EFFECTS OF RURAL POST OFFICE CLOSURES

Mr. Howard Crosby (Halifax West): Mr. Speaker, I want to address the problem of Canada Post and rural postal services.

Every Member of the House of Commons respects the value of the rural lifestyle to Canada. We must also recognize that the postal service is an important element in that lifestyle. Adverse changes in postal services do diminish rural dignity.

All Canadians recognize the need for change in Canada's postal service. The $600 million deficits of the past must be eliminated and labour-management relations must be improved. But does that justify an attack on rural post offices? The answer is clearly no. And that is why a parliamentary committee imposed restrictions on changes, including a 90-day consultation period with customers of Canada Post.

In the case of the Head of St. Margaret's Bay in Halifax West, Canada Post violated the spirit of the common sense arrangement. Canada Post failed to consult, even to consider alternatives, and simply enforced its own decision, prematurely and against all better judgment.

The fate of rural post offices cannot be left in the hands of Canada Post. Canada Post is to blame for errors of the past and cannot be trusted in the future. The Government must act to protect rural Canadians who deserve and demand equality in postal services.

* * *

INTERNATIONAL LABOUR ORGANIZATION

INDIGENOUS AND TRIBAL POPULATIONS CONVENTION—CANADIAN POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, the Government of Canada this month forwarded to the ILO, a United Nations agency based in Geneva, a disturbingly weak position regarding the revisions of the Indigenous and Tribal Populations Convention, known as Article 107.

Sadly, the Secretary of State for External Affairs (Mr. Clark), the Minister of Indian Affairs and Northern Development (Mr. McKnight), the Minister of Justice (Mr. Hnatyshyn) and the Minister of Labour (Mr. Cadieux) failed to consult with the broadly represented indigenous working groups here in Canada. The Conservative response spells out a view of aboriginal rights that is assimilationist at best. There is no reference to self-determination or self-government. There is no move to provide for revision to the preamble to reflect the fostering of indigenous self-reliance and protection of the fundamental rights of indigenous and tribal peoples.

Canada is sadly sending a message to the world that the survival of indigenous and tribal people as distinct and viable societies throughout the world is not a Canadian priority.

Well, Mr. Speaker, the Conservative Party view is not broadly held in Canada. Indigenous people in this country are, however, feeling the bite of these narrow-minded policies. Cuts to test case funding, resource development impacts, economic development, housing, education and medical care, combined with no action on self-government and constitutional evolution, comprehensive or specific claims, or even the creation of new reserves, have brought home clearly the intention of the Government to implement the Buffalo Jump of the 1980s—cultural genocide and assimilation.

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HISTORIC EVENTS

LITHUANIA—SIX HUNDREDTH ANNIVERSARY OF CHRISTIANITY

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, this year, 1987, the Lithuanian community in Canada and around the world began celebrations in honour of the six hundredth anniversary of Christianity in Lithuania. The joyousness of this historic occasion has been constrained only by the grim reminders of the severe Soviet repressions directed against the church in Lithuania.

In a country of over two million Catholics, it is against the law for priests to teach catechism. All religious orders and organizations are banned, and half of the churches have been closed or secularized by government order. Yet Christianity lives on. It is estimated that at least 90 per cent of the population of Lithuania are baptized Roman Catholics. Such faith in the face of adversity is an inspiration to Christians of all nations.

Canadians of Lithuanian heritage invite all Canadians to join with them in celebration of the six hundredth anniversary of Christianity in Lithuania and in paying tribute to the brave spirit which keeps Christianity alive despite the cost.

* * *

[*Translation*]

SHIPBUILDING

NEED FOR GOVERNMENT TO ENSURE WORK IN ALL CANADIAN SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, although it will soon be Christmas, Mr. Speaker, Quebecers are being royally shafted, if you will pardon the expression, with respect to the frigates program.

Mr. Speaker, I am glad the Maritimes and I am glad New Brunswick got the contract to build the frigates.

Mr. Speaker, I would, however, urge the Conservative Government to follow the example set by the previous Liberal Government which made sure there were jobs in all Canada's shipyards. Quebecers will not tolerate what the Minister of Supply and Services (Mr. Côté) is trying to do. Jobs on the frigate contract must be shared by Quebec's three shipyards in Lauzon, Sorel and Montreal. Today, 3,000 workers in Quebec's shipyards are out of work: 800 in Montreal, 1,000 at the yards in Sorel and 1,300 in Lauzon.

Mr. Speaker, I hope the Conservative Government will be generous to all shipyards in Quebec and elsewhere in Canada.

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• (1405)

[*English*]

ADMINISTRATION OF JUSTICE

SUPPORT FOR USE OF VICTIM-IMPACT STATEMENTS

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I am pleased that the Government has introduced Bill C-89, an Act to amend the Criminal Code as it relates to victims of crime. This is an encouraging first step in what I hope will be a major movement toward bringing victims of criminal activity into the judicial system where for far too long they have been ignored.

The Bill allows for the use of victim-impact statements which detail the pain and loss suffered by victims of crime. These statements will be included as evidence during criminal trials and will presumably lead to fairer court decisions.

On a pilot project over the past two years, victim-impact statements were successfully used in four Canadian communities, including my community of The Battlefords. So far, this program has been well received by the courts, the police forces involved and the general public.

Bill C-89 will also strengthen the legal importance and priority of restitution to be paid by offenders. Victims of crime need to know that the Canadian judicial system is sensitive to their plight. Victims deserve the support and understanding of our courts. It is my view that Bill C-89 is the first measure toward achieving this.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF FORMER ALBERTA PREMIER

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, yesterday during committee hearings on the trade agreement we had the opportunity to hear from the former Premier of Alberta, Peter Lougheed. Mr. Lougheed was very open and honest with the committee. He was much more forthcoming about what he saw as the effects of this agreement than any of his colleagues in the federal Cabinet have ever been.

One of the things Mr. Lougheed was very forthcoming about was the fact that, in his view, this agreement would prevent a made-in-Canada oil policy and it would also prevent a made-in-Alberta oil price. Mr. Lougheed was very open about the fact that if this agreement comes into effect, the provinces will no longer have the power to set prices for their energy resources. Mr. Lougheed said that that is something that Alberta wants, and it may be the case that that is what Alberta Tories want. However, it is also the case that it is something about which Canadians should be very concerned.

Under cover of this agreement, the power of both the federal Government and the provincial Government to set prices for energy will be taken away. It will not be taken away on a temporary basis, it will be taken away for a long, long time.

Mr. Lougheed also indicated his opposition to the former Government's National Energy Program. I asked him what he would have thought if the former Government had tried to entrench the National Energy Program beyond the reach of future Governments, like this Government is trying to put its program beyond the reach of future Governments. I am sure all would join me in finding that kind of action on the part of any Government unacceptable.

* * *

• (1410)

[*Translation*]

NATIONAL DEFENCE

CONTRACT TO BUILD SIX FRIGATES—CONTEXT IN WHICH RECOMMENDATIONS MUST BE MADE

Mr. Gabriel Fontaine (Lévis): The Department of National Defence is negotiating with a principal contractor for the construction of six new frigates. The principal contractor has informed the Government that if he has to share the order with other Canadian yards, it will cost $79 million more per frigate. The contractor is taking advantage of his position to embarrass the federal Government and engage in outright intimidation.

I challenge this contractor to prove what he said about the extra $79 million per frigate, and I may remind the House that his credibility is not that good, since he was twelve months behind schedule on the first frigate and, although the price agreed on for the first frigate is already close to the maximum, he is negotiating additional payments with the federal Government.

I fail to understand why the federal Government is putting all its eggs in one basket and relying on a single source of expertise. It means we may well see prices escalate as soon as the contract is signed, and there are, of course, dangers

inherent in having all the expertise concentrated in one part of the country.

Mr. Speaker, the Department of National Defence should bear all of this in mind when making its recommendations to this House.

* * *

SHIPBUILDING

NEED FOR QUICK DECISION ON CONSTRUCTION OF SIX FRIGATES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, last week the Minister of State (Forestry) stated that the decision to build the frigates had been made and that the contract would be awarded in New Brunswick. That same week the Minister of Regional Development told us that no decision had been made. Last night the Minister of National Defence said that no decision has been made. And now we read in today's papers that the Minister of Regional Development . . . that the decision has been made and that the frigates will be built in New Brunswick.

If a decision has been made, the people of New Brunswick are still not aware of it, that is Saint John Shipbuilding and the Premier of New Brunswick.

This decision must be made at the earliest opportunity so that these ships can be built at the lowest cost possible to Canadians. And even if the decision were to build the six frigates in New Brunswick, it would mean that only 50 per cent of the money would stay in New Brunswick, 50 per cent of this contract award would also go elsewhere in Canada, namely Quebec, Ontario, and the other provinces.

And those who claim that the Government would be putting all its eggs in the same basket by having all six frigates built in New Brunswick are badly mistaken. All people know that at least half of this work will be subcontracted elsewhere in Canada.

* * *

FREE TRADE

NEED FOR CANADIANS TO BE WELL INFORMED

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, the issue of free trade has given rise to a host of comments, both during negotiations and now that we have the text of the agreement.

Poll results show that 81 per cent of Canadians are not adequately informed on this subject.

Since the end of October, the Standing Committee on External Affairs and International Trade has been hearing witnesses. And even witnesses as famous as Margaret Atwood and Mordecai Richler admitted they had not taken the trouble to read the concise, 35-page document, preferring to rely on newspaper articles in the Toronto Star or the The Globe and Mail.

Starting Monday, the Committee will travel across Canada to hear as many intervenors as possible.

Mr. Speaker, I hope that this exercise, with the media coverage, will shed more light on an issue that is of vital importance to Canadians.

* * *

[*English*]

SPORTS

CONDEMNATION OF HOCKEY VIOLENCE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, hockey in Canada is a tough sport. To be successful, you have to get in the corners, take the hits, and be able to dish out the body checks. Nobody wants to change this because it defines the kind of hockey we play, and the kind most fans enjoy. However, there is no place in Canadian hockey for the kind of wanton violence we have witnessed for far too long.

It is very gratifying to see that, finally, some of our hockey officials are beginning to get serious about getting rid of this blight on our national sport. The Ontario Hockey Association, for example, recently handed out life suspensions to players who attacked others in a particularly vicious way. The Nova Scotia Hockey Association recently developed a strong program to stamp out violence in its jurisdiction, and I wish it well.

However, if we are to be truly successful in eliminating violence from hockey, we must get the co-operation of the National Hockey League. *The Globe and Mail* said recently that, "If you stare long enough at the crime statistics of the NHL, it begins to look like the South Bronx of North American sport." Yet this same NHL is the model for all our young, developing players. It sets the tone, and unless it is prepared to take strong action to get violence out of the game once and for all, all other efforts will meet with only partial success.

Sooner or later this violence is going to result in people being critically injured, or worse. If the NHL continues its refusal to clean up its act, then perhaps the only recourse is legal action.

UNITED NATIONS

ORGANIZATIONS' EXPENDITURES—STRICTER ACCOUNTABILITY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the United Nations, more particularly certain of its agencies such as the UN Food and Agricultural Organization, and the UN Educational, Scientific and Cultural Organization, do not always work in the way intended. To put it mildly, the degree of professionalism in their operation and management is not what we would expect, for instance, in the Public Service of Canada.

• (1415)

Canada is correct in demanding accountability for the funds being spent, if for no other reason than that we are a major financial contributor, and Canadian taxpayers have the right to know, for instance, how wisely their $40 million donation to the FAO is being spent.

The assistance of Canadian financial experts in straightening out the books of the United Nations will be appreciated by those countries which, like ourselves, insist that public funds be properly used and properly accounted for.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—PROVINCIAL POWERS TO SET ENERGY PRICES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is for the Prime Minister. Last evening the former Premier of Alberta, now one of the most strident and strong advocates of the proposed trade arrangement with the Americans, said unequivocally that one of the consequences of the proposed agreement will be that the provinces will lose their responsibility and right to determine prices for consumers and industry.

How can the Government go ahead with an agreement which so substantially erodes the powers of the provinces and the rights of Canadian consumers, without any consultation or agreement with the provinces? How can the Government take such a major stand which changes the jurisdiction of the country without any agreement from the parties involved?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can assure the Hon. Member that the free trade agreement in no way alters the constitutional authority of the provinces in the field of natural resources.

The Hon. Member talks about the lack of consultation. I point out that the Premier of Alberta was present at seven or eight First Ministers Conferences where this subject was discussed at length. In addition, the former Premier of Alberta said that the free trade agreement was a "win, win" situation for all of Canada and would create jobs and investment for all regions of the country.

POSITION OF FORMER ALBERTA PREMIER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I was not quoting my own words but the very clear and unmistakable statement made by that former Premier which the Tory benches have just applauded. He said that, based upon his consultations with the Government and his reading of the agreement, the powers of the provinces are now totally limited. They will no longer have the power to set prices and will no longer have the power to give their consumers or industries any preferential advantage.

Is the Minister for International Trade contradicting the former Premier of Alberta who says that he knows something about energy? Is that what she is doing?

Hon. Pat Carney (Minister for International Trade): Of course not, Mr. Speaker. The provinces, as I have said, have full rights to deal with their resources within the Constitution. They have full rights to set royalties, to regulate, to conserve, and to manage their resources. It has not been the practice of provinces to set consumer prices rather than royalties.

Mr. Axworthy: Oh, really?

Miss Carney: There has not normally been a need for a province to do that unless it has been faced with programs such as the National Energy Program established by the Member's Government, which forced Alberta to sell below market prices, at great loss to the Province and the people of Alberta.

FORTHCOMING MEETING OF FIRST MINISTERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, it is going to come as a great surprise to the Provinces of Alberta, Quebec, Ontario, and Manitoba, which have all used preferential prices to provide comparative advantage to establish industry for economic development purposes and which have provided special pricing for consumers, that the Minister for International Trade does not even know that those practices have been put in place. That is an example of just how ignorant the Minister is of provincial rights.

Some Hon. Members: Oh, oh!

Mr. Axworthy: How can we go ahead and hold a First Ministers meeting next week at which a very fundamental right of the provinces will be eliminated when the provinces will not even have access to the final draft? They will not know what is in the text and they have a Minister who does not know what she is talking about.

• (1420)

Some Hon. Members: Oh, oh!

Mr. McDermid: What a lousy leadership speech that was.

Mr. Masse: We want Turner back.

Hon. Pat Carney (Minister for International Trade): If they can find him, Mr. Speaker.

The point the former Premier of Alberta was making was that, of course, our action in removing the tariffs which kept Alberta products out of its big market means you do not have to have preferential prices because the petrochemicals can now move into the big U.S. market.

Mr. Axworthy: Oh God!

Miss Carney: That was the goal that Alberta sought for years and years.

[*Translation*]

HYDRO-ELECTRICITY PRICES FOR QUEBECERS AND AMERICANS—MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is also directed to the Minister for International Trade and concerns the trade agreement signed with the United States.

I would like to refer to a statement made by the former Premier of Alberta, whom I intend to quote. The former Premier said:

[*English*]

"the only thing that is basically going to be taken from the authority of governments will be the authority to establish a price below market value".

[*Translation*]

I would like to ask the Minister whether this means, whether the correct interpretation is that a province like Quebec will no longer be able to sell its electric power to its Quebec corporate customers at cheaper rates than it sells to its corporate customers in the United States?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the agreement we intend to sign with the United States does not take away any constitutional powers from any province whatsoever, since the purpose of these negotiations is not to negotiate sections of the Canadian Constitution but to negotiate free trade between Canada and the United States, based on the principle of access to the U.S. market at U.S. market prices.

That is why the Premier of Quebec supports the Government's proposal, since it will give Hydro-Quebec, for instance, access to the North American market. And that is what the Quebec Government is seeking.

REQUEST THAT MINISTER PROVIDE ASSURANCES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the same Minister, since he rose to answer the first one which, in fact, he failed to answer. I am not talking about the Constitution! I am asking the Minister whether this means that the whole debate that took place in Quebec when we said "Maîtres chez nous!" and nationalized the power companies, that this is history and that Quebec will no longer be able to sell power to the United States at higher rates than it does to Quebec companies.

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member's position is based on rhetoric and ignorance. There is nothing in the text we intend to sign with the United States that calls in to question a simple right exercised by the Government of Quebec in its commercial dealings.

[*English*]

RIGHTS OF PROVINCES TO SET ENERGY PRICES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a straightforward question to direct to the Minister. As the Minister knows, up to the present recently both the Province of Alberta and the Province of Ontario have had differential pricing structures giving advantages to their own citizens. In the case of Alberta, to encourage the development of the petrochemical industry the Government of Alberta has established prices lower for firms in its own province than for firms in the United States to buy gas. In the case of Ontario, Ontario residents have had a hydro rate in the past of some 7 per cent lower than would have been the case because it was able to charge the Americans more for hydro exports.

Will these traditional rights, exercised by these two provinces in the past, be able to continue under this proposed agreement?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I do not believe the Hon. Member understands what we did when we deregulated energy prices. The reason that Alberta had to have a price system was because its product could not flow into the U.S. market because it had a 15 per cent to 18 per cent tariff barrier. We are removing the tariff barrier. Therefore, the product from Alberta will have access to that market and will get market prices. In return, with respect to Ontario, I can point out that we supported and put in place a policy which ensured that we cannot sell power, or we cannot sell energy to the Americans, at a price below that which Canadians pay in the neighbouring regions, and that is unchanged in this agreement.

• (1425)

PROVINCIAL RIGHTS—EFFECT OF TRADE AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I noticed that the Minister did not deny or answer the question that I asked. She knows that if she did she would have to acknowledge what former Premier Lougheed has said is absolutely right, this agreement is nullifying a power traditionally exercised by the provinces. The Conservatives, who used to stand up for provincial rights, have sold them completely down the drain in this deal.

For once, will the Minister give a straight answer on this matter? Will the Province of Ontario, the Province of Alberta,

the Province of Quebec, or any other province which sells energy resources, have the rights they now have after this agreement is signed between Canada and the United States? Or will their rights in terms of pricing policies be substantially altered, yes or no?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the provinces will have the same rights after this agreement as before. May I point out to the House that the Province of Alberta begged for the Western Accord. It begged for our Party's energy policy. It begged for deregulation. It worked very hard with us to establish the energy policy, the deregulation and the collapse of the National Energy Program that we put in place. Peter Lougheed was the biggest fan of that policy.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, it may indeed be the case that Peter Lougheed is the greatest fan, but at least he has the honesty today to say that the powers of the provinces have been reduced as a result of getting what he wanted. I wish the Government would be at least that honest.

I want to ask a question of either this Minister or—

[*Translation*]

—Minister responsible for the Energy Sector.

CONTROL OF COSTS BY PROVINCIAL AUTHORITIES—
GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, is he pleased that the provinces of Quebec, Alberta, Ontario and Manitoba will no longer be able to let their citizens run their industries more cheaply than in the United States? Is he pleased with a result that will be responsible for destroying much of Canada's future potential?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I can assure you that the Premier of Quebec is very pleased, that thousands of Quebecers are very pleased, and that the people at Hydro-Quebec are pleased as well. And if you go to Quebec and say that the Government of Quebec is not satisfied with the Government's proposals as far as Quebec's hyro-electric and energy sectors are concerned, they will turn you out. The Liberal Member was talking about *Maîtres chez nous!*, in referring to hydro-electric power, and it means above all that we are in a position to use it, Mr. Speaker.

[*English*]

NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Minister of National Defence. Yesterday I indicated that the Liberal Party is opposed to the acquisition of nuclear powered submarines while the Conservative Party is interested in acquiring them. Because the British nuclear submarines contain U.S. technology, in order for Canada to purchase the British submarine system U.S. congressional approval will be required. Yesterday, at a *Financial Post* conference, I was very surprised to hear the U.S. naval attaché to Canada indicate that the price-tag that Canada will have to pay in order to have that technology transferred will be to agree to a joint U.S.-Canada navy strategy.

What is it that we are getting into in terms of these negotiations? What role will Canada have to play as a result of these negotiations and the U.S. forward maritime strategy which everyone knows is an attack strategy which destabilizes the system and is totally contradictory to Canada's defence policy?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, perhaps the Hon. Member did not check to find out that today at noon the United States Embassy issued a release saying that Captain Hoffard expressed his own personal views and did not—

Some Hon. Members: Oh, oh!

Mr. Dick: I do not know why Members opposite are laughing. Perhaps they would like to have some facts rather than keeping their heads in the sand.

The release states that he did not reflect the views of the American Embassy or the United States Government. I can assure you, Mr. Speaker, that there have been no discussions between the Canadian Armed Forces or the Canadian Government and the American Government or the American Armed Forces about joint use of any of our maritime naval craft. I can further say that we have never had a request from the United States about that matter.

• (1430)

TRANSFER OF TECHNOLOGY FROM UNITED STATES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, today he may have issued a clarification, but yesterday he astounded everyone at that conference by the other comments that he made.

I wish to ask the Minister to what extent has the Minister of National Defence, or the Associate Minister of National Defence, entered into negotiations with the U.S. in order to transfer that technology? What will be the price tag demanded by the United States administration in order to transfer the technology?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, it is not our responsibility to talk to the United States about transferring that technology. It is the responsibility of the British Government to see if it can get agreement from the United States in order to transfer that technology.

The fact is that we also have another option which does not depend on the United States at all, which is a very active option, that is, looking at the nuclear powered submarines made by France.

REQUEST THAT GOVERNMENT BUY CONVENTIONAL POWERED SUBMARINES

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also directed to the Associate Minister of National Defence.

In view of the fact that the price tag for those nuclear powered submarines is escalating all the time and could conceivably come in at $10 billion to $12 billion, and in view of the fact that if the Government insists upon going ahead with those high priced toys, other sectors of the Canadian Armed Forces will suffer, such as the surface fleet, Mobile Command, and Air Command, would the Associate Minister reconsider that policy and buy conventional powered submarines in order that our sovereignty would not be held up to ransom by the United States, the United Kingdom, or, for that matter, by France?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I am very surprised to hear the Hon. Member mention that those submarines are toys. I think that he should be a little more factual. They are a very important type of equipment which we in Canada can use to enhance our own sovereignty and security.

Some Hon. Members: Hear, hear!

Mr. Dick: I further wish to advise the Hon. Member that decisions made about the Canadian Armed Forces will be made in Canada, not in the United States, Britain, or France, but will be made only in consultation with our allies in NATO—from which the NDP wishes to withdraw but with which the Government wishes to stay—they will be made for our own first purposes.

Some Hon. Members: Hear, hear!

LOGIC OF DEFENCE POLICY

Mr. Derek Blackburn (Brant): Mr. Speaker, my supplementary question is directed to the same Minister.

I wish to know if the Minister could explain where the logic lies in a defence program where we have virtually to beg for a transfer of technology from the United States through the United Kingdom to Canada, in order to protect the very sovereignty in our Arctic that the United States objects to and refuses to accept?

Some Hon. Members: Hear, hear!

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I thought that the defence critic for the New Democratic Party was aware that part of our commitment to NATO is to have surveillance on the submarines of other countries which are in our quadrant. We can hardly do that if we have a submarine that moves a lot slower than theirs.

The reason that we must have a submarine of equal capability is to maintain our commitments to NATO and to assure our own security and sovereignty.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ENERGY

FREE TRADE AGREEMENT—QUEBEC—REQUEST FOR DETAILS ON ELECTRICITY RATES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources, I will direct my question to the Prime Minister, and it has to do with the slogan *Maîtres chez nous!* and the nationalization of electricity. I am aware that the Minister of Energy, Mines and Resources has always belonged to political Parties which, in Quebec, had no use for the *Maîtres chez nous!* slogan. He was against nationalizing electricity in Quebec.

Right now, Mr. Speaker, Quebecers pay lower Quebec Hydro rates than the Americans. According to the statement made by Mr. Tarant, an advisor at the American embassy, the consequence of this agreement is that American consumers would have guaranteed access to Canadian energy surpluses at the same price as that paid by Canadians.

On the basis of the interpretation of Mr. Peter Lougheed and American embassy spokesmen to the effect that U.S. consumers might indeed pay the same prices, would the Minister not agree that if their interpretation is correct we may as well forget the *Maîtres chez nous!* slogan with respect to hydro energy in Quebec?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I like it better when the Hon. Member for Montreal—Sainte-Marie follows his political instinct and speaks up against his Party concerning Bill C-22 than when he supports his finance critic as he does now. If the Hon. Member wants interprertations, I can tell him that I prefer the interpretation of the Premier of Quebec and that of Quebec Hydro management. They support the free trade agreement because they are convinced it is in the economic and social interests of the Government of Quebec. What the Hon. Member is talking about is controlled by the National Energy Board, and nothing in that respect will be changed.

The criteria referred to by the Hon. Member will be covered in the agreement.

ELECTRICITY PRICES IN QUEBEC AND IN UNITED STATES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the reply of the Minister means that the spokesman of the American Embassy and Mr. Lougheed have misled the population. This morning, Mr. Racicot of the *Fédération nationale des associations de consommateurs du Québec* said before a parliamentary committee that this Agreement could mean a 10 to 15 per cent increase in electricity rates, or a couple of $100 more, for Quebec consumers.

Can the Minister give a straightforward and honest answer to this question: Will Mrs. Lebrun in the Frontenac riding still be able to pay less for her electricity than Mrs. Brown in the United States? Will the Quebec Government be able to make its own decision, as provided by the Constitution, about the residential rates for electricity?

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the problem is that the Hon. Member does not or will not understand the situation. I repeat that, first, nothing in the Agreement affects the constitutional powers of any province, including Quebec. Second, nothing in the Agreement can prevent Hydro-Quebec from negotiating contracts according to market prices. In that sense, the Agreement, by giving Hydro-Quebec access to the North American market, will favour Mrs. Lebrun in the Frontenac riding because electricity rates will be lower thanks to a larger market.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

PANEL DECISION ON CANADIAN FISH EXPORT REGULATIONS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. As the Minister knows, Canada can alone, or with other GATT members, oppose and thereby kill the recent and erroneous GATT panel report on Canadian fishery regulations at the meeting on December 1.

I wish to ask the Minister if he would assure the House, and the fishing industry, that the Government will do two things: one, immediately contact the senior government officials in the other 95 GATT countries and seek their support in opposing this erroneous panel decision; and, second, assure the House that at the December 1 meeting Canada will oppose the panel decision.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, Members should understand that, at this stage in the GATT proceeding, the option of taking it public is not before us right now, because it is at a stage where the parties are studying it and negotiating it.

I can assure the Hon. Member that we have obligations to the workers in the fishery which we will honour; and we have obligations under the GATT which we will honour. We will seek solutions that allow us to do both.

Mr. Benjamin: And allow us to do it both ways.

Miss Carney: The Hon. Member says "and allow us to do it both ways". That is precisely what the GATT allows us to do. It allows us to maintain those jobs. It allows us to look after our resources. All GATT asks us to do is to ensure that our solutions are compatible with the international trading system, and that is what we are seeking to do.

CANADIAN RESPONSE TO DECISION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is again directed to the Minister of Fisheries and Oceans, because this falls clearly within his area.

This panel report goes to the 95 GATT members tomorrow. The GATT panel ruling is contrary to the international Law of the Sea. It is contrary to the Canada-U.S. salmon treaty. I wish to ask the Minister of Fisheries and Oceans a very specific question.

If he cannot get the support of the Minister for International Trade—which he clearly does not have on this issue—by December 1, will the Minister of Fisheries and Oceans serve notice on the United States of our intent to withdraw from the Canada-U.S. salmon treaty, because this panel decision takes away one-half of the value to Canada of the Canada-U.S. salmon treaty, and strikes at the very foundation of the international Law of the Sea and the Canada-U.S. salmon treaty?

• (1440)

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already indicated that Canada's response to this GATT ruling will be a response which meets our obligations to the workers in the fishery and meets our obligations to the GATT.

It is interesting to note that the New Democratic Party, which has wrapped itself in the multinational flag of the GATT, is busily unwrapping itself and trying to ditch the international trading system.

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CHILD CARE

INTRODUCTION OF GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Prime Minister. Once again the Prime Minister has broken his promise and dropped children from

the national agenda by reducing child care discussions at the First Ministers Conference. Instead, the Government is engaging in policy by strip-tease by refusing to unveil its child care policy until December.

Today we heard the Government liken this secret policy to medicare, but isn't that a farce? Our sources tell us that this new policy will encourage private, not non-profit, day care, and will leave children at risk with no plan for a national child care standard.

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, as you know, the Minister of National Health and Welfare is out of the House today. However, I think it is fair for me to say that the Government—certainly the Minister of Health—from time to time has emphasized its commitment to child care.

I think there will be meetings on December 2 and 3 in respect of the provinces. Thereafter there will be announcements made, and I think the Hon. Member will be pleased with those announcements.

Ms. Copps: Mr. Speaker, I asked my question of the Prime Minister because it was he who made the promises during the infamous women's debate almost three and a half years ago.

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a supplementary question for the Prime Minister. We know that the Government is already making plans for a Ways and Means Motion which will abolish child deductions for child care replacement, with a measly $200 credit targeted toward families who are not working and also parents who have their children in unlicensed day care.

I realize this is an issue which is so petty the Prime Minister cannot listen to it and must review his notes. However, I would like to ask the Prime Minister why he has broken his Government's promise to establish a national child care policy which will ensure that every child is safe. Why, instead, is he replacing it with a short-term, miniscule cash payment which is nothing but a pre-election grab?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I think anyone who has been following the debate on this matter knows that there has been an historic approach. That approach will be of benefit to a great number of Canadians.

I think the Hon. Member should find it in her heart to begin to support that initiative.

[*Translation*]

SCIENCE AND TECHNOLOGY

SALE OF CANADIAN COMPANY TO AMERICAN CORPORATION

Mr. Howard McCurdy (Windsor—Walkerville): My question is directed to the Minister of State (Science and Technology).

Perhaps the most effective way of supporting industrial research and development and creating jobs in Canada is throught the National Research Council's Industrial Research Assistance Program.

How does the Government respond to the fact that Cimtech, which received nearly $2 million from IRAP to develop a unique technology for shoe design, will be sold with its technology and the jobs that technology can generate to an American company, Microdynamic in Dallas?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, the Hon. Member makes reference to a small high-tech firm in Ontario which has, over time, received some assistance through a research assistance program managed by the National Research Council.

Firms in receipt of such grants make certain contractual undertakings in connection with the transfer of such technology. It is the intention of the National Research Council and myself to make sure that these undertakings are honoured.

TRANSFER OF TECHNOLOGY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, will the Minister of State for Science and Technology agree that, with the new ownership and American investment rules attached to the trade deal, we may be faced with further significant instances of technology—and perhaps technology government funded—which is presently being transferred, as well as the jobs such technologies produce, to the United States at a cost to the Canadian economy?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, quite the opposite is true. There is no one who is more enthusiastic about the free trade deal than the high-tech sectors. In fact the transfer of technology is one of the most important and salient reasons for which we have entered into this agreement.

We produce roughly 2 per cent of the new ideas generated in the world and desperately need access to the other 98 per cent. This agreement will provide us with that access.

If the Hon. Member checks he will find that the high-tech industry is euphoric about the agreement.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—ENERGY PRICES—PROVINCIAL POWERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister for International Trade. Last night former Premier Peter Lougheed said that under the terms of the Canada-U.S. trade deal provinces would not be able to give lower power prices to their own citizens than they give to U.S. customers.

For instance, Ontario Hydro would not be able to give a lower price to industrial users in northern Ontario to promote industrial development than they give to Michigan or New York. Could the Minister say why she has given away this power of the provincial Governments to set their own regional development policies?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, we have made every attempt to indicate that what the Hon. Member has said is simply not true.

I suggest to him one way that he may be able to establish this. Why does he not go out to Alberta and ask whether or not they would like to have the regulated prices that were necessary under the Liberal Government, whether they would like the 15 per cent to 18 per cent tariff barriers that were necessary under the Liberal Government which never bothered to negotiate them away, and whether the people of Ontario, who are so dependent upon hydro electric resources, would like to see their markets disrupted in the U.S.? I think that would be a very good test of the former Government's policy.

CONSULTATIONS WITH PROVINCES

Mr. Maurice Foster (Algoma): Mr. Speaker, the trade deal requires that the federal Government is responsible to see that provincial Governments, and even municipal Governments, carry out the terms of the agreement.

Why did the Minister not consult with the Ontario Government and other provincial Governments which have power exports to the United States before she signed this deal?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, in terms of consultation, we had about seven or eight First Ministers' meetings with the Premier of Ontario and the other Premiers. We had something like 20 meetings of the officials on these issues. We had about 200 meetings of private sector groups on this issue.

The only people who refused to consult with the Government on the free trade deal were the opposition Parties themselves who were offered a chance to do so by this Government.

IMMIGRATION

SIKH REFUGEE CLAIMANTS—WORK PERMITS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. As the Minister knows, in a recent—

Some Hon. Members: Oh, oh!

Mr. Heap: —*Globe and Mail* report, 26—

Some Hon. Members: Go ahead.

Mr. Heap: As the Minister knows—

Mr. Hnatyshyn: Spit it out, Dan.

Mr. Heap: Mr. Speaker, could we have some order, please?

Mr. McDermid: Don't pay any attention, Dan; just keep going.

Mr. Speaker: I know that Hon. Members would want to exercise the appropriate courtesies to the Hon. Member who has been given the floor by the Speaker to ask a question. The Hon. Member for Spadina has the floor.

Mr. Heap: Thank you, Mr. Speaker.

As the Minister knows, 26 Sikh refugee claimants were recently given their examinations under oath but told that they must now wait at least a month before getting permission to work.

Is he now reneging on the policy he announced on February 20, when he said that under the revised approach all refugee claimants would be given permission to work when they had their inquiry and their examination under oath?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I don't know exactly which cases the Hon. Member has in mind. However, we have no intention of diverging from the policy we put into place. However, if we are both thinking about the same people, the permit was not granted because they failed to meet all the criteria.

• (1450)

[*English*]

MINISTER'S POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister knows that the regulations state very clearly that when they have had their examination, in accordance with the Department's regulations, they do not need a further examination. The Minister also knows that these people had their examinations when they were admitted into this country.

The 26 Sikhs are being told, in violation of that regulation, that they have to have a further medical examination. Is this

something the Minister does for all refugee claimants or only for Sikhs?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, the Government's policies apply to everyone, and I repeat, as I said before, that the people or cases to which he is referring failed to meet the criteria, otherwise they would have had a work permit. Of course, I can and will make some additional checks, but I am confident that the Department's officers were simply carrying out government policy.

* * *

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—ROLE OF FRENCH TUGBOAT

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, my question is for the Minister of Transport. Could the Minister advise the House what the Government has learned about the deployment of the French naval vessel *La Centure* which the Hon. Member for Humber—Port au Port—St. Barbe yesterday described as a act of provocation?

Has France, indeed, established for the first time in history a French naval presence off the East Coast, or did the Hon. Member know what he was talking about?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the latter part of that question was certainly the correct part.

Some Hon. Members: Oh, oh!

Mr. Crosbie: We have checked into this matter and we have discovered what the Hon. Member for Humber—Port au Port—St. Barbe was trying to alarm the House with yesterday. He suggested that there was an act of provocation by the Government of France in establishing, for the first time in history, a naval presence off the East Coast of Canada, but *La Centure* is, in fact, a deepsea tug.

Some Hon. Members: Oh, oh!

Mr. Crosbie: He had his mug in a tug, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Crosbie: She is one of a series of four naval tugs that support fishing vessels or vessels generally in the Atlantic. She has been coming out for the last 10 years, so the Member is 10 years behind.

Some Hon. Members: Oh, oh!

Mr. Crosbie: She is armed with one machine gun.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I have consulted our defence specialists and they say that they do not feel threatened by this particular vessel.

Some Hon. Members: Oh, oh!

Mr. Crosbie: This is a case of pure irresponsibility in not checking the facts. I think we will have to call the hon. gentleman from now on "Tugboat Tobin".

Some Hon. Members: Oh, oh!

Mr. Crosbie: He is certainly not only crying wolf, Mr. Speaker, he has become a pussy-cat.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—CHURCHILL FALLS HYDRO CONTRACT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, on a different subject!

Some Hon. Members: Oh, oh!

Mr. Baker: Mr. Speaker, French language newspaper accounts yesterday quoted a source in the Prime Minister's office as saying:

> The Premier of Newfoundland will support the U.S.-Canada free trade agreement if the federal Government intervenes to reopen the Churchill Falls hydro contract.

That is the 40-year, 1969, contract under which Hydro Quebec buys electricity from Newfoundland for $8 million a year and sells it for $800 million a year.

Does the Prime Minister still believe what he so firmly declared in 1983 when he wrote: "The inequality and absence of fair play in the contract in question is obvious. Simple decency and the most elementary spirit of justice demand its immediate renegotiation". That is from the Prime Minister's book *Where I Stand*.

Does he stand by those words today, Mr. Speaker?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do indeed, and I thank my hon. friend for quoting from what is an outstanding best seller in Canada.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Just before Christmas.

Mr. Mulroney: And I mention that just before the Christmas season, if anyone is listening.

Some Hon. Members: Oh, oh!

Mr. Mulroney: It is now, I am informed, on the preferred reading list of all Canadian colleges, universities and high schools.

Mr. Axworthy: As history.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I thank my hon. friend for quoting one part of an eloquent and impressive chapter dealing with the development of hydro-electric resources.

Yes, indeed, Mr. Speaker, I stand entirely by what I said.

POSITION OF NEWFOUNDLAND PREMIER

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Prime Minister demanded an immediate renegotiation of the contract that costs Newfoundland $800 million a year, an immediate renegotiation. It is obvious that the Prime Minister's definition of immediacy has changed to that of expediency.

I would like to ask the Prime Minister where then is the so-called simple decency and the most elementary spirit of justice when the Premier of a province is forced into a position where he says: "Yes, I will support the free trade deal with the United States, about which I have already objected several times on many occasions in Newfoundland, if you will only renegotiate the Churchill Falls agreement".

Where is the decency in that, Mr. Speaker?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no decency in it because there is no truth in that statement. There is no truth in that statement whatsoever. Premier Peckford never said to me or to any member of my Government: "Yes, I will support the free trade with the United States if the contract is renegotiated". I must tell my hon. friend that that is an absolute misleading statement—

Ms. Copps: It is from your office.

Mr. Mulroney: —by my hon. friend. In point of fact, those who follow federal-provincial conferences and international trading matters will know that from the very beginning Premier Peckford has been one of the most enthusiastic supporters of the concept of free trade over the years.

An Hon. Member: No.

Mr. Mulroney: Indeed, he has been, and he remains very much convinced, as I understand it—

Mr. Blackburn (Brant): That was yesterday.

Mr. Mulroney: —that free trade is key to the economic well-being of the future of Newfoundland and Labrador.

Mr. Blackburn (Brant): Ask him today.

Mr. Mulroney: This does not change the fact, although there has been no hinging of the two, that Premier Peckford and his predecessors have fought long and hard to have a contract changed that is in my judgment, as I indicated in my book, fundamentally unfair to one of the participants. But he did not make it a condition precedent of his support for the trade agreement, any kind of a change in that contract, although the federal Government has in the past, and I repeat it again today, offered the Province of Quebec and the Province of Newfoundland our good services to be of assistance to them in trying to resolve an extremely difficult matter.

* * *

[*Translation*]

SHIPBUILDING

REQUEST FOR DETAILS OF CONTRACT TO BUILD SIX FRIGATES

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of National Defence. Canada's Department of National Defence will soon be awarding a major contract for six frigates worth $3.5 billion. This contract provides a spectacular and unique opportunity for developing expertise. Does the Minister feel that the Department of National Defence should put all its eggs in one basket in this particular case?

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I would like to thank the Hon. Member for his question and for his interest in the matter which I think is of general concern in the country.

Let me emphasize that no decision has been finalized at this stage. I can assure the Hon. Member that, consistent with this Government's approach to remodernizing and revitalizing our Armed Forces, the total defence infrastructure throughout Canada will be taken into consideration in the decision.

Mr. Speaker: I want to advise the House that there will be two more questions, the Hon. Member for Churchill followed by the Hon. Member for Saint-Michel—Ahuntsic.

* * *

INDIAN AFFAIRS

LEVEL OF FUNDING FOR NATIVE HOUSING

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

With the deplorable situation that we have for housing on our reserves throughout the country, with children growing up in shacks with rotten floors and walls falling down, and with the cold winter coming, could he explain why there is no extra money for native housing in the Supplementary Estimates that came down today?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Member, I am sure, is aware that the expenditures for 1987-1988 for housing for individuals under Bill C-31 alone totalled over $10 million. The housing expenditure projected for next year under the same proposal is $17 million. The estimate that was made on the passing of Bill C-31 called for budgetary expenditures and dollars to be set aside to address the returnees and the demand that will be put on the Department. That assessment was not accurate and we are now reviewing the way to draw down the dollars that have been identified for future years.

• (1500)

GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister knows full well that the money for Bill C-31 returnees as he calls them is not even a pittance compared to what is required. I ask my question also on behalf of those people who have been living on reserves all their lives. Why did the Government not have the decency to provide money for decent housing for native people?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know the Hon. Member is familiar with the housing program of the Department of Indian Affairs. There is also a responsibility on behalf of Indian people and Indian government in providing this. We provide subsidies and, as the Hon. Member knows, the Government of Canada, through the taxpayers of Canada, provides subsidies for housing units on reserves. Naturally, there can be more need identified than there are dollars available, but I want the Hon. Member to take a moment and reflect on the fact that in each of the last several years 2,500 new units have been built, and over 3,000 renovations have been done on Indian reserves including in 1986 and 1987.

The Hon. Member keeps muttering to his Leader. I recognize that there is not adequate money for every housing need, but there is a recognition on the part of the Government that we will do everything we can to assist. There is a responsibility on the part of Indian leadership to assist as well in providing housing on reserves.

[*Translation*]

HOUSING

CO-OPERATIVE RENTAL LEVELS—GOVERNMENT AID

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is directed to the Minister responsible for housing. Last week, in Montreal, a number of co-operative housing organizations advised us that several managers of projects being built in Montreal and its suburbs cannot find tenants because the rents are much too high. What is the Minister planning to do to help these co-operative groups?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I met with the groups in question a couple of months ago. They raised some problems. I have directed officials of Canada Mortgage and Housing Corporation in the area to try to work out a formula and they have been holding a succession of meetings on an ongoing basis. It is not an easy problem to solve. Some of the rents are too high. We are trying to concentrate our efforts and our money on those most in need. I hope that a resolution will be forthcoming quickly.

[*Translation*]

REQUEST THAT GOVERNMENT REDUCE CO-OPERATIVE HOUSING RENTS BY 15 PER CENT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the Minister must be aware that the problem is unique to Montreal and its suburbs—quite unique—because the rents in these co-operative housing projects are higher than those in the market place, even if co-op members share in the maintenance of rental accommodation. Is the Minister prepared to reduce by 15 p. cent these co-operative rental levels?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I know the Hon. Member understands that we have two main thrusts in our housing program. One is directed at non-profit organizations and those most in need. The co-op program is geared to market rental income for people who can afford to pay rents relevant to co-ops. They are two different programs and there is sometimes confusion between the two.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Madam Speaker, I would like to ask the deputy government House Leader to give us a statement of the business the Government intends to put before the House for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Madam Speaker, today we will commence

second reading of Bill C-89, the Bill respecting victims of crime. I understand that this Bill may possibly pass second reading stage today. It would not be the intention of the Government to call any further government business after that time, and we would suggest that you may find there is agreement to move private Members' business forward immediately, and to go to the adjournment debate immediately after the one hour of private Members' business.

Tomorrow will be an allotted day and on Monday we will commence the second reading debate on Bill C-51, a Bill respecting tobacco products. Thereafter, we do have other business in mind but we have not decided which business we will call. There will also be an opposition day next week.

Mr. Rod Murphy (Churchill): Madam Speaker, I am certainly in agreement with the government House Leader's position that after the debate on the Bill has taken place we should move immediately to private Members' business, and we certainly give our consent to that. We would appreciate it if the Government did know what business it would call next week. It would be especially important to the many MPs who have other duties and committee commitments or who would like to go to their ridings to know what will happen in the House next week.

Mr. Lewis: Madam Speaker, I appreciate my colleague's point and it is well taken. Part of our difficulty in deciding exactly what to call surrounds exactly that, in that we want to try to make it convenient for opposition Party critics to be present to debate the Bills we will bring forward.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that Bill C-89, an Act to amend the Criminal Code (victims of crime), be read the second time and referred to a legislative committee.

He said: Madam Speaker, I am very pleased to rise today to address the concerns of those Canadians who are often the forgotten persons in our criminal justice system, the victims of crime. We have a responsibility to respond to these concerns.

This is a high priority of the Prime Minister (Mr. Mulroney), of the Government and of me as Minister of Justice to address this issue in an effective manner. Victims of crime have become a focal point of concern and priority in our criminal justice system. We have been involved in extensive federal-provincial consultations to address the special needs and circumstances of crime victims and I believe that the legislative proposals which are now before the House represent concrete measures sought by and on behalf of victims of crime.

The legislation I will address today is only one part of the Government's comprehensive proposal for victims. Equally important is the commitment made to the funding of programs in Canada. I have offered to more than double the federal contribution to provincial criminal injury compensation schemes and to fund a new victims' assistance fund. This commitment will involve $27.2 million over three years. This is a near tripling of federal money in this area.

Turning to the Bill itself, the major effect of the proposed legislation is to enhance the capacity of the criminal justice system to respond to the special circumstances of the victims of crime in a fair and sensitive manner.

[*Translation*]

This bill, to amend the Criminal Code, introduces procedures which will ease the burden which our criminal justice system imposes on the victims of criminal acts. It will also make it an obligation for the accused to compensate the victims for the damages they have suffured.

I am pleased to introduce these measures which will increase the capacity of the criminal justice system to meet the needs of criminal act victims without compromising its basic objectives.

• (1510)

[*English*]

The proposals now before this House will, first, create a victim fine surcharge to be imposed on those convicted or discharged of offences under the Criminal Code, Part III or Part IV of the Food and Drugs Act, and the Narcotic Control Act. Second, they will allow input by the victim through the use of victim impact statements at the time of sentencing. Third, they will allow the use of photographs and affidavit evidence to provide for the early and prompt return of recovered property to the victim, and remove the need for the victim to testify as to ownership and value of property. Fourth, they will require the courts to consider restitution in all cases involving damage, loss or destruction of property, and bodily harm, thereby removing the need for the victim to apply for restitution. Fifth, they will extend the discretionary and mandatory ban on the publication of the identity of victims and witnesses of sexual and extortion offences.

Let me now expand on each of these proposals. The victim fine surcharge is one of the most important features of this Bill. This proposal further recognizes the entitlement of victims of crime to reparation, and the need for offenders to make amends for the wrongs suffered by their victims. The purpose of the victim fine surcharge is to require the offender to provide redress not only for the harm done to the victim but to the community at large. The surcharge will assist offenders in the process of accepting responsibility for their crimes by requiring them to contribute to victim services within each province as part of the debt they owe to society.

The victim fine surcharge will generate revenue to be applied by the provinces for the purpose of providing assistance

to victims of crime. The work of the Task Force and the Working group on Justice for Victims of Crime, the federal-provincial consultation process, and various research projects, have all highlighted the need for a stable source of funding for victim services.

The proposed amendment would require the court to impose a victim fine surcharge on those offenders convicted or discharged of offences under the Criminal Code, Part III or Part IV of the Food and Drugs Act, and the Narcotic Control Act. The surcharge would be ordered in addition to any other punishment imposed. The only time where a victim fine surcharge would not be imposed is where the offender could establish to the satisfaction of the court that undue hardship to the offender or the offender's dependants would result. In such a case, the court would be required to provide written reasons for waiving the surcharge. Here once again the needs and circumstances of offenders have been recognized.

The proposed amendment provides maximum limits for the imposition of the victim surcharge; 15 per cent of any fine imposed upon the offender for the offence or, where no fine is imposed, a maximum amount of $10,000, or such lesser amount as may be prescribed by regulation.

With respect to default of payment, failure to pay the victim fine surcharge would be enforceable in the same manner as failure to pay a fine under Section 646 of the Criminal Code. The court would have the discretion to impose a term of imprisonment in default of payment.

With respect to victim crime impact statements, one of the needs often expressed by victims of crime is the desire to be heard, to feel their viewpoint has been taken into consideration. With respect to the criminal justice process this translates into a need to have the impact of the crime upon the victim considered by the court at the time of sentencing.

[*Translation*]

Even though the courts may allow the victim to produce a declaration, this has not become current practice. As a Government we participated in projects aimed at promoting the use of such declarations. We recognize the need for the victim to be heard and that is why Bill C-89 provides for a procedure that makes official and encourages the production of a victim statement at the time of sentencing.

The proposed amendment allows the victim of an offence to describe the harm done to that person or the damages that person suffered from the commission of the offence, whether financially, socially, psychologically or physically. It does not allow the victim, however, to express any opinion on the sentence that should be imposed on the accused.

[*English*]

The introduction of a victim impact statement would not preclude the court from hearing the victim, if so required. The court would not be restricted from considering any other evidence concerning any victim of the offence for the purpose of determining the sentence of the offender. The proposal outlines the procedure for preparation of the victim impact statement. It provides that the statement would be prepared in writing in the form and in accordance with the procedures established by a program designated by the Lieutenant Governor in Council in each province. This provision is intended to allow the preparation and form of the victim impact statements to be left to local practice.

The victim impact statement would be admissible at the sentencing hearing. It is expected that the ordinary rules of evidence applicable to sentencing hearings would apply. If the accused cannot challenge the victim impact statement, as with pre-sentence reports, the contents of the statement could be accepted by the court and taken into consideration for the purpose of assessing the effect of the crime upon the victim. If, however, there was any dispute as to the facts, the ordinary legal principles governing criminal proceedings would apply. Any facts relied upon by the Crown and challenged by the accused would have to be established on the criminal standard of proof beyond a reasonable doubt.

I would like to turn now to the provisions with respect to photographic evidence. The procedures proposed in this Bill concerning photographic evidence, proof of ownership, and value of property, are intended to ensure early and prompt return of property to the victim. The victims of property offences such as theft or breaking and entering have often referred to the further victimization they have suffered at the hands of the criminal justice process for the financial and emotional burden they must bear while their stolen property, although recovered, remains out of their control.

The proposed amendments concerning photographic evidence and proof of ownership and value of property further addresses this issue by authorizing the replacement of the actual property by a photograph. Therefore nothing will preclude the early return of the property to the victim, resulting in less inconvenience to the victim before and during any court proceedings. It would also remove the need for the victim or additional witnesses to appear at the trial. The affidavit or solemn declaration that must be filed by the person or peace officer who seized and detained the property until the photograph was taken is intended to remove the need to call additional witnesses, by establishing the continuity of the exhibit until the time the photograph was taken. Attendance in court may often result in considerable financial and personal costs to the victim or witness.

The proposed amendment providing for the use of an affidavit or solemn declaration to establish proof of ownership and value of property would avoid the need for the personal attendance in court of the victim to testify as to the ownership and value of the property of which the person has been deprived as a result of the particular offence.

The right of an accused person to have the Crown prove all of its case against him has been recognized in the various notice provisions contained in the proposed amendments concerning photograph evidence and proof of ownership and

value of property. Reasonable notice of intention to produce a photograph, certificate, affidavit, or solemn declaration in evidence must be given by the prosecutor to the accused in order for it to be received in evidence, unless the court orders to the contrary. The accused can then challenge these certificates or affidavits and require the Crown to prove its case in the ordinary way.

[*Translation*]

The right of the accused to dispute any fact contained in a certificate, solemn declaration or affidavit produced in court has been recognized in the proposed amendments that give the court the power to order that the person whose name appears on the certificate, solemn declaration or affidavit be examined or cross-examined on the content of the document he or she signed.

The court may also order the production of the goods recovered when it is convinced it is necessary in the interest of justice.

• (1520)

[*English*]

I would now like to return to the provisions in the Bill with respect to restitution. One of the key concerns often expressed by victims of crime is the need to increase the opportunities for a victim to receive financial reparation for the losses resulting from the criminal activity. This has led to the increased emphasis in this Bill on the payment of restitution by the offender.

The proposals in this Bill enhance and strengthen the current restitution provisions in the Criminal Code. By requiring the court to consider ordering restitution in all cases where such an order might be appropriate the onus on the victim to apply for a restitution order at the time of sentencing is removed. The responsibility is now upon the criminal justice system to consider the victim.

In addition, the concept of victim's rights is expanded under this section. The definition of victim includes those who assist in the arrest or attempted arrest of the offender, thereby enabling the court to make the offender accountable for all harm caused during the commission of the offence.

In an effort to avoid further victimization, restitution would also be available to a person who has purchased a property in good faith and without notice not knowing it to be the object of an offence. This would include cases where the offender may have offered stolen property as security for financial transactions. Restitution would thereby be available for persons who innocently lend money on the security of such property. Restitution would not only be ordered for loss or damage to property, but also for pecuniary damages incurred as a result of bodily injury.

The proposed amendments do not call upon the court to make an involved assessment of the damages incurred to person or property. The proposals specifically limit the availability of restitution to damages to property or as a result of bodily injury in cases where the amounts are "readily ascertainable". These include such matters as medical bills, property damage, loss of salary, and other expenses.

Once the judge has decided that there are some readily ascertainable damages that could be the object of a restitution order, he would then be required to determine whether he should make the order in the particular case. He would then direct his mind to the question of how to ascertain whether a restitution order would be satisfied and to lessen any likelihood of default on the part of the offender.

This Bill contains various provisions which respond to this question. The judge would be able to consider the future ability of the offender to pay at some time within the next three years. He could also determine the existence of any assets in the name of the offender. The Bill contains a procedure which provides for execution against such assets. In addition, all or any part of the moneys found in the offender's possession at the time of the arrest could be taken to satisfy the restitution order.

Bill C-89 also contains a provision which would direct the court to give priority to orders of restitution over orders of forfeiture and fines. This provision reflects the commitment of the criminal justice system to be responsive to the needs of victims of crime. It clearly states that the victims are not to be deprived of their right to receive restitution and such rights should prevail over forfeiture or payment of fines.

I would like to deal now with the provisions with respect to bans on publication of identity. I think Members of the House would agree that victims of sexual offences and victims of extortion are particularly vulnerable to public disclosure of their identity. Protecting their identity where necessary will help in obtaining their co-operation in testifying and encourage increased reporting of these types of offences.

Under the current provisions of the Code, the judge can order, for some sexual offences, that the hearings be held *in camera* or that the identity of the complainant not be disclosed. You will recall, Madam Speaker, as will other Members of the House, that with the amendments to the Criminal Code adopted by this House which received Royal Assent this past June, protection has been granted to victims of sexual offences. The protection granted to victims of sexual offences was extended by allowing them to testify outside the presence of the accused. The Bill also extended the protection against disclosure of identity to witnesses under the age of 18 years.

This Bill further expands that protection. First, the protection against disclosure of identity is extended to all witnesses regardless of their age. In the case of adult witnesses the ban on publication of identity is discretionary. In the case where application is made by any victim or witness under the age of 18 years, the publication ban is mandatory.

Second, these rules are made applicable to extortion and loansharking offences where threats are likely to be made to

victims and witnesses. Extending the ban on publication to include victims of extortion threats and loan sharking should encourage victims of these offences to bring information to the attention of law enforcement agencies with respect to this type of crime under the Code.

[*Translation*]

Madam Speaker, as I indicated at the beginning of my remarks, our criminal justice system forgets the victims of criminal acts. These amendments in my view demonstrate this Government's will to promote social justice for the victims of crime. With these proposals, judicial proceedings and the penalty award process will be better adapted to the victims' particular needs. Those changes will enable us to compensate victims in a fair and sensitive way for the physical, emotional and economic damage they suffer.

• (1530)

[*English*]

The support which this Bill has already received from victims' groups, the Canadian public and Members of Parliament indicates just how important it is. We all recognize the need to provide protection and assistance to victims of crime. To that end, I am asking for the support of all Members in this House in order that this legislation may be dealt with without delay.

I will conclude with one further remark with respect to this initiative. I want to underline the fact that we on the federal side are moving as a national Government with respect to areas which, in many instances, are under provincial jurisdiction. It has been necessary for the federal Government, in the best sense of federal-provincial co-operation, to seek and obtain the assistance of the provinces in this initiative.

I want to pay tribute to my provincial colleagues who have worked with me in an open and very helpful spirit. I do not think I am telling any secrets out of school if I say that in the course of our discussions we have been talking about a statement of principles for the entire country, national standards with respect to programs for victims of crime in Canada. I propose to continue those discussions with my provincial colleagues and, hopefully, in the not too distant future, we will be able to come to an agreement as to the content and scope of that statement.

Notwithstanding the fact that we have not succeeded in that one respect, this initiative on the part of the federal Government is an initiative which comes at a time in the history of our country which I think is appropriate and which is a progressive move on the part of our Government and this Parliament. As I indicated at the beginning of my remarks, it reflects a very widely felt sentiment in our country. People who are victimized as a result of criminal activity are entitled to some reasonable consideration in the criminal justice system. It is with great pride, therefore, that I bring forward this initiative. I am asking, as I indicated in my remarks, for the co-operation of Members of the House, and I understand that it will be forthcoming. I appreciate the assistance of the opposition Parties in this initiative. I hope we can soon go to the committee to examine this matter and pass it into law so that at last victims in Canada will feel that parliamentarians in Ottawa are on their side.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Trade—United States export enhancement program—Reported sale of wheat to Algeria/Position of United States administration; The Hon. Member for Fraser Valley East (Mr. Belsher)—Immigration—Amnesty for refugee claimants—Government position/Statement attributed to Chairman—Designate of Refugee Board; The Hon. Member for Burnaby (Mr. Robinson)—Canadian Security Intelligence Service—Alleged infiltration of labour unions/Allegation of interference in legal prosecution.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-89, an Act to amend the Criminal Code (victims of crime), be read the second time and referred to a legislative committee.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Madam Speaker, it is my pleasure to rise today on behalf of my colleague, the Hon. Member for York Centre (Mr. Kaplan), the justice critic for the Official Opposition, and respond to the Minister's statements with respect to Bill C-89. I will say quickly at the outset that we in this Party are particularly encouraged by the Minister's closing remarks when he indicated to the House that he has worked over the last period of time, and intends to continue to work in the months ahead, to establish national standards in consultation and discussion with Ministers of Justice right across the land. The Minister talked about the mood and desire in this country, and indeed that is something that Canadians right across Canada would want to see happen and happen as quickly as possible.

I should say at the outset that we in the Liberal Party believe that a truly just society must do more than simply

ensure that the punishment handed out to criminals matches the severity of a particular crime. If the people who are seriously injured, the victims of crime, are ignored in the process, they are in fact victimized twice. We believe the clauses contained in Bill C-89 begin the process of addressing the rights and needs of the victim. We believe that victims have been the forgotten persons in the legal system. Therefore, we welcome all those parts of the Bill that seek to emphasize the position of the victims.

As I said, we welcome the Bill. Indeed, it shall have our support. However, the public and indeed the Government should regard Bill C-89 as only a first step in finding a solution to the problems of victims. I think the Minister would himself acknowledge that the Bill is largely a symbolic move on the part of the Government. The public should be aware that even when this Bill is enacted, and it will be in its present form, there are many gaps remaining in the area of compensation for victims. This Bill will not assist the vast majority of victims whose attackers are never caught, and I want to repeat that. This Bill cannot compensate or assist those victims whose attackers are never caught and convicted.

Professor Irvin Waller, a University of Ottawa criminologist, tells us that in some nine out of 10 cases the victim never finds out who did it, and in the tenth case, where the perpetrator is caught, even in that instance there is not a 100 per cent rate of prosecutions. Therefore, the only people who can be assisted under the provisions outlined by the Minister in this Bill are those people who are lucky enough to have a day in court where they see the person who committed the crime being convicted. That is in one out of 10 cases. The other catch is that judges are only instructed or compelled to impose a surcharge on a convicted criminal if it is shown that that criminal has the financial resources to pay a fine. As the Minister pointed out the fine that can be levied by a judge is up to $10,000. But in the case of the one person in 10 who gets his day in court, who sees a conviction, if the perpetrator of that crime does not have the financial resources to pay compensation, then the judge under the clauses contained in this Bill has the right to waive any penalty.

While this is a step in the right direction, while it is a step we endorse and for which we applaud the Minister, the reality is that Canadians should not get too carried away with the notion that every victim of crime is going to be compensated under the clauses of this Bill. In fact, it is probably fair to say that somewhat fewer than one victim out of 10 will be compensated. I know the Minister will agree with that.

Most crime victims will still have to resort to provincial compensation boards to which the Minister alluded in his comments. As the Minister knows, these boards have small budgets and do not always honour the various claims. In early November, 1987, the Ontario criminal injuries compensation board refused to pay any compensation to the widow of a Toronto area police officer who was killed in the line of duty. The board's reasoning was that the widow had already received life insurance money as a result of her husband's murder. The board, therefore, came to the conclusion that no compensation under the provincial compensation scheme would be paid to the widow in question. The provincial boards, as the Minister has said, use different standards to adjudicate claims. We in this Party are asking the question: since the federal Government has now announced increased funding of these boards, why did it not attempt at the same time to have national standards set for victim compensation?

The Minister, and I applaud him for it, indicated at the end of his speech that he wanted to continue the process of seeking to establish national standards. However, those standards are not in place today. In fact, in my own Province of Newfoundland, the level of compensation available to victims of crime is the lowest in Canada. It is the very lowest in Canada. I use this opportunity to suggest to the Premier of Newfoundland and his Minister of Justice that now is a good time in light of this symbolic gesture today in Parliament to have a look at that compensation system.

• (1540)

Here is another problem. A Canadian who is a victim of crime in one province may be eligible for compensation on the basis of being victimized even though a conviction or successful prosecution is not realized, while in another province the only way compensation can be paid is if the offender in question is caught and convicted. The standards are very uneven across the country.

With respect to Bill C-89, we are saying today that it is a step in the right direction. It is one which we support. It is one that begins to respond to the feeling the Minister described out there on the part of Canadians who want to see some recognition of the needs and of the position of victims of crime. Canadians, those who are interested in this area, ought not to rest on their laurels, and members of the Opposition will not do that, because this Bill does not go far enough.

Last night with respect to this Bill we saw on the CBC program *The Journal* a timely piece on break and enters. It was a piece approximately 20 minutes long. We saw that in the vast majority of cases, almost 99 per cent of the time, no one is ever caught. None of those people would be eligible for assistance under this Bill. What we really saw is that more than just loss of property is involved in a break and enter.

Last night we saw the face of terrorism on our television sets. We saw an actual recorded event of a young lady at home alone in her apartment talking on the telephone quite hysterically, obviously terrified, telling the police that someone was trying to come into her apartment. The price she paid because of that attempted break and enter was not the loss of material goods. What she lost was the sense of security in her own home. What she suffered was terrorism at its worse, fear for one's property—indeed, fear for one's life.

While this Bill is not designed specifically to deal with that reality for many victims, this is an appropriate time to raise again the report of the Canadian federal-provincial task force

on justice for victims of crime. It is stated in that report that beyond compensation the services which would appear to be the most widely needed by victims are those which help them in coping with the effects of victimization, for example, the work of transition houses, rape crisis centres, the provision of crisis intervention services, the training of workers in the system to recognize and respond to the needs of victims, and helping the victims financially where loss and suffering has been incurred.

I take advantage of this opportunity to say a few words about Bill C-89 and again to call upon my colleagues on all sides of the House and, indeed, members of the Cabinet and members of the Government, in this time of financial restraint and cut-backs to be aware of the very necessary and important role that is played by so many governmental and non-governmental agencies, many of which exist on federal subsidies and other financial assistance in assisting victims of crime. It would be a shame that on the one hand we would take an important symbolic step to recognize the needs of victims while on the other, because of constraints, we would see some of the dollars available to non-governmental agencies such as rape crisis centres and so on disappear. This, too, is important for victims of crime.

With those remarks, Madam Speaker, I offer the support of the justice critic of the Liberal Party and, indeed, of the Official Opposition with respect to Bill C-89.

Mr. Svend J. Robinson (Burnaby): Madam Speaker, some 2,005 years ago the great Athenian legislator Solon said that there can be no justice until those of us who are unaffected by crime become as indignant as those who are. I think those words should echo today in the House as we consider the legislation which the Minister of Justice (Mr. Hnatyshyn) has put before the House at second reading today, Bill C-89.

I want to say that my colleagues and I in the New Democratic Party strongly support the principle of this legislation and, indeed, believe that it is long overdue. As the spokesperson on justice for the New Democratic Party I have called for many years now for effective steps to be taken to ease the trauma that victims of crime and the families of victims of crime too often suffer at the hands of the criminal justice system. Too often victims of crime are doubly victimized, once by the perpetrator of the crime, and subsequently by the criminal justice system which is too often callous and indifferent to their concerns.

It is because of the fundamental concern that victims have been forgotten by those in the criminal justice system for far too long, too often stripped of their dignity and respect, that we believe that this legislation is long overdue. We support it in principle.

The statistics are staggering. Each year in Canada some 700 families are victimized by murder, some, 2500 more lose someone to a drunk driver, and over 100,000 Canadians suffer, enduring emotional trauma and scars as a result of crime. Many, many more lose their property or are victims of breaking and entering. In fact, one in six Canadian households will be the victim of a crime in Canada today. However, only a tiny fraction of these victims receive any kind of recognition or compensation.

Effectively, while crimes can have different impacts on different victims, there are four general ways in which victims suffer. Some victims of crime suffer physical injury or lasting disability. Some victims suffer emotional trauma and distress. Of course, here as well one must speak of the emotional trauma and the devastation suffered by those who are the families of victims, particularly the families of those who have been murdered. Other victims lose money or personal possessions. Finally, there are victims who suffer additionally, as I mentioned, due to the insensitive treatment they receive from the police or the courts, the denial of dignity which really goes to the core of their treatment.

In Canada last year there were over 400,000 break and enters. I might say that we in this House, I suspect, are not immune to that phenomenon. I myself have been a victim of a break and enter at my own home. I have suffered arriving at my home to find the house having been broken into and things scattered everywhere. Too many Canadians have suffered similarly. Unfortunately, the poorest of those Canadians do not even have insurance to cover the cost of that crime. It is very important indeed that we recognize that they must not be additionally victimized by the criminal justice system.

• (1550)

Too often victims of crime suffer from a lack of assistance, support and delay in the return of their property. In this regard I welcome the provision in the legislation with respect to photographing evidence and then returning it to those who have been victimized. That is an important step forward. They often suffer from a lack of basic information about what is going on with the crime. They have been shut out from receiving information. Sometimes there is total indifference when they get to the court room. The case may have been adjourned and they do not know anything about it. They have not been informed.

In one particularly difficult case, one of my constituents, a very brave woman named Doreen Helm, whose daughter was brutally murdered, was in court during the proceedings on the jury trial. The jury had recessed to consider its verdict. She and her family were not even informed that the jury had returned and were delivering the verdict. That type of callous indifference to the concerns of victims must end. Those steps which the Government is taking in this legislation are important first steps in that regard.

In Canada today approximately one in fifty victims of violence receives any form of compensation from the Government. Only one Canadian community in one hundred has any type of practical assistance organized through the RCMP or through non-profit agencies for victims of common crimes. I

am very pleased that in my own community of Burnaby there is an excellent victim assistance program which has been established by the Burnaby attachment of the Royal Canadian Mounted Police. It is a new program that began in January of this year. It currently has a complement of dedicated volunteers who provide a variety of services to victims of crime in Burnaby. They file up-to-date information and they explain basic police and court procedures. They accompany people and families to court. They refer to social services and community agencies. They get involved in making people aware of criminal injuries compensation programs, witness appreciation letters, and condolence letters.

I wish to take this opportunity to commend those who are involved in this program, in particular Constable Earla-Kim McColl and Constable Nancy Wilson for the outstanding job that they have done in this important victim assistance program, and to encourage other communities to embark upon similar programs.

I also wish to mention the fact that only one community in twenty-five has a sexual assault crisis centre or a shelter for victims of violence within the home. When we speak of the importance of assisting victims of crime in our society, we must recognize that, to a significant extent, women in our society are still more victimized than men as a result of violent crime. As a society we have to recognize our responsibility to assist those women. Instead, Governments, both the federal Conservative Government and provincial Governments, have cut back on programs to assist women who are victims of violence. For example, I am speaking here of women who have to leave their homes as a result of domestic violence. It is essential that those women have access to emergency and short-term physical shelters for themselves and their children, that they have access to immediate personal counselling, and that they have access to advice.

My colleague, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), represents a rural constituency. He has done an outstanding job in bringing to the attention not only of his colleagues in the New Democratic caucus but to Parliament, the particular concerns of women in rural communities. Those women in rural communities are particularly hard hit by the absence of basic support services for situations in which they are victims of family violence.

There is also the concern about those who are victims of sexual assault. Here again the federal Government has cut back on funding for rape crisis centres and sexual assault centres. Instead, funding should be increased for those services to assist women who have suffered the trauma of sexual assault.

We should also be provided funding to assist adults who have been victims of sexual abuse as children. There are a number of groups in Canada pressing the Government to move forward with respect to aid for adult survivors of sexual and other forms of abuse. Yet the Government has turned a deaf ear to their requests.

There have been many reports and studies done on the plight of victims in Canada. As a New Democrat, I am proud that it was the Province of Manitoba, an NDP Government under the leadership of then Attorney General Roland Penner, that moved forward and blazed the trail in Canada for programs for victims of crime. It was the NDP Government in Manitoba that introduced legislation in 1986, a Bill entitled justice for victims of crime that placed Manitoba among the world leaders in assisting victims of crime. In referring to Manitoba as a world leader, I am quoting from an article that was written by Professor Irvin Waller who has done an outstanding job in pressing for programs to assist victims of crime.

As a Parliament we should acknowledge the contribution that he has made not only nationally but internationally in a variety of forums, including the United Nations in pursuing aggressively the rights of victims of crime. Indeed, it was as a result of his work, and the work of other dedicated individuals that, in 1985, the United Nations General Assembly unanimously adopted a detailed declaration on victims rights calling upon all member countries to do far more to prevent crime and provide for programs to assist victims of crime.

In a few moments I wish to talk about the importance of prevention of crime as well as assisting victims of crime. One of the most effective ways of dealing with concerns about victims of crime is to take the steps as a society to reduce the number of victims of crime. There are a variety of steps that can and should be taken.

The legislation before us, Bill C-89, while it does represent an important step forward, there is still a great deal of work left to be done. For example, I suggest that the federal Government could be showing the way with respect to policing. After all, in many cases, the first contact the victims have is with the police. With respect to policing, the RCMP could establish guidelines for members of the force to give the victim information on services and remedies that are available, as well as the manner in which the victim might be informed while the investigation continues.

The Bill before the House should be amended. I intend to propose an amendment that would require police officers to inform victims of crime at the earliest possible opportunity of their right to possible compensation under provincial legislation, and possibly also restitution if the aggressor is caught and convicted, and also of their right to make a victim impact statement to the court. Rights without awareness of those rights are hollow. Who better to ensure that victims of crime are made aware of those rights than the person with whom they first come in contact? I speak here of the police. I suggest that this is an important amendment.

I mentioned the possibility of restitution. This Bill does indeed provide for the possibility of restitution. We have to be realistic in examining this proposal and recognize that it is not likely in real terms that many victims of crime or their families will in practice be able to receive restitution from the perpetrator of the crime.

• (1600)

In 90 per cent of all crimes the victim does not know who committed the crime, which reduces significantly the possibility of restitution. If one does not know who committed the crime, of course one cannot demand restitution. In the other 10 per cent of cases suspects may not be charged; if they are charged, they may not be convicted; and if they are convicted, in the vast majority of cases they do not have the money to make restitution in any event. While it is important in principle to recognize that obligation, let us not lose sight of the reality that the principle of restitution will not make a practical difference to many Canadians.

[*Translation*]

As was said for instance by Mr. Robert Ménard from Montreal, the founder of a new association of victims of criminal acts, the Bill will even induce John to rob Peter. He has been a policeman in Montreal for 29 years. He was himself the victim of a criminal act. He was seriously wounded in a shoot-out in front of a bank in La Salle. Mr. Ménard feels that small-time robbers will make the maximum number of victims. He states for instance that gangsters do not hoard money, they sell their stolen goods immediately to buy drugs or other fast kicks. Even if they have to compensate their victims, if and when they are convicted they do not have one cent to their names. Still, Mr. Ménard admits that the Bill is a first step forward. I met personally with Mr. Ménard here in Ottawa and I congratulate him for the work he has already been doing for the victims of crime in Quebec and elsewhere in Canada.

[*English*]

Another group of victims of crime has been bitterly disappointed at the actions of the Conservative Government. They are the victims of violent crime who need some form of counselling—psychiatric or psychological assistance. The same Government which preaches concern for victims of crime through the Minister of Justice has, on the other hand, just cancelled callously the funding which has been made available until now to mental health programs for victims of violent crime.

The group Victims of Violence, based in Edmonton, with which the Minister of Justice is familiar, is headed by Gary and Sharon Rosenfeldt, the parents of a young man who was murdered by Clifford Olson. The Rosenfeldts have said that they are horrified to learn that the Minister of National Health and Welfare (Mr. Epp) has cancelled all efforts at improving the mental health response to violent crime victims.

What has been going on here? We have a Conservative Minister of Justice standing up and talking about how important it is that we assist the victims of crime in Canada, and we have a Conservative Minister of National Health and Welfare in the same Government brutally and callously cutting off funding for victims of violent crime in the area of mental health. Surely that kind of hypocrisy and indifference to the concerns of victims of violent crime who need counselling or some assistance is not acceptable to Canadians and should not be acceptable to the House. I call upon the Government to reverse this decision, to restore funding as victims of violence have requested, and to ensure that this amount of money is in fact available.

It is not a provincial matter. It is a matter which should be of concern to all Canadians. It is about time the Conservative Government recognized it and restored this important funding.

Another concern has been raised in respect of the question of restitution. In the event of inability to pay, it is suggested in the Bill that the criminal would go to jail, would do more time. Our prisons are already overcrowded. I suggest that we should approach with great caution the suggestion that if one is too poor to be able to make restitution, if one is unable to make that restitution, or if one does not make that restitution, one goes to jail. Indeed that could lead to even further crowding.

An Hon. Member: And to debtors' prisons.

Mr. Robinson: Yes, as my colleague has just pointed out, the old debtors' prisons. There is new money going into victims' assistance programs from the federal Government. However, I very much hope that we do not in fact take away at the provincial level funding which is being granted at the federal level. I hope the Minister of Justice, in his consultations with the provinces, will make it very clear to them that he expects that the money being granted to the provinces will be put into new programs to assist the provinces in dealing with the victims of crime.

This brings me to another very important area, one which has been touched upon by my colleague in the Official Opposition, that is, the question of minimal national standards for compensation. Not only is it important that there be a statement of the fundamental objectives of this legislation similar to that found in the United Nations Declaration and the Manitoba legislation, but also that minimum national standards be established. At the present time we have a patchwork of programs in Canada. If one loses a family member in Newfoundland, one gets $9,000. If one loses a family member in New Brunswick, one gets $5,000. If one loses a family member in another province, one gets $15,000. If one loses a family member in Ontario, one gets $25,000. How on earth can we justify this patchwork approach to the concerns of victims of crimes and their families? If one is assaulted in the Province of Quebec and one's clothes are ripped, one gets compensation for the clothes, but across the border, in the Province of Ontario, one does not get compensation for clothes. On and on it goes.

It is about time that the Government showed some leadership and imposed some minimal national standards, something which it is quite able to do under the federal-provincial agreement. They provide funding and, even after Meech Lake, they can still ensure that minimum national standards and objectives are met.

One existing standard is that provinces should publicize their provincial programs for compensation. One great concern

is that that is not happening, and far too many Canadians are not aware of these programs for compensation.

I have a couple of other points to make before concluding my remarks. The legislation deals with the whole question of victim impact statements. Once again this program was pioneered by the Province of Manitoba. I believe there have been some pilot projects in a number of jurisdictions. However, on the question of victim impact statements, given appropriate safeguards and that on balance this represents an improvement in the criminal justice system, concerns have been expressed, in particular by defence counsel, that there could be abuse and that sentences could in fact be lengthened. As a committee we will want to study with care the arguments on the question of victim impact statements.

A Crown Attorney in the City of Toronto, Paul Culver, has said that in his view there is no doubt that sentences are longer as a result of the use of victim impact statements in the courts. If that is the case, we want to examine whether it is a desirable consequence.

Morris Manning has pointed out the following:

> But if you go back to sentencing based on impact, you get into retribution, an eye for an eye concept. That is not appropriate in modern society.

• (1610)

Even the former president of the group Victims of Violence, Don Sullivan, said this:

> The fear now is that the pendulum may swing too far and we become a vengeance seeking society. Rights for victims should not be achieved by denying rights to others.

—meaning the accused. On balance, the proposals for victim impact statements are worthy of support. For too long victims have been shut out of the process. As well, it is important that the accused, the individuals convicted of crime, confront directly the victims of their crime and hear personally face to face the impact the crime has had. Obviously it is essential that the judge in no way lengthen sentence or in no way include in his or her sentence the element of revenge as a result of the hearing of that statement. But I believe it is important that the victim be given the opportunity to make that statement.

It is also important, in dealing with the whole question of victims of crime, that we recognize the terrible inadequacies of the legal aid system. That is the subject of another speech at another time, but I do want to highlight that as one of the serious concerns in the criminal justice system today, namely, the very grave underfunding of the legal aid system both criminal and civil in Canada. Just this morning we heard in the Standing Committee on Justice and Solicitor General from Gerald Ruygrok, the father of Celia Ruygrok, the 21 year old woman who was brutally murdered at Kirkpatrick House. He pointed out at the coroner's inquest that there were seven or eight lawyers representing everybody under the sun, but he himself, the father of the victim, was denied the right to legal representation.

When we talk about victims of violent crime, surely we should recognize that our legal aid system should be expanded. A Tory Member opposite says he disagrees.

An Hon. Member: Order.

Mr. Robinson: I hope that all Conservative Members would recognize the importance of the greater involvement of victims of violent crime in expanding the criteria for legal aid.

Finally, I want to note that the definition of victims of crime is far too narrow. I suggest that we examine the nature of victimization in our society today. When we do that examination, we will see that there are many victims who are left uncompensated by this Bill. What are some of the examples of that, Madam Speaker? The victims of corporate crime and white collar crime are not compensated by this legislation. The victims of a corporation that pollutes and destroys the environment, that poisons a lake or river and victimizes people in a community, receive no assistance from this legislation. The victims of a corporation which in its greed for profit produces unsafe and hazardous goods resulting in injury or death receive no compensation whatsoever. A corporation or a mine, which is not prepared to take the basic steps to protect the health and safety of men and women who work in a mine who, as a result, experience injury or death, will not be required to pay any restitution under the terms of this legislation. The crimes of multinational corporations in the Third World and elsewhere are not dealt with by this legislation. Racially motivated crimes and other organizational crime is left untouched. I hope the Government will recognize that there are victims in this area as well.

The last point is the one I alluded to earlier concerning the prevention of crime, reducing the number of victims of crime in our society. We know what has to be done. The Government is well aware of the steps that could and should be taken to prevent crime. Yet it has done little or nothing to carry out these important objectives. What about neighborhood watch programs, community and urban planning to ensure a sense of community responsibility to cut down on crime, funding for alcohol and drug programs, funding for those who are mentally ill and for those with learning disabilities? What about attacking poverty, homelessness and unemployment in our society, assisting victims of physical and sexual abuse and dealing with the question of violence in the media and elsewhere?

What about gun controls, including, I might say, an examination of the abuse of firearms by those who are enforcing a law in Canada? Recently in Montreal—

[*Translation*]

Recently in Montreal people saw a policeman use his service revolver to shoot an innocent Black youth. There are too many victims of armed policemen in Canada. So here again if we want to cut down on the number of victims we must do everything possible to reduce such abuses, such unacceptable crimes.

[*English*]

We support this legislation in principle. We say that its steps to assist the victims of crime are long overdue in Canadian society. Certainly we look forward to studying this legislation in committee, to bringing forward the necessary improvements in some of the areas that I have outlined with respect to national standards and to informing victims and their families of what they are entitled to. At the end of the day, after having passed this legislation, there remains a great deal of work to be done if true justice for victims in Canada is to become a reality.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council): Madam Speaker, it is an honour for me today as Parliamentary Secretary to the Deputy Prime Minister to comment on Bill C-89, and particularly on each one of us because for a while now the Opposition Parties have been referring to victims at the third person. So I think each one of us can easily identify with the problem of victims of crime generally. Who among us can be assured that he or she will not be the victim of a criminal act in the future?

Madam Speaker, who indeed can claim to be safe from such acts as car theft, break in and a number of other infractions? I would not want to scare anybody but I think it is important to acknowledge that anyone of us can of course be a victim one of these days.

[*English*]

I would like to thank the opposition critics who have agreed to get on very quickly with second reading of this very important Bill C-89. I hope that we will still have their co-operation as quickly as possible to make this legislation law.

• (1620)

[*Translation*]

Some of you may have been victims in the past. In spite of the fact that each Canadian is a potential victim of a criminal offence, paradoxically, today, in 1987, the victims are still considered as the casualties of the criminal process. Is it not a paradox which is totally out of place in today society? Surveys show that two thirds of Canadians consider that the rights of victims should be protected as well as those of the accused in the name of justice.

Is it not absurd, Madam Speaker, that most victims complain that they were victimized not only by the offender but also by our judicial system? We have all heard a victim saying that after her T.V. set was found by the police she had to wait for several months or even several years to get it back? We all know a victim who was kept waiting for hours in the corridors of a court of justice only to be told, after several hours of anxiety and several visits to the court, that her evidence was not required anymore.

Madam Speaker, many victims will also tell you that if they had known better, they would not have hesitated to ask for restitution from the offender. How many people would have made themselves known and asked for the help of the judicial system if they had been given the assurance that their identity would be withheld in order to ensure their safety?

Madam Speaker, among other needs, the victim must be able to explain what he or she suffered, and yet, we frequently hear victims complain that no one is listening to them, not even the justice system.

Therefore, I am pleased today to join with the Government which showed its interest for the fate of victims and did not hesitate to take necessary steps to meet in a fair, adequate and energetic way the pressing needs of victims.

In fact, since it came to power, this Government examined the fate of victims of offences involving property. In 1985, this House passed Bill C-18 which provided for the prompt return to victims of belongings that had been stolen or otherwise and were no longer required as evidence.

More recently, in order to assist and protect children who are victims of sexual assault, the Government introduced Bill C-15 and other major amendments to the Criminal Code and the Evidence Act.

As you all know, the provisions contained in both bills were designed to meet the needs of specific groups of victims. The provisions of Bill C-18 are more general as they apply to all classes of victims of crime. A first set of measures is aimed at minimizing hardship likely to be suffered by victims as a result of the criminal justice system.

Those measures can be summarized as follows: First, the use of photographs as evidence to provide for the prompt and early return of recovered property to victims. Second, the use of an affidavit or a solemn declaration to establish the ownership and value of property will remove once again the need for the victim to testify as to those facts. Third, the victim will no longer be required to apply for restitution: in appropriate cases, the court will automatically consider the opportunity of issuing a restitution order. Fourth, the identity of victims and witnesses of sexual and extortion offences will not be published.

Finally, if a declaration is filed, there will be no need for the victim to give evidence on sentencing.

However, Madam Speaker, it must be emphasized that these amendments in no way reduce or violate the basic rights of the accused. Indeed, the presumption of innocence and the right to a full defence are both recognized in Bill C-89.

I have no intention of discussing in detail the effects of these various provisions or the technical aspects of their application. Others have done so before me.

However, there is another provision which I would like to discuss further, namely, the provision related to restitution. Certain provisions to force the offender to make restitution to

his victim will now apply to someone who is found guilty by a judge or a jury of the offence with which he or she had been charged. Madam Speaker, I believe that it is important to take a few minutes to explain the difference between compensation and restitution.

Compensation refers to a contribution or payment made by the state to the victim under a compensation program for victims of crime. These programs are subsidized partly by the federal Government, but administered by the provinces or territories.

As the Minister of Justice pointed out, the federal Government has made an offer to the provinces which would more than double the amount they now receive. In passing, Madam Speaker, I must say that Bill C-89 has been very well-received by the provinces, particularly Quebec. The Quebec Minister of Justice, Mr. Herbert Marx, is very satisfied with the negotiations and with Bill C-89, which is the result of these negotiations.

Now with respect to restitution, Madam Speaker, it is a factor which must be taken under advisement by the court when sentence is handed out, if such an order is deemed appropriate. Unlike compensation which comes from the state, restitution is made to the victim by the offender. You will agree with me that one of the first consideration for the person who has incurred material losses or sustained physical injuries is to return to the situation as it was before the crime was committed. In other words, whenever possible it means securing material compensation for damage sustained.

Madam Speaker, this is why the federal-provincial task force on justice for victims of criminal acts published a report in 1983 and recommended changes to the Criminal Code provisions concerning restitution so that, in appropriate cases, the judge would have to consider the advisability of issuing a restitution order. The task force recommended as well that victims be given an opportunity to appear before the court concerning such losses as might be ascertainable.

More recently, in a report released last February the Canadian Sentencing Commission recommended that restitution orders take the following elements into account: first, property damage resulting from the commission of the offence and calculated on the basis of the actual cost of repairing or replacing such property; hospital and medical care expenditures incurred by the victim as a result of the commission of a crime; losses of income resulting from the commission of such crime, including those due to the victim's hospitalization or participation in the investigation or trial.

Madam Speaker, I am convinced that all Members in the House today will agree that the amendments introduced in Bill C-89 adequately respond to these recommendations.

But what exactly is meant by damage whose amount can be easily ascertainable? These could, for instance, include medical bills, property damage or loss of income. It should be understood that only damages where the amount is readily ascertainable may be the subject of a restitution order in respect of an offence under the Criminal Code. Other damages whose amount is not readily ascertainable, pain and suffering for instance, will continue to be the subject of claims in civil proceedings.

I mentioned earlier that the onus was no longer on the victim to seek a restitution order. In fact, the proposed amendment requires the judge to consider whether a restitution order would be appropriate. This means the victim will no longer have to worry about exercising this right, since in all cases, the judge will do so on the victim's behalf. A restitution order is not restricted to property damage alone. For instance, damages incurred as a result of bodily injury, provided the amount is readily ascertainable, may also be covered by a restitution order.

The proposed amendments expand our concept of "victim" to cover persons who arrested or tried to arrest the offender. However, the Bill does not propose a definition of the word "victim". As a result, the courts will have the flexibility to respond to the particular circumstances of each case. However, it is not enough to require the courts to consider whether the restitution order is appropriate. The court must also be satisfied that the offender will be able to comply with the order.

I shall now describe the procedures available to the Court to decide whether the offender will be able to comply with the order. First, the judge will be able to inquire into the offender's present or future ability to pay. He may also consider his financial status. In this respect, the judge may subpoena the offender to provide the requisite information on his assets. This means that subsequently, the victim may, if necessary, file for execution of the restitution order against the assets thus identified.

Another important detail, Madam Speaker, is that the judge may order that any money found on the offender at the time of his arrest be taken to satisfy the restitution order. Finally, in every case the judge must give priority to the restitution order.

Unfortunately, in some cases the offender will be either unable or will simply refuse to comply with the restitution order. The order must therefore be readily enforceable.

The Bill provides that the order is enforceable as a judgment of a superior court, either in civil or criminal proceedings. The offender may of course be able to provide a reasonable excuse for his default, and the judge may then extend the term of the restitution order.

Madam Speaker, the Government's proposals have been warmly welcomed by victims groups because they respond to a real need. I would like to quote the author to which the Hon. Member for Burnaby (Mr. Robinson) referred earlier, Mr. Robert Ménard, founder of a new association of victims of criminal offences, who also said, and I quote:

> Nevertheless, I believe the new Bill before the House is a first step towards improving the status of victims.

Madam Speaker, once again, I wish to stress the importance of this Bill and say that we in the House and in this Government should set aside political considerations and look at this Bill as objectively as we can. We all know that every day, people become victims of criminal acts.

Each day we defer the enforcement of the Bill, we prevent victims of crime from enjoying some direct results. Of course, crime will always be with us and they will still be victims, Madam Speaker, but at least this may help them to obtain some sort of compensation in certain areas. As long as there is no wonder solution which would allow totally and definitely to eradicate crime, we should applaud the steps taken in Bill C-89.

• (1630)

[*English*]

Once again, this Bill is extremely important for victims of crime in Canada. I hope that my friends in the opposition Parties agree and will work with this Government not on a partisan basis but with a Government representing the people of Canada. We have to deal with this Bill as quickly as possible because it does not address a specific part of the country or a specific group. It addresses the entire population of Canada because everyone, in one way or another, is a victim of crime.

I also want to express again my thanks to the Liberal and NDP critics who supported this Bill on second reading today.

[*Translation*]

Madam Speaker, as I pointed out at the beginning of my remarks, everyone of us, though we do not wish it, could eventually become a victim. It is therefore reassuring and encouraging that finally a government is looking after us and not after someone else.

Mr. Robinson: I rise on a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Burnaby (Mr. Robinson) on a point of order.

Mr. Robinson: Madam Speaker, the Member has spoken today as acting Parliamentary Secretary, and since I do not know exactly what his status is, I would like to ask the Chair or the Hon. Member what is now going on. There has been no Parliamentary Secretary to the Minister of Justice for a long time and I suggest, Madam Speaker, that the Parliamentary Secretary for today should perhaps provide some information on that really unacceptable situation about such an important matter. Why do we not yet have a Parliamentary Secretary?

The Acting Speaker (Mrs. Champagne): I think the Hon. Member will agree with the Chair that this is not a point of order but a question which the Hon. Member could ask the Prime Minister some other time.

[*English*]

Mr. Robinson: Madam Speaker, I see the Minister of Justice (Mr. Hnatyshyn) entering the Chamber. Perhaps he might explain why he has not yet had a Parliamentary Secretary appointed to himself as Minister.

The Acting Speaker (Mrs. Champagne): The Chair really does not see how that is a point of order. Are there any questions and comments?

Mr. Hnatyshyn: Madam Speaker, I am pleased to have come into the House just when a point of order was being raised by my good friend, the Hon. Member for Burnaby (Mr. Robinson). Modesty prevents me from indicating that this is such a popular position that the applicants are lined up and are all being considered. I am sure that before too long the vacancy will be filled.

This also gives me an opportunity to compliment the Parliamentary Secretary to the President of the Privy Council (Mr. Grisé) who has just spoken on this very important initiative. I owe a debt of gratitude to him for his work and the assistance he has given to me in fulfilment of my responsibility as Minister of Justice in this initiative. He has been particularly helpful in that he has brought a perspective from his own region and province to this initiative. I know that there is enthusiasm in the Province of Quebec. I want to preface my question to him by acknowledging his contribution in this legislation.

• (1640)

Has he had an opportunity to gauge the response in the Province of Quebec on this legislation? Has the Minister of Justice of the Province of Quebec indicated any position with respect to this legislation?

[*Translation*]

Mr. Grisé: Madam Speaker, first, I would like to thank the Minister of Justice (Mr. Hnatyshyn) for his kind words.

As concerns the interest for Bill C-89 in Quebec, I have to emphasize the importance of the coordination and cooperation between the federal Minister of Justice and the Quebec Minister, Mr. Marx, in preparing this Bill, which cooperation the Minister may have underplayed in his own comments earlier. I believe that it is extremely important to emphasize the interest there is in this Bill in Quebec.

I recently had the opportunity to meet Mr. Marx. He asked me when this Bill would be introduced in second reading in the House and when it would come into effect. This is extremely important for Quebec. It is essential for the victims of crime that this Bill come into effect as soon as possible, and this is why, Madam Speaker, at the end of my comments—

[*English*]

—I was expressing my hope that opposition Parties will work with the Government to make this Bill law and help ensure

that it is implemented very shortly thereafter in the provinces because it falls under provincial jurisdiction.

This is a very important measure in the Province of Quebec.

[*Translation*]

—Mr. Marx strongly emphasized the fact that, as there has been a federal-provincial agreement, the two Governments should do their best to have this Bill come into effect as quickly as possible.

[*English*]

Mr. Robinson: Madam Speaker, I rise on a point of order. I understood that during the period for questions and comments there was alternation between government and Opposition Members. There has not yet been an opportunity for a question or comment from the Opposition. I would like, at some point, to have that opportunity.

The Acting Speaker (Mrs. Champagne): I think it is unfortunate that the Hon. Member would make such a remark at this time. There is still time for questions and comments and I can assure the Hon. Member that when the time comes he will be recognized.

Mr. Fennell: Madam Speaker, I wanted to take this opportunity to mention that I got involved in Victims of Violence with Don Sullivan with whom the Hon. Member was also involved. That was way back in the early 1980s when we worked to make people aware. I just want to commend Don Sullivan for the work he did and for his dedication in helping many families of victims. He himself was the father of a child who was killed. A book was written about him by Jerry Amernic which brought his case to the attention of many people. I thought this would be a good opportunity to mention the good work done by the people who originally created Victims of Violence in Canada.

Mr. Robinson: Madam Speaker, I want to agree with the Hon. Member for Ontario (Mr. Fennell) and note as well the work that he has done. We have worked together for many years on the issue of aid for victims of crime. Indeed, the Hon. Member for Ontario introduced a Private Members' Bill on this subject some time ago. I want to acknowledge, in addition to the contribution made by Don Sullivan, the contribution made by the Hon. Member. He has played a role in the development of this legislation.

My question to the Acting Parliamentary Secretary is with regard to a point which I raised during the course of my remarks on this legislation, that is, the great concern which was expressed by the national group, Victims of Violence—the group which was founded by Don Sullivan—with regard to the cancellation of all federal programs in Canada aimed at improving the mental health response to violent crime victims.

Why has the Government cancelled funding to these programs to assist victims of violent crimes in Canada? These people have, in some cases, been emotionally and psychologically traumatized by crime. On the one hand the Government suggests that it supports the concerns of victims of crime. Yet, the same Government has callously cut off all funding. To quote the words of Gary Rosenfeldt, the President of Victims of Violence:

> We were horrified to learn that your Ministry has cancelled all efforts at improving the mental health response to violent crime victims in this country . . . .We ask that you reconsider this issue and that efforts be made to re-establish programs to educate mental health professionals on the needs of violent crime victims.

Will the Acting Parliamentary Secretary agree to urge his Cabinet colleagues to reconsider the cancellation of this very important program and to restore funding for victims of violent crime? Will he at least agree to make the appropriate and necessary representations on this important matter?

[*Translation*]

Mr. Grisé: Madam Speaker, I should like to repeat again to my friend the hon. Member for Burnaby (Mr. Robinson) that, under Bill C-89, the Federal Government will contribute $27.2 million to provincial and territorial criminal injury compensation schemes over the next three years. Of this amount, $16.2 million will be earmarked for the crime victim compensation programm irrespective of the type of crime. But for all victims of crime, $16.2 million and a additional $8 million will be made available to the provinces and territories under a victims' assistance fund to meet the needs of all categories of victims and enhance the services and programs available.

When he rose to speak in this House, Madam Speaker, the hon. Member for Burnaby indicated that he had been the victim of a crime. I should like to say that the hon. Member for Burnaby is not alone in this House to have been victimized by a criminal act. Unfortunately, I must admit that I was myself victimized on several occasions while the owner of a business through breaking and entering.

In conclusion, Madam Speaker, with this Bill which of course is not perfect, our Government is essentially trying to help the victims of criminal acts, and this is only the beginning. We shall go forward in this direction.

[*English*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed, Bill read the second time and referred to a legislative committee.

• (1650)

The Acting Speaker (Mrs. Champagne): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Post-secondary education

PRIVATE MEMBERS BUSINESS—BILLS

[*English*]

CANADIAN POST-SECONDARY EDUCATION COUNCIL ACT

MEASURE TO ENACT

Hon. William Rompkey (Grand Falls—White Bay—Labrador) moved that Bill C-228, an Act to provide for a Canadian Post-Secondary Education Council, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I would like to begin by recognizing the presence in the gallery of a large and encouraging delegation from the Canadian Federation of Students who are here this week in Ottawa conducting what I consider to be a very effective lobby. At the beginning of my remarks, I want to say thank you to this delegation, not only for its interest but for the very effective way in which it has conducted itself on this topic and on other topics dealing with education this week. Those students know better than anyone else the situation about which we are speaking today. Their presence here is more eloquent than any words. What they are saying by their presence is that there is a situation in this country that must be addressed. Those of us who are politicians, whether federal or provincial, had better wake up and listen. We had better look at the situation and decide what we are going to do about it. That is what we are talking about today.

These students know that across this country today only the rich will be able to get into our colleges and universities. If you are disabled and rich, you can go to university. If you are native and rich you can go to university. If you are a woman and rich you can go to university. But there are far too many people who are kept out because tuition fees are high, and federal and provincial money for post-secondary institutions is going down. Professors are escaping to the United States. Students are coming out of college with a B.A. and a debt load of $20,000. That situation is not acceptable. That is what the students are saying by their presence here today. That is the background against which we have to look at the idea we are discussing here today.

The idea is not new. The idea is to create a national advisory council on post-secondary education. It is an idea that was put forward by the AUCC, the Association of Universities and Colleges of Canada. It was an idea put forward by the CAUT, the Canadian Association of University Teachers, and it was an idea supported by the Canadian Community Colleges Association and by the Canadian Federation of Students. It is an idea supported by the Canadian Teachers Federation, and it is supported by many Ministers of Education. I would like to read what Lorne Hepworth said at the national forum on post-secondary education in Saskatoon. He said he would welcome an increased role for the federal Government in post-secondary education. I quote the following from the *Leader Post* in Saskatchewan:

> Speaking at the National Forum on Post-Secondary Education, Hepworth endorsed what a number of groups present at the forum had earlier said they supported—the development of a national post-secondary education strategy.

There are Ministers of Education who believe in what we are speaking about today. There are businessmen who believe. The Canadian Manufacturers Association in its latest brief said that "No step is more critical in keeping Canada competitive than improving our post-secondary educational system. Canada will succeed in today's competitive world markets only if Canadians make full use of our most valuable natural resource, that is, our people. Realizing our country's full potential demands we must strengthen our universities and community colleges". In Part I of its brief it "urges that Canada establish a national strategy", not a federal or provincial strategy, for "post-secondary education", and the Canadian Manufacturers Association expresses the wishes of a lot of large and small businessmen all across this country.

It was an idea which came up at the national forum on post-secondary education in Saskatoon recently. Dr. Ronald Watts, both in his speech at the beginning and in his summary, pressed for a national strategy on post-secondary education. He urged Canada to join nations such as Japan and West Germany in treating post-secondary education as an investment in the nation's adaptability and competitiveness, not a burden on the public purse. From this perspective, the cost of supporting education in colleges and universities is not so much a problem as it is an essential part of the solution.

This idea has widespread support in the country. It is an idea whose time has come. As we move as a country into the information society, it is essential that we move on this issue. Without education we are not going to be able to compete. There is no question about that.

Our competitors are doing exactly what we are talking about today. Japan not only has an industrial strategy and economic strategy, it has an education strategy. West Germany, which is a federal state much like our own, has an economic strategy, an industrial strategy and also an education strategy. There is a commission in West Germany which involves the equivalent of the provinces in this country and the national Government in a joint effort as partners in attacking what they know is a crucial problem if they are going to compete in the world today.

There are many people who will say: "Yes, but in 1867, provincial responsibility was given to education". That is true. No one is saying that that jurisdiction should be taken away from the provinces. What we are saying, I believe, is that in numbers there is strength. If two heads are better than one, twelve or fourteen or sixteen heads are better than two. Everyone wants to preserve provincial jurisdiction. I know, coming as I do from my province, that we guard that jurisdiction jealously. In fact, in my province, not only do we have provincial jurisdiction in education but the churches still have a historic right entrenched in the Constitution. No one wants to change that. All we are saying is that the players in the game, a very important game, should come together around

the table as they did in Saskatoon, and collectively come up with a national strategy for post-secondary education.

The reality, of course, is that while education is a provincial responsibility, 70 per cent of all the funds which support that education in Canada come from the federal Government. Why should it not then be at the table when national education policy is discussed? Why should teachers and students and college administrators not be at the table when national post-secondary education is discussed? That is what we are talking about here today.

I think that it is all the more necessary today that we involve business and industry in that dialogue. More and more there is a necessity to increase the association between the world of work and the world of learning. Never before was that linkage so important. As we move into the information society, it is extremely important that we have the people who are giving the jobs and the people who are doing the teaching talking together about what kind of education we need to do the jobs which are going to be available. That is what CMA is talking about. That is what the Canadian Advanced Technology Association had a conference about in Toronto recently. It called for a national education strategy and a closer dialogue between the world of work and the world of learning.

Businessmen are realizing that if they are going to have employees, they want them well educated, or we will not be able to compete. We talk about free trade, tax reform and supporting high technology. But if we do not have a labour force that is educated, not just once but continuously throughout the life of the labourer, then we will not have a competitive society. Thus the linkage between the world of work and the world of learning is far more important today than it ever was before. That is what Canada has to wake up to. That is what Canada has to do something about.

• (1700)

What we are saying is that all of those groups should come together. The people who are doing the hiring and the teaching, the students, the teachers, the administrators and the two levels of Government should come together. Why can they not? They did it in Saskatoon. They came together for three days. Is three days all we get? How long do we talk about economic policy? How long do we talk about industrial policy? What do we get for education? Three days. Is that what this nation will contribute to the discussion on education? If we can come together for three days, why can we not come together for three months, three years or 30 years? It is possible. That is what we are asking. That is what we are saying has to happen.

It should not stop in Saskatoon. The spirit of Saskatoon has to be kept alive. I wish to point out to my colleagues that we have advisory councils in Canada on the following topics. We have a National Advisory Council on Health. We have a National Advisory Council on Welfare. We have a National Advisory Council on Economics. We have a National Advisory Council on Small Business. We have a National Advisory Council on Mining. I could go on. The list is interminable.

Recently, the Prime Minister (Mr. Mulroney) set up his own National Advisory Council on Science and Technology. I give him full marks for that. He is a man of vision. That is something that should be done. He should call those people together. They should tell him what the policy should be in terms of science and technology. But how can one talk about a national policy on science and technology without talking about a national policy on education? How could it be done? It cannot be done. One of the essential things people are saying is that what we have to give attention to in Canada today is the teaching of science and technology. That is an essential ingredient that we have to include and give emphasis and priority to in the national curriculum. How can there be a National Advisory Council on Science and Technology, recognizing the importance of that, and there not be a national advisory council on education? It is unthinkable.

Is education any less important than mining, small business, women, economics or industrial strategy? Is it any less important than those matters? If we have national advisory councils without in any way injuring or detracting from provincial jurisdiction, why can we not have a national advisory council on post-secondary education? I do not understand that. It seems to me that that is of paramount importance.

The OECD said this to Canada. It said that the lack of educational policies for the future is striking. It pointed out that there is a need to define goals for education to fit a vision of national interest. There is an array of exceptionally active programs derived from no explicitly stated over-all national conception of the country's interests. Decisions have to be taken now concerning the destination of the Canadian school system within an ordered view of the Canadian nation.

In effect, the OECD is saying to Canada, "Get your act together. If you are going to be one of the top seven, if you are going to compete with Japan, Korea, the United States and West Germany, get your act together and do something about it". That is what this Bill calls for. It simply calls for a dialogue. It is not a threatening Bill. It does not involve child abuse or environmental deterioration. It does not deal in any way with heinous crimes. It calls for a national advisory council on post-secondary education. It does not say, "We will take over the systems". It does not say, "We will throw out the provinces". It does not say, "We will fire the Ministers of Education". It simply says, "We want to give some advice". We are not talking about a massive bureaucracy that will suddenly take over policy.

The Bill calls for a 16-member committee made up of the two levels of Government that would advise both levels of Government and that would encourage research and study education questions in Canada. None of these issues are threatening. The 500 or 600 people who came together in Saskatoon recently very clearly said, "Yes, that is a good idea.

Preserve provincial jurisdiction but let us get our act together nationally and let us consolidate our efforts". This Bill is not perfect, not by any means. It should be amended. I had hoped that we could do that in committee. The Canadian Federation of Students is saying, "We believe that there should be students on this national advisory committee". I agree with that. But the students are saying that they think there should be two students out of the 16. It need not be a 16-member committee. We could create a 20-member committee, if that is what is wanted. There is some flexibility here. There is the possibility of amendment. Yes, there should be students on the committee.

The Canadian Association of University Teachers is saying that it feels that teachers should be represented on the national advisory committee. I agree with that. I think that such a provision should be made in the Bill for that.

The Association of Universities and Colleges and the community colleges will want to have representation on the national advisory committee, and so they should. Such amendments can be put forward. What I did was to draw up a Bill which recognized the two levels of Government and provincial jurisdiction. I drew up provisions for a 16-member council that preserved provincial jurisdiction since it would give the majority of members on the national advisory committee to the provinces. They have a majority, as they should, because education is their responsibility. But there are amendments that can be made, and should be made. I hope that if we ever get the Bill to committee they will be made. These things can be done.

I see that my time is coming to a close. I simply want to say again that I believe this is an extremely important idea. I believe it is something that must be done. It is an idea whose time has come. If we are going to call Canada a democracy and if we are going to be representatives within that democracy, we have to listen to the people, to the outstanding people who came together in Saskatoon recently. I give the Secretary of State (Mr. Crombie) credit for doing just that. It was an initiative that I say quite candidly was not taken by my Government. However, it was taken by the Government in power.

The Secretary of State did what no other Secretary of State was able to do. He was able to call together people of stature in Canada to discuss an issue of national importance. I give him full marks for that. I would give him even more marks if we could go further than that and if we could listen to the very clear voice that came out of Saskatoon from 500 or 600 eminent people who said that it is time in Canada now to have a national focus and a national strategy for post-secondary education. That was the message. That was the call. That was the challenge coming out of Saskatoon. Any politician in Canada today worth his salt would listen to that and would have to take some action on it.

Thus I call on the Government and on my colleagues in the House to recognize the importance of this issue. Let us send this Bill to committee where we can examine it and where we can let people from all across the country say what is good and what is bad about it. Let them say what changes should be made and what kind of structure we should have. We cannot go from where we are now to where we want to be unless we have a vehicle.

There are those who say, "Let us go at these problems one by one". But which are the most important and which are the least important? Which will be put on the front-burner and which will be put on the back? I submit we can do none of those things unless we have a national vehicle. That is what we want to create here today.

I know that I have tested your patience, Madam Speaker, and I know that I have been long. Let me just conclude by saying this. We are resource-rich in Canada, but the greatest resource of all is our people, especially our young people. Are we to be one of the top five countries in the world with growing influence? Are we coming of age internationally and discovering what we are, who we are, and throwing off our sense of inferiority and competing head to head with world leaders? If we are, then it is time to make education a number one priority. We have to aim at a national strategy. I think that that is the greatest challenge facing Canada. If we fail to deal with it, it seems to me that we will be putting this nation at risk.

• (1710)

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Madam Speaker, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) made a very convincing argument, and I commend him on an excellent address to the House on a most important subject. I am glad to have the opportunity to speak on the subject of the Hon. Member's Bill. I wish to commence by giving three reasons for my address.

I am sorry that, unlike the Hon. Member, I was unable to attend the conference in Saskatoon on post-secondary education. I know that some of our Members were able to attend that conference, and I believe that they will be speaking on this Bill. I do care deeply about the future of our universities and colleges. Therefore, I welcome the opportunity to bring to the attention of Canadians some important matters that were raised at that conference. I sympathize fully with the sentiments which are underlined by the Bill. Like most who are interested in post-secondary education, I believe that it has a crucial national dimension that we must find better ways to express here in the national House because we do contribute significantly to post-secondary education. As was stated by the Hon. Member, I understand that this view was echoed by those who were in attendance at the forum, including the Hon. Roland Penner who is Chairman of the Council of Ministers of Education for Canada. Consequently, I understand why the many organizations, as well as the Members of this House have called for some type of national council on post-secondary education.

I am pleased to speak today on this motion because there is something very important to be said about the reason for which the House should sincerely consider whether now is the time to move on the Bill that the Hon. Member has presented, no matter how sympathetic we may be to its intentions.

Let me explain my concern by first commenting on the significance of the national forum and the opportunity that it has given us. This opportunity must not be allowed to slip away. For anyone who is aware of the recent history of federal-provincial relations in the area of higher education, the Government's announcement last fall of its proposal for a national forum must have seemed to have been doomed. I know that when the Secretary of State (Mr. Crombie) proposed such a meeting in Saskatoon, he felt that it was probably a "mission impossible". For the federal Government to suggest such a conference in this delicate field of obvious provincial jurisdiction would have been daring, but to feel or even hope that the provinces would co-sponsor it seemed to be quite out of the question.

Yet the forum happened. The Council of Ministers of Education did co-sponsor it. The Secretary of State and the provincial Ministers were able to look beyond past disagreements and find common purpose in exploring the challenges and the opportunities confronting higher education in Canada today. Moreover, they were able to agree at this forum that, if it were to make a genuine contribution to our national sense of direction for post-secondary education, it could not be dominated by Governments.

The Hon. Member made the point regarding others who should be involved in this discussion. Rather, it would have to bring together people with all types of interest and point of view on a large dimension. Together the Governments created the national forum committee and gave it their trust and support. Through the leadership of Brian Segal, President of Ryerson Polytechnic, the committee proved equal to the task and organized what was by all accounts a remarkable, effective event which confronted all the major issues in this complex field.

Earlier this week when Brian Segal spoke to the Standing Committee on Secretary of State, he stated that the first achievement of the forum was to demonstrate that federal and provincial Governments can work together in partnership on an issue of such national importance.

The challenge now facing the Secretary of State and the Council of Ministers of Education is to build on the spirit of co-operation and turn it into concrete action that will benefit higher education in a tangible manner. The Ministers will meet early in 1988 to tackle the challenge. We in this House should assist them in any way that we can for their success is crucial to Canada's future.

One way in which we can help them is by refraining from imposing our will on the federal-provincial relationship. We should not impose mechanisms which may not be appropriate or helpful at this time. That does not mean that this one would not be helpful, and I am referring to the national council which is proposed. While I have already stated that it is admirable in its intentions, this may not be the time for the House to endorse it. Other Members may also wish to give advice on this. It may complicate sensitive discussions that we were very pleased got off the ground.

To return for a moment to the achievements of the forum, the event clearly made a major contribution to raising public awareness and interest in the key issues of post-secondary education in this country. Through the Standing Committee on Secretary of State the House has begun to review this field and it is listening to Dr. Segal. His view of the situation was that creating a new structure at this time would do nothing to achieve the necessary federal-provincial partnership. On the contrary, he suggested that it is important to proceed step by step in developing co-operation.

It would be an entirely appropriate positive step were the standing committee to consider some of the issues raised by this Bill today. We need full public discussion on all aspects of higher education. We in the House can help to emphasize that national perspective. Indeed, it might be appropriate for the committee to hear provincial views on some of those matters. I do not think it would be helpful to federal-provincial relations, or to post-secondary education, for us to endorse this Bill immediately, no matter how well intentioned I believe it to be.

I thank you, Madam Speaker, for this chance to comment on the future of post-secondary education in this country. This level of education becomes increasingly important if Canada is to be fully competitive in the world and realize its potential for social, cultural, and scientific development. We owe it to our country to give every possible support to developments which can encourage the two orders of Government to co-operate more closely, an achievement that the Government has fostered a great deal in the last few years.

• (1720)

In the Throne Speech last fall the Government committed itself to promoting with the provinces and the territories a system of post-secondary education based on the principles of excellence and equality of opportunity. The national forum has taken an important step toward that laudable goal, but it is only a beginning. All of us must help to maintain the momentum which was established at the Saskatoon Conference.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, you will recognize that this afternoon we are dealing with a topic which you and I had an opportunity to discuss in the past. It is an issue that was raised in the New Democratic task force on youth. In that forum it was a reflection of the considered view of students, faculty, administrators, and universities that there should be some kind of structure to establish policies and goals for post-secondary education.

It is because I am so favourably disposed toward the Bill that I want to congratulate my colleague for having brought it before the House. I congratulate him as well for the excellent way in which he has presented his case. He should have been

convincing to all Members of the House. His arguments were to the point, his arguments reflected the reality, and his arguments should have determined an action on the part of the Government to respond in a positive way.

Yesterday I was somewhat saddened, when I asked the Secretary of State (Mr. Crombie) whether the Government would support this Bill to find that there was a good deal of equivocation. Ultimately we find that the Government, it appears, will oppose this Private Member's Bill. I hope it will reconsider.

In addition to congratulations for Hon. Members from both sides of the House, there has been a good deal of self-congratulation over the accomplishments of the national post-secondary forum held in Saskatoon. I must confess that I was not one of those who considered it the best way to approach the issue of post-secondary education. At the time when the Secretary of State made his announcement, I predicted that this forum would treat nothing that had not already been treated before and would not treat anything about which there had not already arisen a consensus, not only in the universities but among all those who have had an opportunity to consider the problems in post-secondary education in Canada and the need to have some national policy direction in respect of it.

I would have to admit in retrospect, as one of those who attended the conference, that it was an exciting event as forums go. It was well organized and generated a degree of focus for the public in respect of post-secondary education and the contribution of colleges and universities to Canada, socially, economically, and otherwise.

One interesting thing about the forum is that there was, as I had predicted, a strong consensus on any number of issues and how those issues should be addressed. Perhaps the most important of these issues, on which virtually unanimous agreement was reached, which was expressed by the rapporteurs from all the workshops, was the need for some kind of national structure to advise Governments on policies and goals for post-secondary education. Therefore, it was a considerable shock to me to find the Chairman of the forum subsequently summarizing the results of those deliberations by equivocating about, if not rejecting, the notion of a national advisory council on post-secondary education.

Subsequently in a press conference the Secretary of State and the Chairman of the conference both seemed quite unequivocally at that time to reject the notion. We heard pretty much then, as we are hearing now, some proposal that we would take the variety of problems which exist and have been identified in post-secondary education and treat them one by one through the Council of Ministers of Education.

In that respect I share the point of view of the author of this legislation that that is insufficient, just as does everyone else. As was suggested earlier, it was not just a question of those involved in Canada having identified that there is something wrong. The OECD identified that something was wrong quite some time ago. If Canadians do not recognize that there is something wrong by now, then they have their eyes closed. Most Canadians who have looked at the problem know how it must be addressed. Indeed, the Government seems to be moving more closely to an appropriate response to the great plea across the country that something be done.

I am sure that no one who supports the proposal in principle for a national advisory council on post-secondary education would consider the Bill before us as adequate in any respect. However, it addresses the principle. The author has identified a number of groups that I would have assumed would have been included in any recommendations on who should serve on such a national advisory council. Of course all the provinces should be represented, but certainly it is also clear that those who serve the colleges and universities, and those who benefit from those institutions, should be represented in respect of the nature and quality of education. As well, as was mentioned earlier, there is a great deal of significance in the mission of the university in respect of research and development and industrial growth. It is elementary that students should be represented, that faculty should be represented, that the Government should be represented, that labour should be represented, and that business and industry should be represented somehow.

It was kind of interesting that in the committee meeting the other day we were told that the forum was so effective that we might have another forum a year and a half from now. My God, it was imagined that we might have a forum practically every month. I began to recognize that what was coming out of these utterances by Mr. Segal was not an avoidance but a merging with the proposal before us. If a forum every year or every half a year is appropriate and can bring all these people together, surely it is possible to have something less episodic and something more permanent and more useful—a group which would consist of people who are better informed. It would be better to have something like an advisory council—people of the same representative group as exists in the forum—than to have repeated forums.

We can talk all we want about jurisdictional disputes, but we can no longer have the post-secondary system, which is to benefit the country and is necessary for our destiny, being laid aside forever on the basis of the excuse that nothing can be done because we are in a quarrel with the provinces or because the provinces are jealous of their jurisdiction. It has nothing to do with jurisdiction. We should use our imagination and come up with something that would accomplish what needs to be accomplished.

If the President of the United States can have a commission which has led to considerable reform of post-secondary education in that country without entering into the area of jurisdictional disputes, then Canada ought to be able to do it as well, and we should do it now.

There is no difference in my mind between voting on second reading of this Bill, allowing it to go to committee, and

defeating it, and having the same matter come before the committee in another fashion.

It is necessary for the Government to show a commitment to this great necessity and to do it now, before it is too late. We can no longer compromise the future of the country, of our students, of our industry, and of our destiny by failing to address the needs of post-secondary education.

* * *

[*Translation*]

MESSAGE FROM THE SENATE

The Acting Speaker (Mrs. Champagne): I have the honour to inform to the House that a message has been received from the Senate informing the House that the Senate concur in the amendments made by the House of Commons to its amendments 13(a), (b), (c) and (d), 14(a), (b), (c) and (d) and 16(a) and that the Senate do not insist on its amendments 4(b), 11, 12, 15(a), (b) and (c), 16(b), (c), (d) and (e), 17(a) and (b) and 18(a) concerning Bill C-22, an Act to amend the patent Act and to provide for certain matters in relation thereto.

• (1730)

[*English*]

A message has been received from the Senate informing the House that the Senate has passed Bill C-53, an Act to amend the Supreme Court Act and to amend various other acts in consequence thereof, without amendment.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a communication has been received as follows:

Rideau Hall
Ottawa

November 19, 1987

Sir,

I have the honour to inform you that the Honourable Antonio Lamer, Judge Puisne of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 19th day of November, 1987, at 5.30 p.m. for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Léopold H. Amyot
Secretary to the Governor General

PRIVATE MEMBERS' BUSINESS—BILLS

[*Translation*]

CANADIAN POST-SECONDARY EDUCATION COUNCIL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Rompkey that Bill C-228, an Act to provide for a Canadian Post-Secondary Education Council, be read the second time and referred to a legislative committee.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Madam Speaker—

The Acting Speaker (Mrs. Champagne): If the Hon. Member would allow me, with no hard feelings, I would like to alternate as usual and recognize his colleague from the Opposition. The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins).

[*English*]

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Madam Speaker, I want to rise today to speak on this Bill which provides for a Canadian post-secondary educational council. I want to congratulate my colleague, the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), for introducing this Bill. He has a good background in educational experience himself and he did present this Bill very effectively to the House. He is addressing an issue that is all important to the future of Canada today.

I want to say to the others who have spoken that I appreciate the tone of this debate. They have taken the time to compliment the Member in bringing his Bill forward and put forth their own cases most effectively. As a person who had the opportunity in my earlier years to teach all grades from Grade 1 to Grade 13 with several years spent both at the elementary and secondary level, I think that the time is long overdue when some leadership should take place in a field such as this at the national level.

As we all know, education is very much a provincial matter. It is in the interest of all Canadians, no matter where they live in Canada, that education be tackled both on behalf of the young but also on behalf of those who are upwards to middle age and are still wage earners in the families of this country. Modern science, technology and developments are such that people not only have to be trained when they are young but also as time goes on. That is why it is very important to have an educational council such as the one recommended in this Bill.

If we set up such a council it is important that we have serving on that council people with vision, foresight and some good basic intelligence who are interested in the future of Canada and its people. It cannot become a board for hangers-on wanting political plums. I note that my hon. colleague from

Grand Falls—White Bay—Labrador has looked after that part very early in the stages of this Bill. I note too that there is no remuneration for the people who sit on the council. In setting up a council such as the one proposed, you will get the kind of dedication, foresight and in-depth interest required to tackle a problem that is really a human oriented one and an economic one.

Given the structure of our Canadian Constitution, Madam Speaker, it is extremely important that you have both regional, provincial and territorial representation on that council as well as representation at the national level in this country. The Hon. Member in his Bill has provided for 10 appointees from the provinces of Canada and appointees from the federal Government. I would suggest to him—I know he is well inclined to these things—that that might even be brought a little further to include the territories specifically in Canada.

I think the nuts and bolts of this whole thing are well laid out in the suggestion that a national forum on education be created to establish national goals and objectives for education as a resource of the nation—note, as a resource of the nation—to oversee the development of policy and mechanisms, to implement these goals and objectives and to consult and co-operate with provincial jurisdictions in order to seek to achieve the following objectives: (a) participation of the community at large, including Government, business, labour and the academic community; (b) curriculum development.

If there is anything more crucial that this council would deal with, I would think it would be the making of recommendations and curriculum development at the youth level and right across the spectrum when you are retraining people later in life. It has to include the definition of entrepreneurial and technological understanding, the necessity of excellence, and the requirement for continuing education, which I have mentioned a couple of times thus far. Then it has to have structures for delivery, commencing with teacher training and retraining.

You can have the greatest policies on earth and the greatest plans and recommendations—

The Acting Speaker (Mrs. Champagne): Order, please.

• (1740)

THE ROYAL ASSENT

[*English*]

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

> Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly, the Acting Speaker (Mrs. Champagne) with the House went up to the Senate chamber.

[*Translation*]

And being returned:

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that when the House went up to the Senate Chamber, the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

> Bill C-22, an Act to amend the Patent Act and to provide for certain matters in relation therto—Chapter No. 41.
>
> Bill C-53, an Act to amend the Supreme Court Act and to amend various other Acts in consequence thereof—Chapter No. 41.
>
> Bill S-10, an Act to revive Yellowknife Electric Ltd. and to provide for its continuance under the Canada Business Corporations Act.

Mr. Malépart: On a point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) on a point of order.

Mr. Malépart: Madam Speaker, could we know which bills have received Royal Assent? To reassure people, I would like to know whether Bill C-22 is among them.

The Acting Speaker (Mrs. Champagne): As I told the House when the message was received, Bill C-22 and C-53 have received Royal Assent.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

TRADE—UNITED STATES EXPORT ENHANCEMENT PROGRAM—REPORTED SALE OF WHEAT TO ALGERIA/ POSITION OF UNITED STATES ADMINISTRATION

Mr. Maurice Foster (Algoma): Madam Speaker, on November 2, I put a question to the Secretary of State for External Affairs (Mr. Clark) concerning the Government's position with regard to the United States export enhancement program. You will recall that program provides one bushel of wheat out of government stockpiles for every three bushels sold through private sales to consumer countries around the world. This program has had a devastating impact on Canadian producers in that it has driven down the international price of wheat and other grains. All this comes on top of the U.S. Farm Bill which also affects the world price of wheat. Those two programs have had a devastating impact on the Canadian grain industry and that is why we hope the Government of Canada will provide a special grain program this year worth at least $1.6 billion. The damage to Canadian farmers is worse than that and more is needed, but that is another subject.

• (1750)

The free trade agreement initialled by our Government on October 3 said that the U.S. would take Canada's needs and concerns into account when using its Export Enhancement Program and other farm commodity export subsidy programs. Clearly the U.S. is abrogating that part of the treaty. The Minister acknowledged that in this House on several occasions. He said he would take up the matter with Secretary Shultz. He did so apparently in late October. Obviously Mr. Shultz paid no attention whatsoever because the Minister hardly even commented on what Mr. Shultz had to say.

Even worse than that, at just about the same time a Reuters report of October 20 indicated that the U.S. Secretary of Agriculture said that the U.S. will continue its policy of subsidizing farm exports in order to regain lost markets until there is a global agreement to end such subsidies. Clearly this statement, almost three weeks after the Canada-U.S. free trade agreement was initialled, indicates that the U.S. is not backing off and will continue to use this program against us in violation of the agreement. Obviously the U.S. is not treating Canada with any consideration at all. This is very harmful and makes people question whether the free trade agreement is worth the paper it is written on.

In addition, the continued use by the U.S. of its Export Enhancement Program with customers like Algeria, Saudi Arabia, Russia, China, India, and others, is not only driving down the price of grain for our producers, it is stealing away valuable Canadian markets and it should be stopped. If the Americans really believe in that free trade agreement, then it should stop this harassment of Canadian grain producers in our traditional grain markets and stop hurting Canadian cash crop producers.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I wish to thank the Hon. Member for his question as it allows the Government of Canada to clear up a number of misconceptions which, quite frankly, have been created by Members opposite.

I should like to make two points in particular. First, the Export Enhancement Program is not new. Second, while we are dead set against the Americans using this program, it is not a violation of the free trade agreement signed between Canada and the U.S.

The Export Enhancement Program, or EEP, has, through its predecessor, the Bonus Incentive Commodity Export Program, or BICEP, been a part of American agriculture policy since it was first introduced in May of 1985. Under the program, the U.S. targets a market it intends to sell into and offers quantities of a commodity at cut rate prices. In this case we are talking 300,000 tonnes of durum wheat being offered to Algeria under the EEP.

Canada is against this provision of the U.S. Farm Bill. We have been voicing our opposition to it since it was first introduced as BICEP. We have not been dissuaded from voicing our opposition to and distaste of a measure which inflames trade distortions in grains and oilseeds. We have complained against the EEP in the same way we have complained about similar policies of the European community. However, our complaining will not stop this practice. Consensus at GATT to do away with such trade distorting measures is where real change will occur. We are confident that this consensus is growing and change will occur.

I should also like to point out that, in the face of the EEP and other such policies of other countries, Canada has still increased sales and market share. For example, according to the International Wheat Council, Canada has shown the largest increase in market share of all the major wheat exporters. The IWC reported earlier this year that the largest net increase among wheat exporters over the last seven years was recorded by Canada, whose share rose from 18.1 per cent to 23.9 per cent.

When it comes to the free trade agreement signed between Canada and the U.S. just recently, our two nations are showing to the world just how barriers to trade can be lowered, if not reduced entirely. When the two countries which are responsible for the largest flow of two-way trade in the world can work out a deal of this magnitude, think of the example we have provided and the impetus we have given to the other signatories to the General Agreement on Tariffs and Trade to accomplish the same thing on a multilateral basis.

The Americans have placed the EEP on the table at GATT. Other nations have placed similar trade distorting programs on the table, too. A consensus is forming that all nations must break down the barriers and adhere to fairer trading rules. Canada will not rest until such policies as the Export Enhancement Program are done away with.

• (1800)

IMMIGRATION—AMNESTY FOR REFUGEE CLAIMANTS—GOVERNMENT POSITION/STATEMENT ATTRIBUTED TO CHAIRMAN-DESIGNATE OF REFUGEE BOARD

Mr. Ross Belsher (Fraser Valley East): Madam Speaker, a few weeks ago I asked the Minister of Employment and Immigration (Mr. Bouchard) if a statement made by the chairman designate of the new immigration and refugee board in a national paper was true. That statement, as seen on the front page, was that the Government had every intention of granting amnesty to the 40,000 backlogged refugee cases already in Canada. The Minister's reply clearly pointed out that there is "absolutely no question of giving amnesty to anybody". It is my belief that we must be able to maintain control of our borders.

The reason I requested an opportunity to speak further is that the topic of abuse of our refugee policy has been a major issue in my riding of Fraser Valley East and in other areas of Canada throughout the year. Canadians are well known internationally for their humanitarian manner, but even our patience has been tried by obvious abuses of this quality.

When the boatload of Sikhs landed in Nova Scotia late in July, I received several hundred phone calls and many petitions telling the Government to tighten our laws. When this article came out in the paper in October, the same people were asking themselves why the Government would tighten the laws while at the same time giving amnesty to all those already here. I have spoken to the Ministers responsible for immigration several times and knew that there could not be any truth to the allegations we were reading in the papers.

Bills C-55 and C-84 have been passed by this House. Bill C-55 was passed on October 21 and C-84 earlier, on September 14. These two pieces of legislation will guarantee that bogus refugees, or those people who try to make money from smuggling human cargo by offering passage to Canada, will be dealt with by law.

As I have already said, we want to make sure that we maintain control of our borders and do not just throw open the doors for every person claiming refugee status. Many of the supposed refugee claimants come to Canada strictly for economic reasons and should not be considered bona fide refugees. When they abuse the system, fewer genuine claimants can come here.

The Minister of State for Immigration (Mr. Weiner) recently tabled the immigration levels for 1988. Government assisted refugees will be up 1,000 to 13,000 and this will target refugees from Latin America, up by 200; eastern Europe, up by 300; and West Asia/the Middle East, up by 900. As well, there is an estimate of 6,000 privately sponsored refugees but there is not a limit for this group and we encourage the voluntary sector to sponsor such refugees.

The Government has, I believe, been working very responsibly to get a handle on the entire scheme of immigration, but particularly on refugees. Earlier this year the media was reporting that we were granting amnesty to refugees. This was all so misleading because an administrative, case-by-case review of each of the backlog claims was being done.

Changes that have been made throughout the year by the Government, including introducing and passing Bills C-55 and C-84, have increased Canada's ability to help genuine refugees and will continue to help deter the abuses of our system. I urge the other House to get on with the passage of these two Bills.

It is unfortunate that statements such as that made by the chairman designate of the review board led Canadians to false assumptions, but as the Minister said in reply to my supplementary question, this board will be independent and is, therefore, entitled to make its own responses separate from the Government.

In closing, I would like to thank the Minister for his forthright reply to my question and to reiterate what he said on October 29 that "there is absolutely no question of giving amnesty to anybody". The Government is aware that we must be able to maintain the control at our borders.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I welcome the opportunity to expand upon the reply of the Minister of Employment and Immigration (Mr. Bouchard) to the Hon. Member for Fraser Valley East (Mr. Belsher) on October 29 of this year. I would like to commend the Member for Fraser Valley East for his interest in the subject of immigration.

The Minister has clearly stated that there will be no amnesty for refugee claimants caught up in the current backlog. I am pleased to hear from the Member tonight that he has expressed that position also.

• (1805)

The idea of periodic amnesty destroys the very concept of an orderly immigration program. We are not saying to the world's would-be migrants, including refugees, that Canada does not take its own law seriously. We are not saying to these people that if they reach these shores, they will automatically be accepted as residents after spending a year or so in a processing backlog. Quite the contrary, we are saying that order and fairness will be applied to all persons seeking admission to this country. We are saying that refugee claimants, and anyone else for that matter, will have their cases determined on their merits, and that there will be no advantage granted to any person who misrepresents their true intentions.

The Government's intentions have already been expressed in Bill C-55 and Bill C-84 which have recently been passed in this House. At the moment we are continuing to process the refugee claimants case-loads efficiently and effectively. By early October 1987, the Refugee Status Advisory Committee had dealt with nearly 6,700 claims and the Immigration Appeal Board had dealt with nearly 900 claimants. Efforts to improve productivity are ongoing and commission officials expect to increase the number of final refugee claim decisions.

Furthermore, Hon. Members should recall that Bill C-55 contained transitional provisions by which the remaining case load under the old process could be dealt with upon proclamation of the new law. There may continue to be speculation about the manner in which immigration matters should be resolved but the Government's intentions are already recorded in the two Bills which have passed this Parliament.

CANADIAN SECURITY INTELLIGENCE SERVICE—ALLEGED INFILTRATION OF LABOUR UNIONS/ALLEGATION OF INTERFERENCE IN LEGAL PROSECUTION

Mr. Svend J. Robinson (Burnaby): Madam Speaker, on September 24 last I addressed a question to the Prime Minister (Mr. Mulroney) concerning very serious allegations about the abuse of the sweeping powers of Canada's security service, CSIS. The allegations with respect to abuse of those powers which were granted by Parliament in 1984, following a very vigorous debate, are very serious indeed. There is clear evidence that CSIS in its fundamental inability to distinguish between subversion and dissent has in fact massively violated

the fundamental civil liberties and privacy of many, many Canadians.

Indeed, I have produced documentary evidence in this House demonstrating clearly that CSIS had penetrated, and infiltrated democratic organizations in Canada including the labour movement, the peace movement and legal political parties. Canadians remember all too well the litany of horrors of illegality and violations of civil liberties by the RCMP security service, particularly in the 1970s, as revealed by the Macdonald Commission, and the institutional contempt for the law which it displayed at that time. It was precisely because of that that Parliament decided to create a new civilian security service. At the time we in the New Democratic Party warned that the mandate of the new service was so sweeping, so dangerously broad, as to permit very grave abuses of the civil liberties of Canadians. The Conservative Party when it was in opposition in 1984, joined in those criticisms. I remember well at the Standing Committee on Justice and Legal Affairs and in the House Conservative after Conservative standing and attacking the CSIS legislation as being far too broad and dangerous. They joined in my call for parliamentary oversight of the actions of CSIS.

• (1810)

[*Translation*]

But, Madam Speaker, things have changed. The Conservatives have now been the Government for three years. Even if, when in opposition, they vividly condemned the CSIS, since they came to power they did nothing to change this dangerous legislation, they did not instruct the Canadian Security Intelligence Agency not to target the union movement in Quebec for example. We know very well that the CSIS infiltrated the CSN as well as the CEQ. We know full well that a delator, an informer, Mr. Marc Boivin, encouraged other members of the CSN to commit illegal acts, violent acts against property.

[*English*]

We have seen the abuses. Yet, the Conservative Government stands idly by while CSIS attacks the fundamental civil liberties of Canadians, Canadians who are active in the peace movement and the labour movement. It attacks those who have chosen to join a political party which may not be popular and which may be small but which, nevertheless, is legal. Surely, the test of our commitment to civil liberties is our commitment not to harass, to intimidate and to infiltrate those small unpopular political parties, such as the Communist Party of Canada, *le Parti communiste du Québec*, the Communist Party of Canada, Marxist-Leninist.

We have a security service which is out of control, which in itself constitutes a serious threat to the security of Canadians. I call upon the Minister to make public the report of the Osbaldeston committee which he has appointed. I call on the Minister to assure the House that CSIS will stop its targeting of legal dissent and stop its sweeping investigations of the Sikh community, tarring the name of a community which is by and large law-abiding and upstanding.

I hope that the Parliamentary Secretary in responding today will make a commitment to the House and to Canadians to a public report by the Osbaldeston committee to bring forward at a very early date amendments to the CSIS legislation to finally bringing under control a security agency which is clearly dangerously out of control.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, it has been alleged in the House and the media that the Canadian Security Intelligence Service has infiltrated labour organizations. I want to assure the House that labour unions are not investigated by the service simply because they are labour unions.

Hon. Members should appreciate that organizations or individuals may be the subject of an investigation by the service only if they are suspected on reasonable grounds of being involved in activities constituting a threat to the security of Canada under Section 2 of the CSIS Act. Specifically, in this regard the service can investigate to the extent strictly necessary, and I quote:

> Espionage or sabotage that is against Canada or is detrimental to the interests of Canada or activities directed toward or in support of this espionage or sabotage;
>
> Foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada and, are clandestine or deceptive or involve a threat to any person;
>
> Activities within or relating to Canada directed toward or in support of the threat or use of acts of serious violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state; and
>
> Activities directed toward undermining by covert unlawful acts or directed toward or intended ultimately to lead to the destruction or overthrow by violence of, the constitutionally established system of Government in Canada.

• (1815)

Activities that constitute lawful advocacy, protest or dissent may not be investigated unless those activities are carried on in conjunction with the activities that I have mentioned.

Members should note that the definition of "threats to the security of Canada" does not include labour unions or the legitimate activities of the labour movement.

Members can be confident that any investigation initiated by CSIS has not only been examined to ensure that it falls within the mandate established by this House, but has been subject to careful scrutiny to determine the appropriate level of investigation that appears to be required.

Members should also note that there are a number of review mechanisms established by the CSIS Act which are external to the service. Within the ministry of the Solicitor General there is the Office of the Inspector General. Part of his responsibility is to monitor the compliance by the service with the Act, its operational policies, and to review the operational activities of the service. This is being done on a continuous basis and nothing in the way of information held by the service in

relation to its duties and functions can be withheld from the Inspector General save confidences of the Queen's Privy Council of Canada.

At this point I would like to add that the Solicitor General has asked the Inspector General to look into the allegations relative to the labour unions. The Security Intelligence Review Committee has also requested that the Inspector General undertake a similar investigation on its behalf.

I am sure that Members are aware that the CSIS Act established an independent Security Intelligence Review Committee made up of Privy Councillors. Its responsibilities are to review the operational activities of CSIS, and to ensure that the service is carrying out its duties and functions according to law and in compliance with all directions issued by the Solicitor General (Mr. Kelleher). It reports annually to Parliament.

Members should also note that the review committee has authority under Section 41 of the CSIS Act to investigate complaints made by individuals with respect to any "act or thing done by the service". Therefore, union officials have a specific channel provided by the legislation to raise the types of concerns that have been raised recently.

In summary, I would like to remind the House that there are extensive safeguards in place under the Act to detect abuses of the type Members are concerned about and to ensure that they are brought to light. I would encourage Members to take confidence in these provisions and to let the Act work in the manner that it was intended.

Mr. Robinson: Same Liberal hogwash.

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Friday, November 20, 1987

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—FISHERIES—ALLEGED GOVERNMENT MISMANAGEMENT

Mr. George Henderson (Egmont) moved:

That this House condemn the Government for its inept management of Canada's fisheries in Atlantic Canada and its lack of political will to assert Canada's rights in the Canada-France dispute and for its willingness to allow Americans to exploit its weaknesses in order to gain control over processing in the fishing industry.

He said: Mr. Speaker, I am pleased today to present this motion to the House pursuant to Standing Order 82(12).

This Government has been a major disappointment to our fishermen, especially, of course, inshore fishermen. Since 1984, the Department of Fisheries and Oceans has ignored the needs of our fishermen. Time and time again this Government has tried to pinch every last dollar from our fisheries programs.

Let us review this Government's record. The budget estimates give us the big picture. In 1984-85 the Department's budget was about $690 million. In the first full year under this Government, 1985-86 the budget was slashed to $620 million. In 1986-87 it was cut even further to $550 million. This, of course, is roughly the budget for the current year.

Using the 1984-85 budget as a yard stick, this Government has accumulated nearly $350 million worth of cut-backs in this Department alone. Obviously, the Minister of Finance (Mr. Wilson) does not have any fishermen in his riding. In his November 1984 Economic Statement, the Minister of Finance announced that the Government would, among other things, privatize the Fishing Vessel Insurance Plan. Had this been carried out, many fishermen in our outlying communities would not have been able to insure their boats. Little wonder our fishermen were outraged and the Government had to change its mind. Indeed, the plan was kept, but the Government has now increased the premiums so high that fishermen can get cheaper rates from private companies. The Fishing Vessel Insurance Plan is now of little benefit to our fishermen.

In February 1986 the current Minister slashed the Fishing Vessel Assistance Program which was introduced in 1942. This program helped fishermen to purchase new vessels or upgrade the quality of those they already had. The program recognized that fishermen sometimes had problems setting aside enough savings for a large investment. The Minister, of course, may argue that the provincial loan boards already provide enough assistance for fishermen, but it should not be forgotten that provincial approvals often hinge on federal assistance.

By cancelling this program, the federal Government also caved in to the United States International Trade Commission. In its tariff ruling against our fish exports, the commission ruled that the Fishing Vessel Assistance Program provided a subsidy to our fishermen and was therefore countervailable. The Minister even admitted that the American ruling was an important factor in his decision to cut this program. We know that the American commission was under heavy pressure by a New England fish lobby to kick our fishing industry out of their market. But to have our own Fisheries Minister swallow this American argument hook, line and sinker is absolutely ridiculous.

• (1010)

The real reason for the American protectionism is the fact that our fish stocks are in better shape than theirs. The American belief in a free-for-all fishery has led to the depletion of their stocks.

The Government seems to have two ways to deal with programs for our fishermen, either eliminate them altogether, such as was done with the Fishing Vessel Assistance Program, or weaken them enough to make them practically worthless, such as was done with the Fishing Vessel Insurance Program.

Yesterday, we discussed the Government's record on the Small Craft Harbours Program. We can hardly mention the subject of fisheries without noting the tuna incident of 1985 and Dr. Art May, the former Deputy Minister of Fisheries, who became the fall guy for that controversy. Dr. May, a great Newfoundlander, was one of the key players in establishing Canada's fisheries management system, generally recognized now as the best in the world. He is a world class scientist who was able to talk to our fishermen. It is little wonder the morale of the Department has sunk so low.

Then there was the bail-out of Bayshore Tuna when the Minister rejected the advice of his own Atlantic Bluefin Tuna Advisory Committee and gave a quota of 401 tuna to Bayshore Tuna which then sold it to Japanese vessels. Bayshore Tuna received middleman profits for doing absolutely nothing. We

learned later that the lawyer for Bayshore Tuna was Mr. John Grant, a director of the Progressive Conservative Party's national executive and a Tory appointee on the Canadian Development Investment Corporation.

Then, to make matters worse, in January of this year we had the Canada-France agreement on quotas and boundaries. In order to get France to sit down to discuss the possibility of sending the St. Pierre and Miquelon boundary dispute to international arbitration, Canada agreed to give France future considerations for quotas of northern cod. The deal was hatched in the Office of the Prime Minister (Mr. Mulroney). Even the Minister of Fisheries and Oceans (Mr. Siddon) may not have been consulted before the deal was signed. Of course, the Province of Newfoundland was completely ignored in the final negotiation. The Minister of Transport (Mr. Crosbie), the regional Minister for Newfoundland was ignored. But the Minister of Fisheries and Oceans rose in the House to try to defend the indefensible. He could not.

The Minister of Transport, after forcing the Prime Minister to sign his letter of ultimatum, then became the federal Minister of Fisheries for Newfoundland and Labrador. Then the first thing the Minister of Transport did was make a video featuring himself, including a cameo appearance by the other Minister of Fisheries. The Province of Newfoundland was covered with pamphlets.

On March 5 the Minister of Transport told CBC Radio that his propaganda project would only cost $40,000. However, the newspaper reported that the video and pamphlets cost the Canadian taxpayers about $200,000. We know the Minister of Transport does not like his present job and that he would rather be in Finance, but he has ruined his chances with his splurge on these videos. He came in five times over budget. This is typical of Tory hyprocrisy. It cuts back on fishermen and spends freely on videos. To add insult to injury, the other Minister of Fisheries had to pick up half the cost of the Minister of Transport's publicity campaign.

It is hard to know who in the Conservative Government is standing up for the interests of our fishermen. Is it the Prime Minister's Office, External Affairs, the Minister of Fisheries or the Minister of Transport? Who in Cabinet is standing up for the interests of the fishermen? I do not believe we do not have anyone standing up for them.

I now want to turn to free trade in the fishery. The Prime Minister has hailed this trade deal as a cure for regional disparity. I would ask Hon. Members to remember that this is the same Prime Minister who, in 1984, said that he was not afraid to inflict prosperity on Newfoundland. The people of Atlantic Canada know differently. This Government has a poor record in keeping its promises.

The people of Prince Edward Island were very concerned about the federal Government's intention to sign a free trade deal with the United States. Their fears are now well justified. The Minister for International Trade (Miss Carney) went to Prince Edward Island several weeks ago where she had a disastrous road trip. She insulted the United Church of Canada and the Canadian Conference of Catholic Bishops. On a radio show she declared, "It is not an appropriate thing for the church to do. There is a lot of danger in a church group lining up with the Opposition Parties on economic issues". Just because some groups make independent appraisals of free trade that may coincide with that of the Opposition Parties against free trade, it does not say that they are lining up. They have the right to make their decisions on their own and should not be criticized for that. There is a great deal of danger, of course, as the Minister said, in these church groups lining up with Opposition Parties on economic issues. The Minister for International Trade does not like the message so she tries to shoot the messenger. I can tell her that it will not work in Prince Edward Island.

The Prime Minister and his Ministers have said that a free trade deal will guarantee secure access for our fish in the American market. The U.S. market is our most important market, especially for our producers in Atlantic Canada. They have been extremely worried with the growing protectionism among American industries. The threat of countervail action is a very real concern, especially for our fishing industry which has fought two countervail actions in the past three years.

In January of 1985, the American Department of Commerce slapped a 24 per cent duty on our export of dried salt codfish. The then Acting Minister of Fisheries, the Hon. Member for St. John's West, was asked if the Government was going to protect our access to that market. As reported at page 1823 of *Hansard* for January 30, 1985, in response to a question asked by myself, the Minister said:

> At the appropriate time, if and when it becomes necessary for influence to be exerted, the Prime Minister, because of his relationship with the President of the United States, will be able to be very effective.

Not only did this duty remain in place but, as my colleagues have pointed out, many times since then there have been many more American countervail actions. The list even includes our fresh groundfish exports and a duty of 5.8 per cent was laid on them in March of 1986. There is no doubt that the Americans consider the seasonal UI benefits for fishermen as an unfair subsidy. Under current American trade law, which was also in place for the groundfish case, the UI benefits were not defined as an unfair subsidy to our fishermen because they were available to the general public, subject to certain criteria.

Against this experience it is hardly surprising that our fishing industry wanted protection from those countervail actions. They are very expensive, time consuming and disruptive.

Has the free trade deal kept the Prime Minister's promise of secured access? Will our fishing industry be protected from future harassment? The answer is no. Even Simon Reisman has now admitted that the free trade deal does not protect us from American countervail actions.

To make matters worse, the free trade deal does not protect our fishing industry from the provisions of the omnibus trade Bill presently before the U.S. Congress. We know that the Prime Minister calls the binational review panel a great achievement. But the panel can only decide if trade laws have been fairly applied. But what if the trade law is unfair to begin with?

Let us look at one provision of the U.S. trade bill which defines an unfair subsidy. It defines it as "any advantage that would not exist but for government action". Under this definition our UI program could be interpreted as an unfair subsidy. The American fishing lobby could even launch more actions against our export. This legislation could be approved before the trade agreement takes effect on January 1, 1989.

The Minister for International Trade must have forgotten comments she made about this Bill during the free trade debate on March 16 of this year when she said, as reported at page 4178 of *Hansard*:

> There are hundreds of protectionist Bills awaiting action in the Congress. That mood should convince even the most skeptical Canadians that our trading relationship with the Americans is under attack. The new trade Bill would resume that attack if we are unsuccessful in our trade negotiations.

• (1020)

The Minister for International Trade obviously knew about all those protectionist bills that were in the U.S. Congress. I, like most Canadian fishermen and most Canadians, would have thought that this would have been one of the most important items to be addressed in the free trade negotiations. Those should have been negotiated before any trade deal was signed. When we know that something is taking effect in the United States that will harm our industry, whether it is fishing, agriculture, or anything else, and we are dealing with that country, obviously that would have been one of the things that should have been negotiated and covered under a trade deal. The Minister has flunked her own test.

Other Ministers should also swallow their words. On July 2 the Minister of Transport told the St. John's Board of Trade, as reported in the *Evening Telegram* of July 2, 1987:

> Unless we get out from under the threat of countervail and other U.S. trade remedy laws and unless there is an effective dispute resolution mechanism to bind the Americans to their commitments, a free trade agreement with the United States would not be a good deal for Canada.

That was stated by the Minister of Transport.

As mentioned earlier, Simon Reisman has admitted that the threat of countervail and other American trade remedies is still around. What has the fishing industry said about this so-called dispute settlement mechanism?

When he was commenting on the free trade, Ron Bulmer, the President of the Fisheries Council of Canada stated on the CBC radio fishermen's broadcast program:

> Our disappointment of course, is in the binding dispute mechanism. We had hoped that there would be some real progress in that area . . . we're not going to save a dime, we're not going to prevent being hassled so we didn't get what we wanted in the binding dispute mechanism?

The Minister of Transport should now realize that this is a bad deal. Of course, the Minister will argue that the removal of tariffs on higher processed fish products will create thousands of jobs in the fishing industry. I wonder if the Minister seriously thinks that Fisheries Products International will close its plants in Massachusetts to expand its plants in Newfoundland. That, Mr. Speaker, seems very unlikely. The Prime Minister is trying to pull the wool over the eyes of Canadians, and I believe that he will not succeed.

Inshore fishermen, particularly those in northeastern Newfoundland have had four poor seasons in a row. In some communities, catches have dropped by as much as 75 per cent. The fishery is the only source of income.

While the large companies with the large offshore trawlers have done extremely well, the inshore fishery has been a dismal failure. The Minister of Transport says that the price of fish has increased; the value of landings are up. He ignores the problems of the inshore fishery. Since 1984, in zone 2J3KL, the inshore catches have dropped from 96,000 tonnes to 71,000 tonnes. In 1987, the Government even cut the total allowable catch by 10,000 tonnes. But things have only become worse. The Government has set up a task force, but it must show a real commitment to the inshore fishery.

Another issue is foreign overfishing off Canada's East Coast. Since the imposition of the 200-mile limit in 1977, the foreign fishing effort in Canada's waters has been gradually replaced by our domestic vessels. For instance, the total allocations to foreigners of Canadian managed stocks have declined from approximately 600,000 tonnes in 1977 to 280,000 tonnes in 1985.

Those allocations are intended to prevent overfishing of transboundary stocks which straddle the 200-mile limit. The Northwest Atlantic Fisheries Organization (NAFO), composed of 12 countries including Canada, allocates those stocks to its member countries. However, the quotas set by NAFO depend entirely on voluntarily compliance of its member nations. Given the increasing value of fish products, those countries have been severely overfishing.

The Department of Fisheries and Oceans estimate that NAFO members, excluding Canada, have caught twice the allowable catch, 68,690 tonnes, set by NAFO. I wish to point out that, for every 1,000 tonnes of groundfish overfishing by foreign vessels, it is estimated that more than $1 million worth of landings is lost to Canadian fishermen. Once processed, that amount of fish equates to full-time, year-round employment for approximately 100 plant workers on shore.

This problem is compounded by the fact that several countries, for example, the United States, Mexico, and South Korea, are fishing those transboundary stocks, but they are not members of NAFO. Of particular concern is transboundary stocks in the area known as the nose and tail of the Grand Banks, located just outside the 200-mile limit. This is very serious, because those stocks cross those boundaries, and while they are sometimes outside the 200-mile zone, they also come into the Canadian waters. Any overfishing outside the 200-mile zone is very serious, especially in the nose and tail of the Grand Banks. The Minister knows this, and I know that he understands this fully and well.

In this case, I think that we have all tried to get those countries to manage the stocks outside the 200-mile zone within the FO.1. This has also fallen on deaf ears, and I think that action must be taken either through negotiation or by unilaterally declaring that the nose and tail of the Grand Banks should fall within Canada's management jurisdiction. This measure would have the unanimous support of the entire fishing industry.

I know that you are signalling to me, Mr. Speaker, that I only have a minute left. I have many things that I would like to cover. One of the issues that is very important is the sealing problem in Atlantic Canada. I brought this up myself not too long ago with several members of the Canada-European Parliamentary Conference in Banff. France wants more fish, and the European Economic Community wants more fish. They are very ones that bowed to the pressures and curtailed the seal hunt. I know that the Minister and most of us on this side of the House agree that something must be done, but today I would have to call upon the Government to do something constructive, certainly with a grey seal cull.

The proliferation of grey seals has become one of the major problems in our Atlantic fishery. The increasing population has been confirmed by scientific surveys. The grey seals are consuming more fish and damaging more gear. They also cause widespread sealworm infestation in certain groundfish species. For fish processors, this entails substantial costs because of lower valued products and the additional outlays for more personnel and equipment. The entire fishing industry has called for control measures. For instance, an annual cull conducted during the breeding season in the major breeding sites, such as Sable Island.

We heard this when the Standing Committee on Fisheries and Oceans went to Atlantic Canada. Many people came before us and expressed their total dismay at what was taking place. Yet, we are still waiting. I know that we have had the Malouf report, but there has been no great action on that. Given the international aspect, this issue must be handled carefully. A cull of the grey seals has unanimous support of the entire fishing industry.

Mr. Deputy Speaker: I notice that the Member has not completed. Since it is the Hon. Member's motion, would the House be agreeable to giving him two more minutes to complete?

Some Hon. Members: Agreed.

Mr. Henderson: Of course, action on the East Coast would create an expectation to deal with the problem of harbour seals on the Pacific coast. With respect to the latter, the Minister has delayed any decision pending further research. He has decided that wider public support would be necessary before any action is taken.

I know that my time has expired, Mr. Speaker. I did not get an opportunity to discuss some of the issues that are very inflammatory today and a great problem to our fishing industry, certainly on the protectionist side and the Canada-France agreement. I know that other Members will be commenting on that later today.

In closing, I believe that more action and thought has to go into our fishery. It is one of the most important industries to Atlantic Canada and to British Columbia. We certainly need all the support that we can receive. We need clear direction from the Minister and from the Government. I find that this direction is not taking place.

• (1030)

Mr. Comeau: Mr. Speaker, in his concluding comments the Hon. Member for Egmont (Mr. Henderson) was asking for direction. During the course of his speech he heaped quite a bit of praise on the former Deputy Minister, Dr. Art May.

I recall hearing Dr. Art May some months ago noting on national television that the Government could no longer treat the inshore fishery as a social fishery, that the future of the traditional inshore fishery was gone, and that there was simply no way that we could continue supporting it. Obviously his solution might have been what was brought forth in 1983, that is, going the way of large offshore companies.

Does the Hon. Member support Dr. Art May's opinion of the future of the inshore fishery and, if so, would it also be the opinion of the Liberal Party of Canada?

Mr. Henderson: Mr. Speaker, I am pleased to comment on the Hon. Member's question. I did not hear the remarks of Dr. May as quoted by the Hon. Member for South West Nova (Mr. Comeau). However, Dr. May has certainly been one of the leading scientists when it comes to putting fisheries management tools in place. As I said in my speech, Canada is recognized as having one of the best managed fisheries probably in the world.

Having said that, I would be pleased to outline the position of the Liberal Party on the inshore fishery. The inshore fishery, with proper management, is certainly a very profitable fishery. If it is maintained, and if management principles are maintained, we all know that it is cheaper cost-wise to allow fish to swim close to shore to be caught near shore than it is to go long distances in vessels to catch them.

It is a matter of allowing the stocks to rebuild. This was one area of fisheries management in which the former Government, under Dr. May's advice, had been very strict. I am sure there are certain areas that we have to support in the inshore fishery.

I mentioned the northwestern coast of Newfoundland and fishing zone 2J3KL where stocks have not recovered to the point where they are economically feasible to catch and fishermen are not getting their fair share of the inshore fishcatches. I personally believe that these stocks should be allowed to rebuild and that there should not be any future allocations to the offshore until the inshore is fully protected.

Mr. Nickerson: Mr. Speaker, I listened very carefully to the Hon. Member because I know that he is one of the greatest experts we have in the House on at least saltwater fishing matters. When it comes to freshwater fishing, he is a little off base, but I will stay away from that today.

Looking not at immediate fishing problems but 50 years ahead, what does the Hon. Member foresee as the make-up of our fishing industry then? Does he think that the inshore fishery will have disappeared by that time one way or another, or does he think it will still be with us? Will we still be hunting fish at all? Will not fish farming and aquaculture have taken over by then as a much more efficient and effective way of acquiring fish?

What policies should we be pursuing as Canadians, not necessarily for today, tomorrow, or five years down the road, but for 50 years down the road?

Mr. Henderson: Mr. Speaker, I thank the Hon. Member for Western Arctic (Mr. Nickerson) for posing his question because it is very important.

I do not have a crystal ball; I guess none of us in the House have a crystal ball to project 50 years down the road. However, I maintain that we will still have an inshore fishery provided that we manage it properly. We cannot allow larger and larger vessel allocations to the offshore at the expense of the inshore.

It is interesting that the Hon. Member raised aquaculture, a very important subject. Our committee travelled to Norway and to Scotland, and I think the whole committee would agree that there have been some tremendous advancements in fish farming in Norway and in Scotland, on the Shetland Islands. This is not only in salmon and trout, the salmonid species, but also in cod fish and halibut. Those advances are taking place; there is no question about that.

I believe that we should certainly look at aquaculture in a positive way. I think we can benefit because the consumption of fish for the last number of years has been on the increase. People have been looking more to fish as a better source of protein than they used to do. I believe that aquaculture and the commercial fishery can work hand in hand. I still believe that in the long term, nature will provide a cheaper resource, if properly managed, than fish farming. However, the caveat is always there, that we have strict management controls and strict enforcement. We cannot allow the rape of our fish stocks that has gone on for many years by foreigners. We cannot catch fish twice; any fisherman will tell us that. If we can instill in the minds of our fish managers and of the general public, including fishermen themselves, that it is very important to manage our fish stocks, we will always have an inshore fishery—I certainly believe that we will always have an offshore fishery. That can work in conjunction and in harmony with fish farming as well.

It is a little different in Norway. The Atlantic salmon stocks, the wild stocks in Norway, have been seriously depleted out and virtually wiped out. It just does not have a wild Atlantic salmon fishery any more, so it does not have any problem with its technology affecting the natural stocks. This must be a concern when we pursue aquaculture, especially on the West Coast where we have a very lucrative natural fishery. When we start to farm fish in enclosed areas, we must be very careful that we do not develop some disease which would affect the natural stocks. However, I still believe that with proper management both in wild stocks and in aquaculture we can work in harmony and develop a tremendous fishing industry in the country. We must make up our minds to do it and to do it ourselves.

Mr. Deputy Speaker: On a very short question, the Hon. Member for Westmorland—Kent (Mr. Robichaud).

Mr. Robichaud: Mr. Speaker, in the course of his speech the Hon. Member for Egmont (Mr. Henderson) spoke briefly about the free trade deal. He also talked about the fish resources or the stocks we have. We know that in Atlantic Canada some stocks are controlled by companies in that they have quotas.

What provisions are there in the trade deal to prevent foreign interests or American interests from acquiring Canadian companies and thereby acquiring a certain control of our fish stocks? Is there any protection against that?

Mr. Deputy Speaker: The Hon. Member for Egmont (Mr. Henderson) on a short answer.

Mr. Henderson: Mr. Speaker, as I see the free trade agreement, we can have foreign investment of up to $50 million which will be really uncontrolled or unregulated. There is no question that under the free trade deal at least 48 per cent or 49 per cent of the shares of National Sea Products or Fisheries Products International could be purchased by foreign investors. Probably all the shares could be purchased.

If the Minister is to speak to my motion today, hopefully he will address the subject of whether or not enterprise allocations—because it is actually government policy or it has been in the past as there is no legislation of which I am aware—must remain majority controlled in Canadian hands. I believe that is correct. That would mean that at least 51 per cent would have to remain under that allocation. I can see other problems created with free trade as far as our processing industry is concerned in the buying of and losing control over our Canadian processing industry.

• (1040)

As far as protection through free trade as far as the omnibus trade bills now before Congress is concerned, we have no protection. The dispute settlement mechanism, as I mentioned, can only apply to existing or future Canadian or American laws. Obviously under the free trade deal we are bound by GATT decisions, as I understand it.

In closing, let me quote from an article quoting what Mr. Bruce Buchanan said.

> According to B.C. fisheries council chairman, Bruce Buchanan, the free trade deal limits Canada's options to fight the lifting of restrictions by GATT.
>
> He said the agreement forbids Canada from refusing to follow a GATT ruling.

He is looking at that on page 4 of the free trade agreement document which says that all existing quantitative restrictions will be eliminated immediately or by an agreed timetable. Both parties have agreed they will not maintain or introduce import or export restrictions except in accordance with GATT or as modified by the agreement.

Under that, we have no protection against any American trade law. We are not exempt from anything. We have the same problems now as we had before the trade deal, but with further restrictions.

Mr. Deputy Speaker: Resuming debate with the Minister of Fisheries and Oceans (Mr. Siddon).

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am especially pleased to have an opportunity to respond to this motion today. This week is the second anniversary of my appointment, which I consider to be a great privilege, as Minister of Fisheries and Oceans for Canada.

I am extremely proud of my record in the two years as Minister of Fisheries and the record of the Government since the Speaker of the House in his former capacity first became Minister of Fisheries and Oceans in September 1984. We are proud of the leadership which the Prime Minister (Mr. Mulroney) and the focus and importance he has attached to many issues relating to the fishery which have brought untold and unequalled prosperity, at any time in Canada's history, to all sectors of our Canadian fishery—Atlantic, Pacific, in the north and in the freshwater areas as well.

This is why I find it somewhat peculiar that the Hon. Member for Egmont (Mr. Henderson) would sponsor such a motion as the one before us, which is totally offbase and totally exaggerated in its implication. In fact, it is totally contrary to the record.

The record will show that in the past three year period the wealth of the fishery and the benefit to each and every fisherman and his family inshore, offshore has virtually doubled. While the Member has engaged in some nitpicking criticism, he has not focused on the central reality that Canadian fishermen in his province in Atlantic Canada and in all parts of Canada are far better off today, far more likely to be employed throughout the year. There will virtually be no fishermen on welfare in the winter of 1987 because of the policies of our Government, which the Member condemned.

Some Hon. Members: Hear, hear!

Mr. Siddon: I intend to deal with the four elements of the motion briefly, but my colleagues will elaborate on each of these questions relating to our management of the fisheries generally, relating to the inshore fishery, relating to the question of our negotiations with France and the great benefit they will bring to the fishermen of Atlantic Canada, and relating to the question of free trade and all of the importance it represents for the future of our industry.

The landed value of our fishery has virtually doubled with the result that we will process in excess of $3 billion worth of fish products in 1987, which will bring, on a per capita basis, some $25,000 nominal value to every person engaged in the fishery, inshore, offshore, and plant workers alike. This is $25,000 of average income to all of those fishermen as a result of the new prosperity the Government has brought to the fishing industry.

I want to point out that of that $25,000 value per capita, a full 80 per cent of it depends on exports to the United States market, exports which have the potential to be enlarged and enhanced in Canada, all of which will lead to a stronger fishing industry in Canada's future.

I want to compliment my colleagues in the caucus because if we have succeeded in improving the management of the fishery in all of its sectors, it is because of the weekly input and guidance that I receive, which no previous Minister of Fisheries has ever received, from Members of Parliament elected from the fishing regions of Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Siddon: Mr. Speaker, everybody knows that on a national scale again this year Canada is the world's leader in terms of the export value of fish and fish products: commercial fishing amounts to almost 1.5 million metric tonnes worth $1.5 billion. Roughly 60 per cent of landings took place on the Atlantic coast.

[*English*]

We have a great story to tell. I would like to tell the Members of this House that I place a very high priority on the future of the inshore fishery. I have seen the myriad of coastal communities. I have had the privilege to fly and visit them by sea. I have stood on the wharfs touring the fish plants in all of our coastal regions of Canada. This is a social reality. It is the people of Canada engaged in fishing enterprises as they have been for centuries, and a sector of the industry, the inshore fishery, which we have made a significant commitment toward protecting, enhancing and ensuring year round stability in this sector.

I have seen first hand the problems faced by inshore fishermen. This year inshore fishermen will have higher overall incomes than ever before. This is the result of new resourcefulness, a spirit of enterprise and enthusiasm and the fact that we have relieved some of the burdens of bureaucratic overregulation and waste and put a new focus on good science, enhanced science and better enforcement. We have pared the fat out of the department which had grown far too inefficient

and unwieldy. I am proud of that because the benefits are being realized by the fishermen who should be the beneficiaries of good government.

I have taken a special interest in the problems of our inshore fishery, particularly the problem of decline in landings in the coastal areas of Newfoundland and Labrador, especially on the Avalon Peninsula. That is why a year ago I mounted a scientific assessment on an emergency basis of this problem. In the first three months of 1987 we placed observers on all offshore vessels and held the line on the quota increase. We increased our scientific knowledge and brought in regulations to eliminate the wasteful discarding of undersized fish by the offshore fleets.

When I learned earlier this summer that that was not enough, I established a special task force on the future of the Newfoundland inshore fishery, a task force headed up by Dr. Alverson and a group of eminent international scientists who just reported to me yesterday and produced information which I will be sharing shortly with the House and the country to help us better manage and enhance the inshore fishery for the benefit of Canadians.

We have taken numerous initiatives to help the inshore fishery. We have secured the transfer of uncaught fish from offshore to inshore. Over 12,500 tonnes in my first year as Minister in southwestern Nova Scotia were transferred to the inshore sector because that fish would otherwise have remained uncaught. Again this year with the co-operation of the offshore companies, 11 tonnes of fish are being transferred. We have taken steps to spread the fishery out by introducing trip limits and we are looking at future innovations to create some means of more effectively administering the larger inshore vessels, particularly in the Scotia-Fundy region, to ensure more equity. The smaller, true inshore fishermen, who do not have mobility and cannot afford a multimillion dollar enterprise, can have their fair share of this resource.

• (1050)

We have established a scallop plan for the Scotia-Fundy region which has brought untold prosperity to the scallop fishermen in that area and the Georges Bank as well. We have allowed the inshore fishermen to participate in an experimental offshore tuna fishery. We have increased licences and enhanced opportunities in the northern shrimp fishery. I have created an offshore clam fishery which will create unparalleled employment in the Cape Breton region of Nova Scotia. We have encouraged the domestic utilization of a bountiful resource known as silver hake, and are encouraging a number of ventures to turn that resource into new jobs and new economic opportunity for our fishermen.

We have done many things to improve the inshore fishery. We have stabilized the management of the gulf herring roe resource. We have eliminated the lawlessness and confrontation between our officials and fishermen which prevailed in that fishery for many years. We have taken many initiatives in the riding of the Hon. Member who moved this motion. For example, we provided for the first time in history 30 inshore crab licences. That initiative was started by my predecessor, now the Speaker of the House. Those licences are bringing new landings and new prosperity to the people of the Hon. Member's province.

For the first time we have created an Atlantic policy advisory group, and an Atlantic licence appeal board to which fishermen can turn to have their legitimate licensing grievances addressed. This is something the Liberals never did and never would have done.

As to managing the fishery, we have increased surveillance and enforcement. Last December in this House we increased fines as much as fivefold, in some cases to an amount in excess of $500,000 for a single offence, for foreign vessels that fish illegally in our waters. We are providing full observer coverage, at the expense of the foreign country concerned, when fishing for surplus stocks within our zones. We are eliminating all foreign fishing efforts on non-surplus stocks in those zones. That is an initiative the Liberals would never have taken. It allows us to turn those resources to the benefit of our fishermen.

This year we terminated a 15-year arrangement with France wherein they were able to harvest 17,000 tonnes of groundfish, largely cod, in the Gulf of St. Lawrence. That arrangement was entered into by the Liberal Government and we are getting out of it in order to make that resource available to Canadian fishermen.

This year we are ending the long-term agreement with the European Economic Community, also arranged by the Liberals, which gave that community in the last year 9,500 tonnes of quota. For the last 10 years, 15 since the extension of jurisdiction, the Government of which the Hon. Member was a part gave fish away to foreigners when it was really needed by our own fishermen. We have ended that.

We have taken many initiatives to work co-operatively with the provinces in light of their role in the fishery. I have had 12 federal-provincial conferences since I was appointed Minister two years ago this week. We produced a report which was requested by the Prime Minister and the First Ministers two years ago this week which dealt with challenges and opportunities facing the fishery. That report was submitted in Vancouver one year ago. It had the unanimous support of all provincial fisheries Ministers, and included their support for a free trade arrangement with the U.S. That report received accolades and glowing commendation from the provinces and fishermen, indeed everyone who has taken the time to read it. It deals not merely with maintaining the *status quo*, not merely in continuing to over-regulate our fishery and give away whatever could be given away to foreigners. It deals with the future into the next century. It deals with the question raised by the Hon. Member for Western Arctic (Mr. Nickerson) about what is to be the future of our fishermen in the year 2050.

The report deals with aquaculture opportunities, enhancing the recreational fishery, and deals with habitat questions, adding value, income stability, and the effective patrol and management of our offshore fishery. All of those things are reflected in the policies of this Government and the benefits already flowing to the fishermen in all regions where the fishery is important.

In the last 12 months we released a new habitat policy for Canada, a new oceans policy for Canada, a new recreational fisheries policy for Canada, a new aquaculture policy for Canada, none of which were ever even contemplated, let alone developed, by previous Governments.

With respect to services to fishermen, one year ago this past October, in the Throne Speech initiating this session, we announced we would take major initiatives to improve the support and services available to our fishermen through our small craft harbours. We have brought forward those initiatives. They were debated in this House only yesterday and commended by all sides as a major step forward in recognizing the fact that fishermen need good ports and services onshore as much as most Canadians need good highways. We are committed to ensuring that that is the case. That is why this year, in tough economic times, we raised the maintenance and operating budget for our harbours from $48 million to $70 million. That was done in one year and that is significant.

Over and above that, we created a new small craft harbour revitalization program, an additional $85 million available for development and upgrading of our harbours.

I have had the privilege of travelling from one end of this country to the other, from Prince Rupert to Black Tickle in Labrador, from Saulnierville, Nova Scotia, to Lameque, New Brunswick, to announce new harbour ventures which are long overdue; to communities like Flat Rock, Newfoundland, and Bauline, where fishermen have hauled their fish out of water with buckets and cables because the Liberal Government never took the time to give them the services to which they were entitled.

We have over 180 new small craft harbour projects under way totalling $98 million of commitment. More than 200 projects are yet to come. Over the next few weeks we will see contracts for 50 new harbour locations and more than $50 million of additional expenditure.

In conclusion, I want to remind the Hon. Member that I have announced already four harbour projects in his own riding: Alberton, $400,000; West Point, $850,000; Fishing Cove, $500,000; Milligan's Shore, $164,000. I will also be announcing Miminegash, $350,000, all in his riding. What has he got to complain about—over $2 million in new harbour improvements in his riding alone.

Some Hon. Members: Smile, George!

Mr. Siddon: Other Hon. Members will be speaking of the Canada-France issue, the Hon. Member for St. John's West (Mr. Crosbie) in particular, and of the free trade agreement. However, I want to say that that agreement finally allows Canada to end her dependence on natural resources. We will no longer be referred to as hewers of wood and drawers of water, because this agreement will eliminate all tariffs on value-added products and give us secure access to the American market to offset the countervailing and anti-dumping duties and other kinds of harassment which were erected by our largest market, a market on which our fishery depends.

I am surprised that the Hon. Member and the Premier of his province would oppose this deal because it offers the greatest opportunity in history for Prince Edward Island. His own seafood processors have commented about this. The Tignish Co-op Manager, Glenn MacRae, said: "We in the seafood industry definitely need the United States." Mr. Archibald of the P.E.I. Seafood Processor's Association says his organization has supported free trade from the beginning. He said that Canada cannot absorb existing Island product and without the United States our industry at its present level would not exist.

• (1100)

I say "shame" to the Opposition for bringing forward such a despicable motion. I say "shame" that the Premier of Prince Edward Island does not realize, as his fishermen and processors do, what a great and important initiative this Canada-U.S. trade agreement will be for those people whom he represents.

[*Translation*]

Mr. Deputy Speaker: The House will now proceed to Statements by Members.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

SHIPBUILDING

QUEBEC 'S NEED TO OBTAIN CONTRACTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, we have learned today that Quebecers have not been taken for a ride, they have just missed the boat, the six frigates are gone!

Sure enough, Industry Minister Johnson has confirmed that New Brunswick's Saint John Shipbuilding has landed the contract to build the six frigates, no bids asked! In exchange, I have the impression that the Minister of State (Transport) (Mrs. Vézina) led Mr. Johnson to believe that Quebec just might be awarded the main contract to build the submarines.

Mr. Speaker, I can assure you that I am speaking on behalf of Quebec's 5,000 shipyard workers. We are glad that New Brunswick got the contract, but what we want is work orders for these 5,000 employees. People in Quebec City, Montreal and Sorel want to work, they want to make their contribution,

and they urge the Conservative Government and the Conservative Members to see to it that shipyard workers in Sorel, Montreal and Quebec City are given work, some of the contracts to build the frigates, that Montreal be chosen under the TRUMP project to build the two remaining ships, the *Tracy* and the *Bernier*. They must have something to do, the 15,000 Canadian shipyard workers must be on the job as soon as possible.

* * *

[*English*]

EXTERNAL AFFAIRS

REPORT ON MEMBER'S VISIT TO ZIMBABWE AND TANZANIA

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I recently had the privilege on behalf of my constituents and my Government to represent the Minister for External Relations (Mrs. Landry) in southern and east Africa.

As you know, I spent many memorable years working there for CUSO and CIDA and had not been back for 11 years. The sounds, sights, and smells were all too familiar. My pride in representing Canada as I signed three aid agreements with the Government of Zimbabwe was well witnessed by our hard-working, competent External Affairs and aid officers: Don McMaster, Robert Lee, Ross Noble, Hunter McGill, Adair Heuchan, Jocelyn Lepage and Sarah Dowswell.

I revisited Tanzania and reviewed the very successful Canadian assistance to the Tanzania Harbours Authority in Dar Es Salaam, the Tanzania Railways Corporation locomotive repair workshop in Morogoro, and the Tanzanian-Canada Wheat Program in Arusha. I also spoke to the assembled students at the College of African Wildlife Management where I used to work on a CIDA assignment.

Rod Haney, Martin Soutter, Monique Angers, Yves Morneau, Reg Smith and Alex McKeague from our Tanzanian programs are also officers of whom we can all be proud.

The Prime Minister's (Mr. Mulroney) leadership within the Commonwealth, especially concerning African affairs, paved the way for a very successful mission.

* * *

LABOUR RELATIONS

RAILWAY WORKERS' DISPUTE—DELAY IN REACHING SETTLEMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I want to bring to the attention of the House some of the concerns which railway workers in my riding and across the country have had in the last few weeks. They have been particularly irritated by the extension of the period for the arbitrator pursuant to the legislation which ended the railway strike. They had hoped the matter would be settled much sooner, but the deadline has been extended until March.

In the meantime there are no increases for them while there are increases for the President of CN Rail. Mr. Lawless has received an $81,000 bonus while railway workers must wait another three months before they find out whether they get anything at all. That type of thing seems obscene and is cause for legitimate outrage on the part of railway workers in Canada. They are also outraged, as am I, by the fact that the railway is now claiming that it does not have enough boxcars to meet all its commitments with respect to the shipment of grain, as we have seen in recent days. Yet these are the same railways which claimed a number of years ago that they had more than enough box cars, when we were trying to have them produced more quickly with the box car rehabilitation program in Transcona, for instance.

It is another example of short-term stupidity for long-term damage to our economic infrastructure and ability to export.

The railways ought to be called to task, as should the Government for that matter, for making the railways operate on such short-term considerations that the long-term ability to do the job is put in jeopardy.

* * *

HUMAN RIGHTS

ISRAEL—DETENTION OF MORDECHAI VANUNU

Mr. Alex Kindy (Calgary East): Mr. Speaker, yesterday at noon, Mr. Vanunu, brother of imprisoned Israeli nuclear technician, Mordechai Vanunu, addressed the Middle East discussion group here on Parliament Hill.

Mr. Meir Vanunu described the plight of his brother since his kidnapping by the Israeli Secret Service in Rome on September 30, 1986. He spoke about Mordechai Vanunu's detention incommunicado in jail and the flagrant violation of all his human rights.

Mordechai Vanunu has done immense service to the international community by alerting it to the fact that Israel has become a military nuclear power.

Canada has the obligation to press the State of Israel to sign the International Nuclear Non-Proliferation Treaty and respect the Convention on Human Rights so that Mordechai Vanunu has a fair hearing in the courts of Israel.

S. O. 21

[*Translation*]

SHIPBUILDING

CONTRACT TO BUILD SIX FRIGATES—NEW BRUNSWICK'S OFFER

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, today the frigates are in the news again. It seems a decision has been made to build the six frigates in New Brunswick, but on the other hand, people are saying a decision has yet to be made. Why the hesitation on the part of the Government? It has had all the figures for some time. It knows that New Brunswick is offering a better package: six frigates at the best possible price. No one can build them for less.

This hesitation on the part of the Government is creating serious tension between New Brunswick and Quebec. The Government's way of souring relations between regions in this country cannot be tolerated and it is unhealthy. Canadians want the Government to make a decision. Canadians want the frigates built for the best possible price. Canadians want the frigates build in New Brunswick. Canadians also want the Government to reach a decision on the TRUMP program so work can be given to other Canadian shipyards.

* * *

[*English*]

MUNICIPAL AFFAIRS

CENTREPOINTE DEVELOPMENT PROJECT IN NEPEAN

Mr. Bill Tupper (Nepean—Carleton): In the early 1970s the federal Government purchased a 400-acre site in the city of Nepean, which is now known as Centrepointe. At the time it was the most prestigious land development site available in the national capital area.

It was to be used by the federal Government to demonstrate how Governments could develop a modern urban community. I recall ten years ago, while being a member of the Regional Council of Ottawa-Carleton, examining the plans for Centrepointe with some enthusiasm and excitement. However, over the years these plans vapourized because they were bogged down in government bureaucracy.

Yesterday I was pleased to be present with the Minister of Public Works (Mr. McInnes) at a ceremony in which phase three of this development at Centrepointe was handed over to eight small private sector companies to develop the land.

Yesterday we witnessed a modern community developing under the aegis of the private sector. New homes are being built and occupied. A modern municipal complex is under development and will house municipal offices, a modern library, modern theatre, and an outdoor artificial rink. Beside it there will be new facilities for health care and seniors.

This is a dramatic example of how government in other years failed by not recognizing the importance of the private sector in housing development. Today, I take my hat off to the City of Nepean, Canada Mortgage and Housing Corporation, the Minister of Public Works and the Regional Municipality of Ottawa-Carleton for moving forward so dramatically and collectively with the private sector to build this modern urban community.

* * *

• (1110)

CANADIAN BROADCASTING CORPORATION

CANADA-UNITED STATES TRADE AGREEMENT—REFUSAL TO AIR SASKATCHEWAN PREMIER'S ADVERTISEMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I would like to take this opportunity this morning to commend the Minister of Communications (Miss MacDonald) for her strong guidance to the Canadian Broadcasting Corporation. Her corporate guidelines have contributed to interjecting fairness into the free trade debate in Saskatchewan. The CBC has refused to air a blatantly partisan advertisement submitted by Premier Grant Devine.

The Minister's policy guidelines regarding controversial materials state in part as follows:

> The principle of this policy is that the airwaves must not come under the control of any individual or group who because of wealth, special position, etc., might be better able to influence listener or viewer attitudes on a contentious issue.

The policy guidelines go on to state:

> Social, economic or political comment or opinion that is contentious may not be used in commercials regardless of the advertiser submitting the material. Under this policy paid political advertising is unacceptable on CBC facilities except as provided for under the Canada Elections Act.

If the Premier wishes to use the public broadcasting system for his partisan use, perhaps he should call an election.

* * *

[*Translation*]

FREE TRADE

WOMEN—OUTLOOK FOR FUTURE

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, for some weeks, various groups have been trying to influence public opinion by claiming that free trade may cause irreparable harm to the future of Canadian women. Yesterday, the Committee responsible for examining these issues had the privilege of receiving public testimony from an eminent Canadian economist. Katie MacMillan, who submitted her report as a private citizen, has prepared similar studies for the Canadian Advisory Council on the Status of Women, the Canada West Foundation and the C.D. Howe Institute.

She came to shed some light on what the future would hold for women as a result of free trade with the United States. She painted a very positive picture of that future, stressing the fact that 80 percent of women work in services, a sector that is not affected by the Agreement. In fact, 12 percent of women work in industries that are not affected. This means that less than 10 percent of women may be affected by the Agreement. Ms. MacMillan said that as far as this group was concerned, there was no cause for alarm since women have always been more mobile than men, adapting more easily to new jobs. In fact, she sees free trade as a very interesting challenge for Canadian women.

Mr. Speaker, we have always demonstrated our concern for the status of women, and we have maintained that concern throughout the free trade talks.

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CANADA POST CORPORATION

SOCIAL WELFARE CHEQUES—POLICY PROPOSAL

Hon. André Ouellet (Papineau): Mr. Speaker, recently I received a letter from Mr. Philippe Champagne, who lives in my riding in Montreal. He asked me to find out from the Minister responsible for Canada Post why, at the beginning of September, welfare recipients like him had to wait more than eight days for their welfare cheques.

Incidently, Mr. Champagne's letter arrived several weeks late, which in itself is scarcely justifiable, but delays in the delivery of welfare cheques is something we cannot tolerate.

It seems to me Canada Post should give priority treatment to welfare cheques and have some way of identifying this priority mail in post offices across the country.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

GREAT LAKES POLLUTION—CANADA-UNITED STATES AGREEMENT

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, Canada is serious about cleaning up the Great Lakes. The Minister of the Environment (Mr. McMillan) recently signed an agreement with the United States to deal directly with all sources of Great Lakes pollution. This new agreement is the result of a comprehensive review of all former agreements. The two countries will study pollution entering the Great Lakes from the atmosphere as well as pollution associated with contaminated sediments.

Canada will identify heavily polluted sites around the Lakes and prepare plans to rectify the problems in each area. The agreement also calls for specific abatement plans for a variety of non-point urban and rural land drainage pollution sources. As well, the Government will identify and control sources of contaminated ground water.

This new accord reinforces the responsibility of the Government not only for the safety but for the health of its citizens. Let us hope that a similar agreement can be signed soon in regard to the acid rain problem. This demonstrates to all Canadians the unyielding attention the Minister of the Environment has given to this very grave problem.

* * *

WINTER OLYMPIC GAMES

REPORTED HARASSMENT OF BUSINESSES WITH OLYMPIC CORPORATE NAMES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, why is it that the Canadian Olympic Organizing Committee seems incapable of staying out of trouble? Does it not have enough to do? Does it not have any direction?

I find it absolutely outrageous that it has decided to go around the country terrorizing small businesses which use the word "olympic" or "olympia" in their name. Perhaps it has secured the rights to use the words for marketing purposes but what possible purpose could be served by dragging the Olympic Tuck Shop, a tiny Ottawa confectionery, through the courts for using the name it has had since long before the folks from Calgary even thought about the Olympics?

What benefit could be derived to the Olympic Games, the organizing committee, or to Canada by threatening the Olympic Dry Wall Company or the Olympic Drilling Company?

I have more than a passing interest in this matter because I am the official Olympic spokesperson for the New Democratic Party. I wait in fear by my telephone every day wondering if I, too, will be sued by the valiant protectors of the Olympic name. But it is not just a name.

The Olympic officials also claim rights to the number 88. Does that mean that the Oldsmobile 88 is under threat as well? It also claims the rights to "stickmen" figures. Does that make the New Democratic Party's official logo illegal? Is it going to sue us, too? What will it go after next, Mr. Speaker, the official rights to snow?

Oral Questions

CANADIAN BROADCASTING CORPORATION

REFUSAL TO ACCEPT SASKATCHEWAN GOVERNMENT'S ADVERTISEMENT ON CANADA-UNITED STATES TRADE AGREEMENT

Mr. Jack Scowen (Mackenzie): Mr. Speaker, can you imagine my surprise this morning when a reporter telephoned me asking what I thought about the Province of Saskatchewan having banned the publication of advertisements about free trade? I had never heard of this development and I was sure it was not true.

However, the truth is that the CBC has refused to allow pro-free trade advertisements sponsored by the Province of Saskatchewan, or anyone else, to be aired over the CBC. In spite of the hogwash we just heard from the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), this is a publicly owned facility that allows critical editorials by anyone who will speak against free trade. It allows a biased chairman to chair a debate on free trade and make a summary of only the opposition side of the debate.

Premier Grant Devine was at a meeting in Prince Albert of over 500 people who were enthusiastic about the benefits to Saskatchewan when he heard the decision of the CBC. Let me tell you, Mr. Speaker, he was not pleased. Thank God, we have a private radio and television station which will carry this important message to the people of Saskatchewan who will benefit so greatly from this initiative of this Government.

This is another reason to privatize the CBC.

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PORNOGRAPHY

DEFINITION OF EROTICA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Lady Chatterley, that lady of fiction, who, because of her fall from grace, spent the rest of her days being debated in the courts, is with us again.

In the Government's Bill on pornography which deals, as it should, with violence against women and children, there is a very poorly defined section on erotica in which the same old Victorian attitude which haunted the readers of D. H. Lawrence all those years ago reappears.

We are again going to ask our law enforcers to pore over Canadian films and literature and to comb the art galleries to decide what is erotica and what is not. There is still no real guidance or definition to go by, but this time there is one big difference. If this Bill becomes legislation, it will be up to the accused to prove that he or she is portraying erotica and not that forbidden activity, s-e-x.

This is not the legislation called for by the various groups who have worked so hard to bring the brutal treatment and exploitation of women and children to the attention of the Government. The question is if the Government is really serious in addressing the real need for protection for women and children, the most vulnerable in our society. If so, why has it mixed its message?

* * *

THE ECONOMY

GOVERNMENT'S RECORD—POSITION OF OPPOSITION PARTIES

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, it is the traditional duty of the opposition Parties to bring to the attention of Canadians the record of the Government on matters of economic and fiscal policy. Given that convention, one cannot help but wonder why the Opposition shies away from this important issue.

• (1120)

Could the reason be that since the Government took office three years ago over one million jobs have been created?

Could it be that since the election the prime interest rate has dropped by 3.75 percentage points?

Could it be that Canada's economy has expanded by 13 per cent since September of 1984 and now leads the OECD nations in terms of economic growth?

Perhaps the opposition Parties are not eager to focus on the highest level of housing starts in eight years, or on the fact that while retail sales have increased by 31 per cent inflation has been held to around 4 per cent.

It is small wonder that the opposition Parties continue to avoid the issue of the Government's economic policy. I want to join with the 1,019,000 additional Canadians who are at work today in congratulating the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson) and the Government on an outstanding record of job creation.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—MARINE TRANSPORTATION INDUSTRY

Hon. André Ouellet (Papineau): Mr. Speaker, yesterday the Minister of Transport had the honesty to admit that the new trade deal with the U.S. is bad news for the Canadian transport industry. We gave up our trucking industry through deregulation. We sold our railways through competitive line rates as a result of Bill C-18. Now the Minister himself admits that we have nothing for the Canadian maritime industry.

Why did the Minister wait so long before introducing Bill C-52 when he knew full well what the intention of the Government was in relation to a trade deal with the U.S.? Why has he put on hold the work of the Legislative Committee that is dealing with Bill C-52? Why has he given orders to stop proceeding with this legislation? Is this another sell-out to the Americans?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is another in the pattern of increasing braggadocio and bushwah that comes from the Official Opposition.

Mr. McDermid: I wonder what the translators will do with that.

Mr. Crosbie: I will spell that for the translators later.

The critic for transportation in the Official Opposition said that I had the honesty to admit something. I know that it is shocking to him when he comes across honesty.

Mr. Foster: Especially from this Government.

Mr. Crosbie: I certainly did not admit any such thing yesterday. I said that it is a disappointment to us that we could not persuade the U.S. to agree to change the protective provisions of the Jones Act.

The Jones Act, which restricts shipping from one U.S. port to another to American vessels only, has been in place for 200 years. The Party that the hon. gentleman represents in this House has been in power most of those 200 years, and it has done shag all about the Jones Act. So is it surprising that we have not been able to do anything about the Jones Act either?

DELAY ALLEGED IN PROCEEDING WITH LEGISLATION

Hon. André Ouellet (Papineau): Mr. Speaker, whatever way the Minister wants to answer he is confirming what he said yesterday, that is, he got nothing in relation to the maritime industry in Canada.

The Minister should know, and I am asking him if he does, that in fact any new amendments to current legislation, or for that matter any new legislation dealing with transportation will have to give to American companies national treatment if it is passed after ratification of the free trade agreement. Therefore, I ask again why the Minister has waited for so long. Why has his Government procrastinated for three years before going ahead with legislation on the maritime transport industry which would have protected it, when he knew full well that his Government was going to make a sweet deal with the Americans?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I hate to see the Question Period degenerate into this kind of cheap rhetoric, and I have no choice but to answer in the same vein. There has been more legislation in the field of transportation introduced and passed by this House in the last three years than in the previous 30. It has been done despite the consistent opposition, squeals, howls and stonewalling of the hon. gentleman opposite.

With respect to Bill C-52, it has already been given second reading in the House. I could go into the National Transportation Act and the *Freedom to Move* policy of the Deputy Prime Minister that we have implemented. There is a whole host of transportation legislation which we have passed.

With respect to the U.S.-Canada negotiations, the U.S. refused to budge in certain areas. One of those was in the area of marine transportation. The *status quo* will continue to exist in that area.

We refused to budge in the area of culture. We refused to budge in the areas that affect sovereignty. We refused to budge in the areas that affect farm marketing boards. That is the way a negotiation is. Unfortunately, we have not been able to persuade the Americans to change their cabotage rules. That is something we simply have to accept.

REQUEST THAT MINISTER NOT SIGN TRANSPORTATION ANNEX TO AGREEMENT

Hon. André Ouellet (Papineau): Mr. Speaker, quite clearly the Minister is talking about the legislation that his Government has introduced. Bill C-18 is giving away the Canadian railways to the Americans. Bill C-19 is giving away the trucking industry. Bill C-52, which at least could have been legislation to protect the maritime industry in Canada, is not going to have any effect at all because the Jones Act still applies in the U.S. The Minister, after giving away the trucking industry and the railway industry, was hoping to get something from the Americans with respect to the maritime industry. He has failed miserably, and he has told us that.

Will he at least give us the assurance that he will not sign a transportation annex that will undermine Canada's ability to legislate and to regulate our own transportation industry in our own interests? Can he at least give us this little assurance today?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am glad to have the hearty applause from the Opposition. I can certainly confirm that we will not sign any transportation annex that will undermine Canada's ability to protect and advance Canada's interests. Any document we sign will be one that will enhance Canada's interest in trade with the United States and will strengthen the Canadian economy and the Canadian transportation system.

At the very worst, the *status quo* would still be in effect. But the *status quo* would certainly not be undermined by anything that we would enter into. There are some advantages, otherwise we would not be signing at all. In the area of aviation, for example, bilateral air agreement arrangements are being left as they are. They will be untouched by the transportation annex, but of course, whether there is an annex or not, or what

is in it, will not be known until the final document is ready for signature.

* * *

[*Translation*]

RAILWAY TRANSPORTATION

ACCESS TO AMERICAN MARKET—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I am astonished at the Minister's statement that in order to obtain concessions in certain areas, he sacrificed the transportation industry, lock stock and barrel.

The Minister knows that the provision on competitive line rates in Bill C-18 gives American railway companies access to Canadian markets. He also knows that Canadian companies do not have similar access to U.S. markets. My question is as follows, Mr. Speaker: Why didn't the Minister try, during the talks, to obtain the same right of access for Canadians to U.S. Markets? Why did the Minister give away the store before the talks, without even demanding protection for the thousands of jobs that will be lost here in Canada?

• (1130)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am afraid that the hon. gentleman is thoroughly confused.

The whole import of Bill C-18, the new National Transportation Act, and Bill C-19, the Motor Vehicle Transport Act, is to increase the capacity of Canadian truckers and railways to be competitive, compete more effectively, put Canadian shippers in a position to be more competitive, achieve better economies and efficiencies, and get lower rates. It is to sharpen up Canada for the competitive struggle that looms ahead for any country that wishes to increase its standard of living and to progress in the future.

The hon. gentlemen opposite are afraid of the future. They are confined. They only want to look to the little, narrow Canadian market like the hon. gentlemen in the NDP. The 25 million people here in Canada are all supposed to take in one another's washing rather than try to expand our trade with the United States and the rest of the world.

We are visionaries. We are looking outside Canada. We know that we can compete. We are prepared to compete. That is what the National Transportation Act does. It puts Canada in a position to compete with the world.

Some Hon. Members: Hear, hear!

Mr. Foster: We have seen enough of your dirty laundry already, John.

Mr. Ouellet: That is not what you said yesterday.

[*Translation*]

FREE TRADE—INQUIRY WHY MINISTER DID NOT PARTICIPATE IN NEGOTIATIONS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I think the confusion is in the Minister's brain, and I think all the hot air the Minister is producing is affecting his thinking processes.

We know that through Bill C-18, the Americans are getting access to Canadian markets. So why didn't the Minister take part in the free trade talks? And why did he rely on the Minister for International Trade, who gave away the store to the Americans? Why wasn't he at the negotiating table as well?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I would be quite happy to leave anything whatsoever in the hands of the Minister for International Trade, who is capable of handling absolutely anything that is handed to her.

The position is that the Department of Transport has been fully involved. One of our top officials has been involved with the trade negotiations office from the beginning.

Mr. Ouellet: And they lost everything.

Mr. Crosbie: I wish to point out that 90 per cent of all exports from Ontario go to the United States. I suppose 100 per cent of all the exports from Oshawa go to the United States, and one has to wonder at the views of the Leader of the New Democratic Party, who does not wish to extend the same benefits to the rest of Canada that the people of Oshawa now have.

Sixty-four per cent of all the exports of Atlantic Canada go to the United States. The hon. gentleman should be leading the battle in New Brunswick for the free trade arrangement between Canada and the United States.

GRAPE GROWERS' REQUEST FOR MEETING WITH MINISTER

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have just returned from a visit—

Mr. Crosbie: Shame!

An Hon. Member: On holiday again?

Mr. Lewis: Move to your second question.

Mr. Speaker: The Hon. Members' welcome has drowned out the question. The Hon. Member for Essex—Windsor.

Mr. Langdon: Mr. Speaker, in this case it is not Windsor, but the Okanagan Valley from which I have returned.

Mr. Crosbie: Out tasting the wine.

Mr. Langdon: I found a great many fruit, vegetable, grape growers, and wine producers deeply worried about this trade agreement.

I wish to ask the Deputy Prime Minister why it is that those people, especially the grape growers, in requesting a meeting with the Minister for International Trade and/or with Mr. Reisman, have been turned down? Why is the Minister not prepared to meet with those victims of this trade deal?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think that the Hon. Member has his facts in error. It is my understanding that, naturally, they are represented on the SAGIT committee, and there have been numerous meetings of the SAGIT committee on this particular matter.

My understanding is that the Parliamentary Secretary to the Minister for International Trade has met the industry people.

A week or ten days ago, I issued a press release inviting provincial and industry representatives from all regions of the country producing grapes, to come to Ottawa and sit around the table with me. I believe that the meeting is scheduled for December 2 or 3.

POSITION OF OKANAGAN VALLEY GRAPE GROWERS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, is it too much to ask the Government to actually go and meet the people who are being hit hard by this type of crash which is devastating the grape growing prospects of the Okanagan Valley?

Is it too much to ask that there be a direct meeting between Ministers who come from British Columbia, like the Minister for International Trade, and this incredibly hard hit group of Canadians? Is it too much to ask for that type of common decency?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should know that Ministers and Parliamentary Secretaries, and members of caucus are meeting with various groups each and every day of the week. Last year I attended some 190 events outside Ottawa. I meet agriculture groups each and every day of the week, including Saturdays and Sundays. In fact this morning was no exception; I met with three groups.

If the Hon. Member could figure out some way we could work 48-hour days, then it would allow us twice as much time to meet more people.

Mr. Skelly: What about the jobs and the investment of those people?

Mr. McCurdy: Are you saying that you do not have time to meet with them?

Mr. Wise: We are a Government that has been more available than any other Government in the history of this country. I can assure Hon. Members of that.

Mr. Langdon: Mr. Speaker, I have a list of dozens of propaganda meetings that Ministers are holding across the country this week. Yet they are not prepared to make this type of trip to talk to victims of the trade deal directly and to give some hope for the future.

Mr. McCurdy: Shame on you!

[*Translation*]

REQUEST THAT FINAL TEXT OF AGREEMENT BE MADE READILY AVAILABLE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a supplementary. It concerns the delay in presenting the final text of the Agreement, announced this morning. How will Canadians be able to give this Agreement the time and attention required to consider the major changes that will take place in this country?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first I wish to make it very clear to the Hon. Member that in his preamble to his question he is dead wrong.

The Hon. Member for Okanagan—Similkameen, and other Members from British Columbia requested that I go to Vancouver and meet with the grape growers and the wine producers. I did that. We had a very good meeting.

The Hon. Member should not go around saying that we are not meeting with those people, because we are, and we are working very closely with them.

Mr. Langdon: The Minister has refused to do so.

Mr. McDermid: To answer the other question, I wish to tell the Hon. Member that the Canadian people will have the opportunity to study this agreement, but I think that the Canadian people also want to assure themselves that the agreement that we signed on October 1 is translated into legal language that is proper and which spells out the agreement we negotiated with the United States during the last 18 months.

Mr. McCurdy: Sight unseen.

Mr. McDermid: We want to get that done correctly, and we are going to get it done correctly. It will be available in the not too distant future.

Mr. McCurdy: What are you saying? Trust us?

TRUCKING INDUSTRY—ACCESS TO AMERICAN MARKET

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of Transport.

The Minister knows that deregulation combined with the Tory trade deal allows complete access of American trucking interests into Canada, while 43 heavily regulated American states, including border states, ensure that Canadian truckers do not share the same advantages.

• (1140)

Will the Minister tell the House and the tens of thousands of Canadian truckers why, during the free trade negotiations, he did not at least get similar access for Canadian trucking interests and why he jeopardized Canada's trucking industry?

Why did he give so much to the Americans while getting nothing for Canadian workers?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, Hon. Members in the Liberal caucus are certainly confused, not only about the Canada-U.S. free trade agreement but about the legislation which the House passed several months ago.

The situation is that Canadian truckers have had more advantages to operate in the U.S. than U.S. truckers have had to operate in Canada.

The second point is that the present free trade arrangement will not discriminate against Canadian truckers in any way. It is too bad that certain interests are passing around misleading information. American truckers will not be able to come up and operate intraprovincially in Ontario, for example. There are restrictions and customs legislation and so on which still prevent that.

Canadian truckers will be able to compete very effectively with U.S. truckers as they already have. I believe there are over 600 Canadian trucking firms that operate in the U.S.

As I understand it—the Deputy Prime Minister is a greater expert even than I am in this area, and that is saying something—Canadian truckers can carry goods from one U.S. point to another at the present time, so the question being asked by the Hon. Member is simply incorrect.

Mrs. Finestone: I suggest that he tells that to the truckers who are trying to get into Pennsylvania, Michigan, and New York states.

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Minister should know that the Canadian trucking industry is saying that it was sacrificed during the free trade talks and that the U.S. trucking industry is laughing all the way to the bank while our workers are worrying about feeding their families.

What was the Minister doing when this happened? Why was he not there to defend the tens or hundreds of thousands of jobs, actually, in the trucking industry?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I realize—

An Hon. Member: Ask the Deputy Prime Minister.

Mr. Crosbie: —that this is not the Hon. Member's area.

Ms. Copps: Don't be so chauvinistic.

Mr. Crosbie: If Canadian truckers wish to drive down to the United States, all they have to do is get into their trucks and drive down there. They can go trucking on down—

Mr. Ouellet: What about a permit, a work permit?

Mr. Crosbie: Up to the present time they have had advantages compared with U.S. truckers—

Mr. Ouellet: You don't know what you are talking about. Sit down.

Mr. Crosbie: Mr. Speaker, if I do not know anything, and if I am to be shouted down, why ask me a question?

Mr. Ouellet: That is your best answer today, John.

* * *

AGRICULTURE

SPECIAL CANADIAN GRAINS PROGRAM—AMOUNT OF GOVERNMENT FUNDING

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. When I examined the Supplementary Estimates tabled yesterday in the House, I did not see any mention of funds earmarked for the Special Canadian Grains Program. Since Canadian producers are expecting at least a $2.6 billion pay-out, and since it is approaching 14 months since the last announcement of a pay-out was made, how will the money be allocated in this fiscal year, or has the Government decided against such a program for this fiscal year?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, obviously the Hon. Member might take some comfort in the fact that the Government has not decided against a payment for the coming year. He will realize that we continue to consult with farm leaders to put the finishing touches on a program.

The method of payment as far as the Government is concerned, I expect, would follow pretty much the procedure as followed last year. If there are not sufficient funds to provide for a payment, then of course parliamentary approval would be sought again this year as it was sought last year, rather than an entry in the Supplementary Estimates.

FARMERS' DEBTS OWED TO FARM CREDIT CORPORATION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, since the Government has decided not to make any funds

available in the foreseeable future to alleviate the debt load farmers will be carrying through the winter, and since in Saskatchewan alone 40 per cent of its farmers are deemed by the FCC to be in serious financial difficulty, will the Minister now permit FCC, under the Farm Credit Corporation Act, to write down some of the interest and principal on those debts so that we can keep existing farm families on their farms until such time as the Government makes up its mind what to do about providing financial assistance?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member poses a half dozen questions in his supplementary.

It is false to say that the Government is sending a signal that there is not to be financial assistance to farmers.

The Hon. Member knows that my colleague, the Minister of State for Grains and Oilseeds, announced some time ago the largest interim payment under the Western Grain Stabilization Fund.

Mr. Althouse: He has to do that under the legislation.

Mr. Wise: The Hon. Member should also know that I would suspect that sometime during the next few hours or so the Minister of State will be announcing a very substantial amount of money that will be going in direct cash into the hands of Canadian farmers under the final payment.

Of course we would be more than likely considering an interim payment under a program which might well be called the Special Canadian Grains Program No. 2.

* * *

[*Translation*]

SHIPBUILDING

CANADIAN SHIPBUILDING INDUSTRY—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Transport. I believe I agree with what he just said. He has every right to be disappointed in a constitutional agreement that, as far as the transportation and shipbuilding industry is concerned, gives everything to the Americans and nothing to Canadians. The Minister knows perfectly well that the Jones Act is a protectionist measure that is aimed at protecting the shipbuilding industry of the United States and as a result closes the U.S. market to Canada's shipbuilding industry. The Minister is aware of the problems in our shipyards.

Could the Minister give 10,000 workers in Canadian shipyards an honest explanation for the fact that he allowed his Government to let American shipyard workers bid and work on Canadian ships, while they refuse to let Quebec and Canadian workers bid and work on U.S. ships? Why did the Government allow this kind of discrimination against Canadian shipyard workers?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, it gets more and more confusing. The Hon. Member does not point his finger at any particular action taken by the Government which permits discrimination against Canadian shipyard workers. The Hon. Member mentioned along the way the Jones Act which was enacted in the United States of America some 200 years ago. We plead not guilty to having done that 200 years ago. We didn't do it and we haven't done it. As a matter of fact, we attempted to persuade the Americans to change the Jones Act, to revise their rules on cabotage, and to permit Canadian ships to participate in American coastal shipping, but they refused to do that.

They have certain bottom lines which they will not go beyond in certain areas, just as we have bottom lines with respect to Canadian sovereignty, Canadian culture and institutions, Canadian farm marketing boards, and the like.

Canadian shipyard workers are being helped mightily by the Government which has placed, for example, contracts for the building of a ferry. *Caribou II* was built in a Quebec shipyard. The *Joseph and Clara Smallwood*, named after a Father of Confederation and his wife, is under construction at the present time in a Quebec shipyard. We have just given contracts to the Marystown shipyard, to the Halifax shipyard, and to shipyards in Vancouver. Right across the country we are helping Canadian shipyard workers; that is what we are doing.

[*Translation*]

MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I think the Minister of Transport should wake up to the fact that the Conservative Government, in a Blue Paper . . . Free trade is supposed to give Canadian industries access to a market of 250 million, and now he is blaming the Liberals! He says we want a small market and we are afraid of competition. How could the Minister of Transport let the U.S. shipyards with a market of 250 million protect themselves against a shipbuilding industry with a market of 25 million? Is the Minister going to rise in the House to defend the workers in Canada's shipyards, yes or no?

• (1150)

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the hon. gentleman is indeed a forceful and intimidating presence as we saw when he intimidated the Liberal Members of the Senate yesterday and brought them crashing to their knees, having putting his position firmly to them.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I suggest he continue his work in the Liberal caucus to make the Liberal Senators act in the best interests of Canada. If he does that, I will continue to do the same on the outside.

* * *

WINTER OLYMPIC GAMES

REPORTED HARASSMENT OF COMPANIES WITH OLYMPIC IN CORPORATE NAMES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a question for the Deputy Prime Minister in the absence of the Minister of Consumer and Corporate Affairs and the Minister of State for Fitness and Amateur Sport.

As the Minister knows, the Calgary Olympic Committee has been sending its name police around the country harassing all those small businesses which use the word Olympic or Olympia as part of the name of their business.

Will the Government immediately intervene with OCO and tell it to concentrate on running the Olympics and to leave small businesses alone?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, the Minister responsible for Fitness and Amateur Sport is out of the House today. I will take the question from the Hon. Member and advise the Minister when he returns to the House.

I think I can say, particularly with the story in the paper this morning, that I know the Minister's office is concerned about the matter. His office is trying to find out specific information. When that is available I will ask the Minister to make it available to the Hon. Member.

REQUEST FOR GOVERNMENT ACTION

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I have a supplementary question for the Minister who just responded to my first question. It is appropriate that he responds because as he knows, most of the small businesses which use Olympic or Olympia are owned by individual Canadians who came from the country of Greece and were using the words to honour that country.

Rather than just report to the Minister, will he encourage the Minister to do something to stop this crazy attack on our small businesses just because they happen to have the name Olympic or Olympia in their titles? These words have been used for years and years well before Calgary ever got the Olympics.

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, I clearly understand the point of view of the Hon. Member. All I can do is tell him, and I think he knows, that I will bring his view to the attention of the responsible Minister when he returns to the House.

Meanwhile, I know his Department is trying to find out exactly what happened as reported in this particular story in the paper. I appreciate the Hon. Member's interest and I can assure him that the Minister will act with dispatch on the matter.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—FOOD PROCESSING INDUSTRY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I have a question for the Deputy Prime Minister. Yesterday the Grocery Products Manufacturers of Canada stated very clearly that thousands of jobs would be lost in Canada in the food processing industry as a result of the free trade agreement with the United States because Canadian food processors would be obliged to buy their raw food materials at managed regulated prices and would not be able to compete with the United States companies.

This association represents 150 companies which do a business of $40 billion in goods each year and hire 230,000 Canadians. What is the Government going to do to keep these jobs and these firms operating in Canada?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the interpretation which the Hon. Member puts on a testimony given to the standing committee is somewhat blown out of proportion. The Food Producers Association, which has played a very important part in the sectoral advisory committee on the negotiations, has a couple of concerns. They would like—I think if the truth were known—the marketing boards to disappear. They would love to see the marketing boards disappear. They would then have low cost input into their food production. I want the Hon. Member to stand up and tell this House that he and his Party are in favour of doing away with the marketing boards. Will he stand up and tell us that?

GOVERNMENT POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I was at the meeting yesterday at which representatives of the Grocery Products Manufacturers appeared. I heard the brief and I participated in the questioning and answering and I know what was said.

Here we have a respectable Canadian business association saying thousands of jobs could be lost in food processing unless changes are made, while the Government is ignoring their concerns. They said the products that could be affected were, and I quote "bread, pasta, ice cream, yoghurt, breakfast cereals, cake mixes, cookies, crackers, baked goods, frozen entrees, meat pies, soups, canned fruits, vegetables" and others. This is the Government's deal and it has to solve the problems caused by it.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I will grant that the Hon. Member was at the committee hearings but he left early before all the testimony was heard.

Mr. Allmand: That is wrong. That is not true. You were not there yourself. What kind of nonsense is that?

Mr. Speaker: The Hon. Member for Kenora—Rainy River.

* * *

[*Translation*]

EXTERNAL AFFAIRS

QUERY WHY GOVERNMENT AUTHORIZED CANADIAN COMPANY TO BECOME MAIN SUPPLIER TO IRANIAN ARTILLERY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is directed to the Deputy Prime Minister. Since Expro, a company in Valleyfield, Quebec, is going to ship 1,250 tons of explosive powder, a very considerable quantity, to a Portuguese company over six months, and considering that the CBC says it has found a link between the Portuguese company and the Iranian government, why did the Government authorize the Canadian company to become the principal supplier to Iran's artillery?

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I welcome the opportunity to answer this question on behalf of the Minister. I realize that Hon. Members have the right to ask questions in the House, but they should also do their homework in order to avoid making needless accusations.

Exporting gun powder or munitions from Canada takes two permits: a permit for the exporting country, which has been issued, and a permit for the importing country, which has also been issued. We have no control over any re-exporting that may occur subsequently, and that is exactly what is happening.

The RCMP is investigating to determine whether there is any possibility of illegal diversion, and when I say illegal, I mean according to our statutes and our principles in these matters. The RCMP is trying to determine whether there may have been illegal diversion of goods from the legal destination apparent from the contracts signed by the parties concerned.

[*English*]

GOVERNMENT EXPORT CONTROLS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a supplementary question. I am somewhat disappointed to get a technical explanation for something that could be a question of life and death.

I would like to have the Government's commitment that not only will our ambassador in Lisbon be instructed to attempt to identify whether that explosive is being re-exported, but also what will the Government do to introduce controls to ensure that Canadian munitions do not end up on the battlefields of Iran and Iraq?

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member does not want to know about the technical details, maybe he is not interested in finding out the facts. The fact is that two export permits are necessary, and both permits are absolutely essential. We have met our commitments and we have complied with the regulations that exist today and have always been enforced here in Canada. If there are people who subsequently re-export those goods, the receiving country has a responsibility, and that is what should be investigated.

* * *

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—FOOD PROCESSING INDUSTRY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister. Yesterday the Grocery Products Manufacturers group pointed out the impossible position it has been placed in by the free trade agreement with the United States, including a flood of cheap surplus U.S. food which will come into Canada under this agreement.

How does the Minister plan to maintain the employment in this industry while at the same time maintaining our supply management and marketing system in Canada, which is one of the best systems in the world—

Mr. Mazankowski: You are against marketing boards.

Mr. Foster: —which every other country in western Europe and the United States want to emulate?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, this Government made the commitment at the outset of the negotiations that the marketing boards and their underpinnings would stay in place. This has been accomplished in this agreement.

Mr. Allmand: No, it hasn't.

Mr. McDermid: The Americans cannot dump into our country. Our trade laws, our anti-dumping laws, are still in place.

Mr. Foster: It is not dumping.

Mr. McDermid: The Hon. Member said it is not dumping. He just said the Americans were dumping cheap low cost food into Canada. That is just not accurate. The same marketing boards, the same quotas will be in place after the agreement as were before.

Mr. Allmand: Not true.

Mr. McDermid: The allegation of the Hon. Member of low cost food pouring into Canada, dumping into Canada as he put it, is entirely wrong.

GOVERNMENT POLICY

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Parliamentary Secretary. The Minister knows that the United States has been trying to get rid of our supply management and our marketing board system. The U.S. has made that statement many times. He knows that this agreement chips away at all aspects of that system.

• (1200)

Will the Minister admit right now that the free trade agreement is the first step in getting rid of our supply management and marketing systems, and that the next step is the proposal that Canada has tabled with GATT whereby supply management and marketing systems are being put on the table? The United States and most of the Cairns group have agreed to get rid of Section 11 of the GATT agreement which provides for marketing boards and supply management.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, members of the Opposition are taking an interesting tack. I am rather enjoying this. They spread fear throughout the country that marketing boards would be wiped out with the free trade agreement. We made the commitment that they would not. We made the commitment that those underpinnings would stay in place and they have. Now what are opposition Members trying to do? They are saying: "Well, this agreement is okay, but in the next agreement they will be wiped out". What poppycock. Members of the Canadian public are not that gullible. They will not buy that.

* * *

SCIENCE AND TECHNOLOGY

SHOE MANUFACTURING TECHNOLOGY—ACQUISITION OF CANADIAN COMPANY BY AMERICAN CORPORATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State for Science and Technology who would agree, I am sure, that programs such as IRAP that provided $1.7 million to Cimtech for the design of technology for shoe manufacturers are designed primarily to produce jobs ultimately in Canada. I would like the Minister to clarify the answer to the question I posed to him yesterday.

Is it not true that the result of the acquisition of Cimtech by Microdynamics Inc. is that, while the research facility will stay in Canada, the essential production jobs will ultimately go to Dallas and in fact the agreement does not prevent that from taking place?

Hon. Frank Oberle (Minister of State (Science and Technology)): First, Mr. Speaker, I am not aware that such a deal has been made and consummated. Second, if it were, as I said to the Hon. Member, I have assured that any of the undertakings that must be made by recipients of the kind of research support grants the Government makes will be honoured. It is my understanding that the proposition that has been advanced would keep the company in place in Trenton and research would continue there, as would the production of software that is being marketed throughout the world. I do not see what the Hon. Member's concern would be.

EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the question is a very simple one. Money is being provided to a company to produce technology, to produce research and to produce a product, and it is the production of the shoes in this instance which will produce the jobs. The Minister said that the research and the software production will occur in Canada. Is the answer to the question not clearly that the shoes will be produced in Dallas? Is it not about time that the Government recognized that it is rather senseless and will be increasingly senseless, because of new investment rules under free trade, to invest in research and job production in Canada when the jobs will be shipped to the United States?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I am puzzled. Members of the Opposition cannot have it both ways. They lament the fact that American and foreign companies come to Canada with investment, bringing technology with them, creating jobs in Canada, and that is supposed to be bad. It is also supposed to be bad when we market our own technology in other parts of the world. They cannot have it both ways.

Mr. Speaker: This will be the last question in Question Period. Given the hour, I would ask the Hon. Member for Hamilton East to make her question short.

* * *

HEALTH

AIDS DISEASE—CONDOM ADVERTISING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question will be very short. Can the Deputy Prime Minister explain why, in light of the AIDS epidemic that has hit the whole world, the Government has the ridiculous policy that it is illegal in Canada to advertise that condoms can help prevent the transmission of AIDS?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, as the Hon. Member knows, the Minister of National

Health and Welfare is out of the House until Monday. I will bring that question to his attention.

I might say to the Hon. Member that the program the Minister adopted a year ago, a $39-million commitment over five years, has been very successful in a number of areas. It always needs improvement like all programs do, but I think the Hon. Member in honesty would agree that the Minister's project has been a very impressive one.

[*Translation*]

OPPORTUNITY TO ADVERTISE CONDOMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, on June 19, the federal Government issued a press release stating that ...

[*English*]

—"latex condoms are effective barriers to the transmission of the AIDS virus". According to the Government's food and drug regulations which were confirmed at a meeting last week, this statement made by the Department of National Health and Welfare is against the law because it is illegal in Canada to say that condoms can help prevent the transmission of AIDS. Why does the Government not bring its policy into the 20th century, throw out this ridiculous law and bring in a comprehensive AIDS policy, instead of making cabinet findings behind closed doors which are not dealing with the problem of AIDS transmission?

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, as I mentioned before, the Hon. Minister of National Health and Welfare will be back on Monday. The Hon. Member can raise that with him at that time. I will take her question under advisement and so advise him.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-3210, 332-3223, 332-3239, 332-3267 to 332-3269 inclusive, 332-3283 to 332-3289 inclusive, 332-3295 to 332-3311 inclusive and 332-3317 to 332-3320 inclusive.

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Benoît Bouchard (Minister of Employment and Immigration) moved for leave to introduce Bill C-90, an Act to amend the Unemployment Insurance Act, 1971.

Mr. Deputy Speaker: Shall the Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

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

Some Hon. Members: Agreed.

* * *

[*English*]

FOOD AND DRUGS ACT

MEASURE TO AMEND

Mr. Vic Althouse (Humboldt—Lake Centre) moved for leave to introduce Bill C-272, an Act to amend the Food and Drugs Act (food irradiation).

He said: Mr. Speaker, the purpose of this amendment to the Food and Drugs Act is to prohibit food irradiation, the importation of irradiated food and the exporting of equipment or materials likely to be used for food irradiation until such time as the Minister of National Health and Welfare (Mr. Epp) has undertaken studies and research on the effect of food irradiation on human health and environment and made a report to Parliament. The House of Commons would refer the report to a committee or a joint committee and the Governor in Council could not, under this proposed Act, proclaim the expiration of the Act until such time as the committee had tabled its report.

Mr. Deputy Speaker: Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

• (1210)

PETITIONS

OPPOSITION TO PROPOSED TAX REFORM

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have here a group of petitions signed by 975 constituents of the great riding of Glengarry—Prescott—Russell.

[*Translation*]

Mr. Speaker, in this petition my constituents ask and urge the Government of Canada to amend the tax reform that would have the effect of creating a disaster situation for many Canadian senior citizens, and which would also be disastrous for families, the unemployed, taxpayers on low and modest incomes and young people.

Mr. Speaker, I welcome the opportunity to table this petition, and I hope the Government will realize what it has to do and will help my constituents.

[*English*]

EQUALITY RIGHTS—DISCRIMINATION ON THE BASIS OF SEX

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I have the honour to present a number of petitions signed by hundreds of people from Vancouver Island. They point out that in February of 1985 the Government ordered the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights. That committee recommended there be a prohibition of discrimination on the basis of sexual orientation in all areas under federal jurisdiction. The petition requests that the Government move expeditiously to remove this form of discrimination as soon as possible.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—FISHERIES—ALLEGED GOVERNMENT MISMANAGEMENT

The House resumed consideration of the motion of Mr. Henderson:

That this House condemn the government for its inept management of Canada's fisheries in Atlantic Canada and its lack of political will to assert Canada's rights in the Canada-France dispute and for its willingness to allow Americans to exploit its weaknesses in order to gain control over processing in the fishing industry.

Mr. Deputy Speaker: When debate was interrupted, we were at the question and comment stage on the speech of the Hon. Minister.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, my time had expired but there were a couple of minor points with which I would like to have concluded. However, if it is your judgment that we continue with questions and comments, that is fine.

Mr. Deputy Speaker: This morning the House was very gracious in giving a couple of minutes more to the mover of the motion. I am sure it would be the same for the Hon. Minister.

Some Hon. Members: Agreed.

Mr. Siddon: I shall be brief, Mr. Speaker.

The question of the Canada-France dispute was raised in the motion of the Hon. Member. I would like to point out that in January we embarked on an important initiative to resolve two outstanding problems, both of which were caused by negligence, we believe, on the part of the Government of the day.

In 1972 the Liberal Government of that time entered into a treaty with France which gave the French fleet unquantified fishing rights within Canadian waters in anticipation of the extension of jurisdiction to the 200-mile limit. Then, when that jurisdiction was extended, the Liberal Government of the day failed to secure from France an arrangement under which the boundaries around St. Pierre and Miquelon would be clearly described and defined, even though, as I understand it, France offered to accept a much smaller boundary than the area of some 180 miles south into the outer mouth of the Gulf of St. Lawrence which France now claims.

We have attempted over this last year to take a firm position with France to end the overfishing and resolve the uncertainties surrounding a vast area of our waters claimed by France so we can turn those resources over to the benefit of our fishermen. After taking many measures through the year, and having witnessed France withdraw from the negotiating table twice, I can assure this House that Canada's position is being well advanced by this Government. Indeed, we will not extend quotas in Canadian waters to French vessels in the 1988 fishing year in the absence of an agreement to refer the St. Pierre and Miquelon boundary issue to a form of international arbitration. I wanted that to be clearly entered on the record.

[*Translation*]

Second, with respect to free trade with the United States, this Agreement represents a substantial improvement in terms of market access for exporters of Canadian fish. The Agreement gives exporters of Canadian fish a substantial competitive edge over other competitors on the American market.

[*English*]

The fishing industry of Atlantic Canada relies on access to the U.S. market for 80 per cent of its income. In 1986 that amounted to $1.4 billion worth of exports. This year it will probably exceed $2 billion. Anything that reduces tariffs and allows us to add value to our raw materials in Canada, and at the same time secures access and prevents harassment by unfair countervailing and anti-dumping actions, means dollars in the pockets of our fishermen, our process workers, and every person in Atlantic Canada, and Pacific Canada as well, I might add.

In conclusion, entry into a free trade agreement, spurred by the vision of the Prime Minister of Canada (Mr. Mulroney), is a show of national confidence and the beginning of a future of immense opportunity for all fishermen of Canada. I wanted that to be clearly stated.

Mr. Deputy Speaker: Questions and comments.

Mr. Henderson: Mr. Speaker, I listened to the Minister's speech with great care as he tried to take all the credit for all the good things happening in the fishery.

Some Hon. Members: Why not?

Mr. Henderson: I think it shows his naiveté as Minister and indicates his understanding of the fishery. We asked the Minister how many years it took to raise codfish, for instance, to maturity. He obviously knows it is at least seven years, sometimes as much as 12. How many years does it take to bring lobsters to the legal size? Seven or eight. How many years for oysters? How many years for mackerel? How many years for herring and other forms of groundfish?

The success of the industry which we are seeing today has nothing to do with the Government or the Minister. It is because of the good management practices and regime implemented back in the late 1970s and early 1980s after we obtained our 200-mile limit. Mind you, we had to put regulations into place and they were not very palatable. Many fishermen would like to catch whatever they can and forget about tomorrow. However, over the years, through education and a sound management regime, fishermen have grown to understand the importance of good management. Therefore, all of the fish going to the market today have nothing to do with the Government.

The other major factor, of course, given the increased value of landings, is the American dollar. The value of that dollar in relation to ours has been very attractive to the Canadian fishing industry in its efforts to compete in the American market.

I just wanted to mention those two things. I also want to thank the Minister once again, as I did yesterday, for the harbour work he announced. I say "announced" because it has not yet started. I hope it will be followed through and I will be after the Minister daily to make sure it is. As the Minister knows, I have made numerous requests for work in my riding. I was also glad to hear his announcement regarding Miminegash. We are very pleased with that. However, where is Tignish and Milligan's Wharf and the work I have asked to be done there? We have not yet had an announcement.

As well, is the Minister going to make the 30 crab licences, he referred to, permanent licences rather than the 14 which are now permits? Crab fishermen in my area want to know right away. He also mentioned that we had no habitat management policy in the previous Government. He said that in fact none would have been implemented. However, I can tell the Hon. Minister that the habitat policy was started. This is the discussion paper that was presented on August 2, 1983.

• (1220)

The Minister spoke about GATT and all the spin-offs from processing and value-added. Certainly I agree we should proceed in this way, but when I directed a question about this to the Minister for International Trade (Miss Carney) on November 17, she said that I was confused. She said that, I am referring of course to the GATT panel decision which has been leaked, it had nothing to do with the free trade agreement negotiated with the United States.

An article by Christopher Waddell in *The Globe and Mail* today states very clearly that Canada also wants the final text to indicate that it retains the right to ensure that fish caught in Canadian waters are processed in the country. He went on to say that issue had gained more importance since this week's GATT preliminary decision supporting the U.S. claim that Canadian restrictions on export of unprocessed west coast fish, herring and salmon, violated international trade rules.

The Minister knows that under the free trade agreement we have absolutely no protection against GATT. We have no protection whatsoever against the omnibus trade bills that are before Congress at this time.

Finally, the Minister was taking all the credit for getting out of the Canada-EEC agreement this year. The agreement which we signed in 1983 was a five-year agreement, which automatically expires at the end of this year.

The 200-mile zone was a negotiated settlement. We were seeking access to fish in the European markets. This agreement was made at that time to achieve market access and to gain support for fisheries management inside and outside the 200-mile zone. That was solid, sound negotiations about which this Government unfortunately knows nothing about.

The Government and the Minister operate with the spines of jelly fish when dealing with other countries. I want the Minister to respond to some of those comments.

Mr. Siddon: Mr. Speaker, while the rules generally require that I answer only one question, I have a long list of answers which could take the rest of the time available. However, I am glad that the Hon. Member has asked these questions.

Let me first deal with the question of the EEC agreement. It was this Government, myself as Minister of Fisheries and Oceans, and the Secretary of State for External Affairs (Mr. Clark) who decided not to renew the EEC long-term agreement. The Hon. Member's Government had renewed it twice previously because it did not have the guts to tell the French and the Europeans that those fish were there for our fishermen. It is not unlike the way they sold out our interests by giving the French unquantified rights to fish in our waters, and the way they failed to address the question of the boundary when there was a much more modest proposal from France as to what the boundary should be.

The Hon. Member says there is no protection against GATT. It was a Liberal Government which arranged for Canada to become a member of GATT back in 1947, and it was Liberal Governments which consistently supported, as we do, our undertaking to live up to our obligations to the GATT. Furthermore, which Leader of which Party suggested that we should not negotiate a bilateral trade agreement with the United States, but should take comfort in the GATT and live up to and abide by the decisions of the GATT? This hypocrisy cannot continue.

Under this agreement, the Government is securing specialized access to the United States market for fisheries products, access that does not exist in the absence of this agreement. It provides a privileged relationship for our Canadian fishing industry in the largest market available to us, that other nations do not enjoy.

Let me turn to the question of good management. I am pleased that the Hon. Member acknowledges that many good things are happening in the industry. I admit that the quota management system has evolved to a point where it has allowed for a certain stability and predictability in the fishery.

The Hon. Member points out that it takes several years for various fish species, whether it is lobster or cod, to reach maturity. The fact is that there have been quota declines in the last two years, largely because the Government of which he was a member set higher than acceptable quotas in some years. As a result of ignoring scientific advice, they caused a decline in the landings.

The reason this fishery is so healthy is because of the entrepreneurial instinct and the open approach to investment and trade that we have cultivated while ensuring that the ownership of the right to harvest in Canadian waters remains in Canadian hands. That is clearly spelled out in the Canada-U.S. trade agreement.

We are seeing the evidence of a much more dynamic, competition-driven and optimistic group of fishermen and entrepreneurs who are becoming involved in more diversified kinds of processing and harvesting. I mentioned the examples of silver hake, northern shrimp, offshore clam and offshore tuna. That additional strength is helping the core industry to succeed the way it is.

Finally, let me deal with the question of the harbour work. I want the Hon. Member to know that with the additional project I announced today at Miminegash, over $2 million of harbour improvements in that Hon. Member's riding, it represents over one-third of all of the projects I announced for the Province of P.E.I.

My Parliamentary Secretary meets with me regularly to ensure that we look after the interests of fishermen of Atlantic Canada, including those in his own province. He has ensured that these priorities are met, notwithstanding the lack of attention that the Government of which the Hon. Member for Egmont was a part gave to these necessities for all those years since the end of the Second World War.

Mr. Skelly: Mr. Speaker, the Hon. Minister said that he was painting us a great picture. That is not the case.

For example, there are the advisory committees on both coasts. I will deal with the one on the West Coast because I am more familiar with it.

The Minister and his Government have politicized the advisory process by putting into the advisory capacity on the over-all management of the industry some of the most partisan politicians one can find in British Columbia. In many cases, those individuals are driven by self-interest and do not represent groups.

Unfortunately, this has led to the loss of credibility not only in the advisory committee but in the Minister himself. While I do not suggest that the Minister is without credibility, because I know how he works in the House of Commons and recognize his concerns about the industry, British Columbians will have that perception.

It is also unfortunate that there will be no continuity in the committee because those people will be replaced immediately after the next election.

Unfortunately, the politicizing of the advisory process will only gain momentum. I urge the Minister to immediately cease this policy and appoint those who are duly representative and accountable to their organizations, because the present situation is destructive for the industry and the Government.

• (1230)

Secondly, I am deeply disturbed that the Prime Minister (Mr. Mulroney) appointed another Minister to respond to questions. I do not care if he is in Alberta, on the trip of the Queen Charlotte Islands or in Newfoundland, the Minister of Fisheries and Oceans (Mr. Siddon) should have that authority and accountability to answer those questions. I do not think anyone in this House appreciates the move of the Prime Minister placing another Minister in charge of that responsibility. I do not say this with criticism of the Minister of Fisheries and Oceans. I simply say that if the Prime Minister feels he is not doing the job, get rid of him. If he is doing the job, back him so that there is accountability and some

confidence in the business of Canada, which really does not now exist.

My third comment is about free trade, and then I will sit down. The Minister is now contradicting himself. He promised there would not be one single job lost in British Columbia because of the GATT decision. He knows that is absolutely wrong. He heard it from the fisheries industries on the coast of British Columbia. He has now heard it from the Pacific trollers who want to take their product across the line unprocessed because they will get higher prices. If the Government does not fight that decision and win, millions of dollars of product will go across the line and we will lose massive processing aspects in salmon and herring. We absolutely must win.

The Minister for International Trade (Miss Carney) and the Minister of Fisheries and Oceans must band together and turn this decision of GATT around at the committee level. We must not be faced with the prospect of our product leaving British Columbia in unprocessed form. I know the Minister supports that belief and I hope he will be able to convince the Government that that is the correct course to take.

Mr. Siddon: Mr. Speaker, I appreciate those three questions. First, on the question of the advisory process, some very serious allegations have been made. What we did initially under the leadership of the Speaker of the House when he was Minister of Fisheries and Oceans was to create a policy advisory group on the Atlantic Coast called the Atlantic Regional Council or ARC. I can assure the Hon. Member that on that council sit people who carry, for the most part, no political affiliation, and those who might, carry affiliations of all three political parties.

We had a problem with the equivalent of PARC, which was not a policy group, but more a management advisory group. Eighteen of the 20 positions were held by representatives of the commercial fishery, that is, fishermen. However, the native sector had abandoned the organization as did, in the latter stages, the recreational fishing representation. It was then totally inappropriate to give proper representation to all of the the important policy issues on which I, as Minister of Fisheries and Oceans, required advice.

We created a PARC on the West Coast, not a national PARC although we commend that decision as well, but a Pacific Area Regional Council, the equivalent of ARC, which consists of 12 members and a chairperson, thirteen in total, appointed to be my principle source of advice on policy issues, and appointed to represent people who are respected for their eminent stature and knowledge in various parts of the fishery, commercial, native, recreational and general interest, as well as the business aspect. Those selections were based on advice to me from many organizations, notwithstanding the fact that the United Fishery and Allied Workers Union refused to offer a nominee, and notwithstanding the fact that the large seine boat sector declined an invitation. Those are matters I expect to adjust in future.

On my Pacific Area Regional Council, again there would not be very many of those 13 individuals who would have a political affiliation, but of those who do would be representative of all three political parties. I could not live with a council where the members were changing and always had to report back to their organizations to call a special meeting to obtain the organization's consent, and to have a system of voting where some groups who could not have it their way had to leave because their views were always vetoed. I have a created a consensus group of advisory people, much as the federal Cabinet or a political caucus operates. They do not advise me when they do not come to me with consensus. That is what I seek and that is why this new advisory structure is so important to the future of the Pacific coast fishery.

In regard to the point the Hon. Member implies about the Prime Minister appointing a Minister, I was appointed two years ago this week as Minister of Fisheries and Oceans for Canada. I give my undivided attention and devotion to these duties and have the full support of the Prime Minister to that effect. No one has been appointed to speak for me, notwithstanding the fact that from time to time in the House Acting Ministers are designated when Ministers cannot be in the House. I do not even know what the Hon. Member is implying. It seems to be something mischievous or scurrilous. I fully carry out all of my duties as the Minister of Fisheries and Oceans for all Canada.

Finally, I can assure the Hon. Member that the objective of the Canada—U.S. trade agreement is to find means, by the reduction and elimination of tariffs and the unbiased application of U.S. trade remedy laws, to gain more added value, more investment and employment opportunities in the fishery of Canada. Anything that operates to the detriment of that will be opposed by this Government and is clearly protected against in the Canada-U.S. trade agreement, notwithstanding the GATT panel recommendation to which the Hon. Member referred.

My colleague, the Parliamentary Secretary to the Minister for International Trade, who will speak later, will elaborate on this. Many GATT countries use measures which are accepted under the GATT and consistent with the obligations of those countries under the GATT to ensure that supply of raw materials, in this case fish, is available on a priority basis to serve the needs of established plants and industries in their countries. We expect to enjoy the same privilege all the other members of GATT have in that respect.

Mr. Ray Skelly (Comox—Powell River): The matter before us is extremely serious. Before I commence my remarks I would like to deal with some of the comments made by the Minister. He suggested, and I think perhaps somewhat over hastily, that the remarks were intended as scurrilous and mischievous. When we dealt with the matter of the Canada-France issue, the Hon. Member from St. John's was designated as the speaker on that particular issue, the individual to respond to questions—

Mr. Siddon: By whom? When? How?

Mr. Skelly: —and I think, without offering any offence to the Minister of Fisheries and Oceans, or anyone else, people in this House were concerned about that. There was not a clear explanation of why that was done and I think a lot of us would rather have dealt with the individual who was responsible for the fishing industry and who was responsible under law—

Mr. Siddon: I rise on a point of order, Mr. Speaker. That point is absolutely incorrect. The Hon. Member for St. John's West (Mr. Crosbie), the Secretary of State for External Affairs (Mr. Clark) and I have been designated to jointly respond to questions relating to that issue. It depends whether it is a question of boundaries, international law, regional interests or fisheries. I have never failed to respond to a question directed to me by any member of the Opposition on this question.

Mr. Skelly: I certainly do appreciate the clarification, Mr. Speaker, but the comment still stands. Hopefully, when we are dealing with fisheries issues in this House the Minister of Fisheries and Oceans will in fact be the person who responds and who is in fact held accountable for that extremely important area. With his assurance, I will carefully watch in the future how this matter unfolds.

I would like to follow on with some of the unfortunate aspects of the Minister's speech. With respect to the nature of the partisanship in this Government, to which I had alluded, in the appointment of the Pacific Area Regional Council, we have now seen a politicization of the advice process. The previous Minister of Fisheries and Oceans, the individual who has distinguished himself as a very competent and respected Speaker in the House of Commons, was in fact a very respected Minister of Fisheries. The Minister was open, very knowledgeable and concerned about environmental matters. He was concerned with all matters and aspects of the fishery. Had that Minister continued in the role of appointing the advisory committee we may have seen the direction continue in that the advice and the advisory committee itself would not be politicized. The individuals who have to live with the results of that advice and the management plans that are put into place would not feel that they had been exploited politically and that the management plan had come about as a result of partisan advice.

• (1240)

I do not say that with malicious intent. It is my hope that it will be recognized and that the difficulties that are being created in the fishing community as a result of people's feelings in that direction can be rectified as the advisory committee grows and develops. I hope that it will not be stunted as it is today. I hope that criticisms against it will be examined and that improvements will be made to it so that there can be growing confidence with respect to the types of decisions that come out of it.

It is also my hope that as of the day after the next election every member of the advisory committee will not be fired and a whole new partisan group of individuals appointed to give political advice on management programs. Personally, I see that as a very dangerous trend. I know that many people in the west coast fisheries also see that as a very serious trend. I think it can be rectified quickly.

The Minister also alluded to the two approaches to an advisory committee. Of course, the dilemma is that to bring about some kind of consensus, or at least widespread support for management programs, is something which will never be. Dissension will always be there because of the underlying principle involved, that there are not enough fish and it is the fault of the Tories. Prior to 1984 there were not enough fish and it was the fault of the Liberals. Those fish were always being misallocated. One group was always getting a better deal than the other. Even when the NDP forms the Government those problems will not leave us.

What I think has to happen in this particular situation is that the advisory groups must represent the major players in the fisheries. If a major player group is involved in the fisheries and has no say on that committee, or at least no effective say, then it will not be content with the management results that come from it. When major players are eliminated the entire Government and the Parliament of Canada will be a target for constant and ongoing criticism with respect to what is going on. That is not in the interest of anyone. The people who are on the committee must enjoy the confidence of the group they represent.

The other option is the one which has been chosen by the Minister. The previous Government chose this approach as well, although it was a bit more careful to ensure broader representation. It had the wise person approach to the committee. What is done is that individuals who are not accountable to organizations but who have broad knowledge of the industry and certain aspects of it are selected. Or, perhaps, they have broad knowledge of the economy of the west coast fishery, let us say. I have been told that a wise Tory is a contradiction in terms. But giving the benefit of the doubt in this particular case, there are a number of wise individuals who have been appointed to this committee.

Unfortunately, in selecting individuals who are not accountable to organizations we end up with a situation in which people think that they were selected on the basis of their political affiliation and their partisan view. I see that the Minister is shaking his head. It is possible that I might be incorrect. I live a very sheltered life on the coast of British Columbia. I am not widely known as a partisan individual. I do not become involved in this type of thing regularly. But there are those cynics out there who believe that the organization has now turned into one which is very political and partisan. I urge the Minister to recognize those criticisms and the kind of dissension that is created by them.

I suggest that he move toward developing a more mature committee. In my humble opinion the committee should move toward credible representation of the major organizations which there are on the coast of British Columbia. If they can win the support of their organizations for management plans, then there will be much broader agreement in the community.

The Minister also mentioned that he was very concerned about native issues. He said he wanted native representation on the committee. It has been noted that this has caused a very major problem. What we have to see is a very responsive move by the federal Government with respect to the issue of land claims. In British Columbia, many fishermen are suggesting that the federal Government is driving a wedge between the native people and the fishermen to provoke conflict. It has been suggested that in the political management of the fisheries it is in the Government's interest to have various sectors of the industry fighting with each other. What happens is that the federal Government correctly begins to negotiate with the native people on the coast of British Columbia about their access and rights to fishing. Then it actively supports the defence leagues against the Indian fishery to become involved in advertising programs and, basically, to inflame this discussion, thus moving it to an almost racial conflict.

What has happened is that we do have a full-blown conflict between native people and a number of fishermen on the coast of British Columbia. Other voices are saying that what is at fault here, and what has created problems in the fishing industry, is the Government in its desire to divide and rule. It is dividing those who are natural allies, those who should be working together in the industry. It is doing so in a provocative and, in my opinion, dangerous manner.

What should be happening is that the Government should be moving on a broad based settlement of native land claims. Fishermen are asking that that happen. They do not want to see fish as the only currency of settlement of claim, or as the interim settlement of claim. They want to see a fair deal for the native people. They do not want to see what happened on Lyell Island happen again. Nor do they want to see what happened on Meares Island or in the Stein Valley of British Columbia happen again. It is being said that the Social Credit Government in Victoria and, indeed, the federal Government in Ottawa in working together are actually driving wedges between native people and loggers, native people and fishermen, in order to start community conflicts instead of getting people to work together. In the fishing industry it is critical. There is clear evidence that the federal Government has been supporting both sides of the issue. It can only be doing that in the same way as the classic 20th century arms merchant who makes money by selling guns to both sides in a war. This is totally unacceptable.

With respect to the management of the fisheries, the Minister of Fisheries and Oceans (Mr. Siddon) should be demanding of the Government in the proper management of that portfolio that native people be given a broad range of economic opportunities to which they are entitled under the settlement to aboriginal claim. It is absolutely imperative. So when the Minister mentions fisheries and the rights of aboriginal peoples, these are the kinds of matters we are expecting to hear from him. We want to hear that consensus and unity will occur.

We do not want to hear about the divide and conquer technique that has been used by the Ministry of Fisheries and Oceans for years and years. We do not want to hear about the politicization of advisory committees with partisan political individuals with one point of view on that committee, but about representatives of organizations attempting to strive for consensus in the committee and consensus between the major groups and players on the coast.

• (1250)

The Minister spent a great deal of time on the Small Craft Harbours Program. I agree with the Hon. Member for Egmont (Mr. Henderson) when he states that he is very pleased to see this program come forward. There is no one in the House or the country who is not pleased to see the beginning of spending funds on this very necessary infrastructure.

I am not partisan or political, and well known for that fact—

Some Hon. Members: Oh, oh!

Mr. Skelly: I do not have any cynical view of what the Government has done. I see that my colleague from Mount Royal completely agrees with me. We view this in a very positive manner. We do not think that the Conservatives are coming to an election. We do not believe that. The absolute neglect in the last three years of the Small Craft Harbours Program has been atrocious. Small craft harbours were in such a weakened state that they were in danger of destruction from the elements. Disruption of the fisheries were occurring. A fork-lift could not be driven across many areas. I have heard of winches coming off the wharf. Wharfs have burned down, and nothing has been done about it.

We were told that it was the Liberals—the filthy organization from the past, the ogre that ran the Government for millions of years—only for political reasons had built harbours. They had never added enough maintenance budget. Therefore, it was the responsibility of the Conservative Government to cut down on the number of harbours. It was going to close *x* number and reduce the capacity of others. It was going to privatize some and put the rest under harbour commissions. It was going to cut staff and budgets. This was having to be done because of this filthy, nefarious organization called the Liberal Government of previous years.

The Conservatives had a big dog and pony show with beautiful slides and overheads. When I saw the show, I was completely convinced about the evil nature of the previous Liberal Government, that staff needed to be eliminated, budgets had to be cut, and the harbours had to be cut down. When I returned to my own riding, my eyes were opened and I

saw that the stories were false. The harbours were falling apart, there was disruption in the fishing industry, and there was a desperate need for infrastructure and facilities to service the new aquaculture industry. The Government was saying, "Sorry, we cannot do this because the Liberals have shafted the country. They have cut the budget. They have cut the staff". There was a desperate need to get those facilities in place.

I wish to congratulate the Government for making a three-year leap from the 19th century to the 20th century in the Small Craft Harbours Program. I congratulate the Minister for taking the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. Mazankowski) and rapping them between the eyes and attempting to get them into the 20th century where the role of Government is to assist in the development of exciting new projects to ensure that people can continue to work.

As I mentioned, the unfortunate thing for the Hon. Member for South West Nova (Mr. Comeau) is that there is still an enormous amount of damage in his riding and an enormous amount of work that has to be done. The Hon. Member is satisfied to sit here and state that that is enough, the Government has done enough in his riding and he does not want any more. He stated that yesterday. I am appalled at that type of contempt—

Mr. Comeau: Mr. Speaker, I rise on a point of order. I wish to correct the record or the impression made by the Member for Comox—Powell River (Mr. Skelly). He stated that there have been enough wharf repairs in my riding. By no means have there been enough repairs. I want much more. I appreciate that the Hon. Member wishes to assist in getting more wharf repairs, and that I will be receiving my wharf repairs by the time that I am done.

Mr. Skelly: To see another Conservative Member rise from the back of the cave, wake up and defend his constituents after being prodded by a new Democrat is an encouraging sign. I will continue to do this with the Hon. Member for South West Nova. I am sure that because of our efforts his constituency will be better served.

I hope that my constituency can receive as much money as the Hon. Member's constituency. To my knowledge, the coast of British Columbia has not received as much money as the Hon. Member's constituency and it should also be fairly treated.

I would ask that the Hon. Member stand up in his place and chew the hide off the Minister of Fisheries and Oceans and tell him to make it an equitable program so that those harbours are not fixed to the amount that is in place, but that they are repaired to the full extent necessary to make the fishing industry effective, and that the coast of British Columbia is also treated with equity. I look forward to the Hon. Member's statements to the Minister of Fisheries.

Mr. Holtmann: First, I wish to say it is the first time since I have been elected that I have spoken from this side of the House and faced the Opposition head on. It is a wonderful feeling not to look into their ears but to look into their eyes.

Having heard the comments of the Hon. Member for Comox—Powell River (Mr. Skelly), I think he unfairly criticized the Minister of Fisheries and Oceans (Mr. Siddon), in his deliverance, about the work done by the Minister and previous Ministers for small craft harbours. I can advise the Hon. Member that on no fewer than 20 occasions I have announced improvements to small craft harbours since I was elected in 1984. Last year $1.8 million was spent on a major harbour repair. If the Hon. Member feels that that is doing little, or something at the last moment, I would advise that much foresight and planning went into that. He should recognize that there are probably as many harbours inland in the heart of the Province of Manitoba as there are on the coast of British Columbia. Many people do not realize that. There is a large fishing industry which is growing, and clearly we are very capable of looking after it and addressing the problems it faces.

My hon. colleague also observed that the job is not completed. I think that the important point is that the Hon. Member should know this Government did not go out in some reckless fashion, like the former administration was used to, and spend money on different activities with regard to Fisheries and Oceans such as a harbour or yacht club which were not needed. If the record is checked, it will be seen that the money of Canadians was foolishly spent in areas that clearly never asked for something—perhaps only for patronage sake.

This Government has made some major changes in the manner it has spent money. It brought down a Budget that is starting to reduce the deficit. It is unfair to criticize the Government because there are still some harbours that are not completed or repaired. It has been clearly illustrated, even by Members in the Opposition who represent those areas, that there is still work to be done. I do not think the Government can be criticized for not looking at this in a more prudent manner than was the case before.

I would like the Hon. Member to stand in his place and tell the House, with that criticism he directed to the Minister of Fisheries and Oceans, how much more money would he spend if he was the Government? The NDP has great aspirations of becoming the Government. It has a great way of solving the harbours problem in Canada. What will it do? Will it immediately triple the budget and repair every broken harbour? Is that what it will do?

To criticize the Minister for the way that he has handled the problems is clearly not totally without foundation. We will have to see what the NDP is going to do. It will be going to go to the people when the Government goes to the people, and I am sure the NDP will have a policy. What is the policy of the NDP? What is it going to be?

Mr. Skelly: I think the previous speaker completely justified my presentation and destroyed his own argument when he stated that my attack on the Minister was not without foundation, that in fact the harbours had been trashed in Canada. Of course, I would agree with him absolutely.

• (1300)

As a representative of my Party in the House today, I want to congratulate the Hon. Member on his move across the Chamber. We recognize that that was not without some serious concern for safety on the Government's part because of random attacks by the Member on people on his own side of the House. We are hoping that he will move forward. In the far reaches of the back-benches of the Conservative Government we recognize that there is not enough oxygen and that the quality of presentation sometimes is not as good as it should be, so we would hope that that Hon. Member would indeed move farther down into the lower altitude and be provided with more oxygen before he speaks.

However, I would like to deal with the immediate problems in the Selkirk—Interlake riding and along the lakes of Manitoba where there is a very important fishery. We support the spending of money in that Hon. Member's riding because it has important harbours which were left to deteriorate over that three-year period. It was not a matter of careful planning; small craft harbours people in the regional office have planned their brains out. They know where the damage is. They know where harbour infrastructure is required. They have known it for years. They were even so bold as to go to the Department of Public Works and say, "Draw us up some proposals for these repairs, figure out what the dredging will cost, and show us the infrastructure cost to get these things in action and keep them repaired". Public Works officials came back with it all. They also talked with contractors about providing support services like water, electricity, highway access, and hydro—the whole works. All that was in place.

The Minister did not need to plan it. The people have been screaming for it for a decade in many cases. We had a situation where the brakes were put on. It was not by the Minister. The Minister is an excellent fellow. I commend him. Of Ministers in any Government in Canada he has done an excellent job. However, the Government and the previous Hon. Member for Yukon put on the brakes and drove this economy to a stop. It suddenly realized that that cannot be done in harbours areas, because the more damage created in that period the more it cost the taxpayers. A completely "up to speed" harbour quite often defends itself and deteriorates much more slowly in terms of damage from the elements.

If the Tory Government had moved forward more quickly, and had Treasury Board been more receptive to common sense, we would not have had to jump in suddenly, prior to the federal election about which the Prime Minister (Mr. Mulroney) has been hinting and fooling around in the last couple of weeks. Indeed, if that money had not been spent now, many Conservatives would not only have been defeated, as they will be, on free trade, but they would have been defeated on the small craft harbours issue. We heard that time after time as we travelled throughout Atlantic Canada.

At any rate, once again I congratulate the Hon. Member for Selkirk—Interlake (Mr. Holtmann) on his lofty promotion to the back bench on the Conservative Government side of the House. I will certainly write a letter to the Prime Minister to urge that he be moved forward into the lower benches.

Mr. Boudria: Mr. Speaker, I have a very brief comment which I want to make to the Hon. Member for Comox—Powell River (Mr. Skelly). At the beginning of his speech he made an unfortunate intervention which begs to be corrected.

He said that he was of the opinion that there was no fishing going on in the constituency of Glengarry—Prescott—Russell. I must correct that because Glengarry—Prescott—Russell is the home of the famous, and I should say internationally acclaimed, Lancaster perch from Lancaster, Ontario. Granted, it does not employ several thousands of people as does the fishing industry in other constituencies, nevertheless it is an important livelihood for a number of my constituents. I thought it was my duty to bring it to the attention of the House.

Perhaps I should utilize this occasion to remind Hon. Members on all sides of the House that in the unlikely event that some Hon. Member might not have had the pleasure of partaking in Lancaster perch, they are quite welcome to tend to this matter urgently. They should come to Lancaster, Ontario in the riding of Glengarry—Prescott—Russell where there are actually roadside stands similar to chip or French fry stands which sell Lancaster perch. It is a delicacy in our area, and I would want all Hon. Members to be aware of it, in the unlikely event that perhaps some may not have had the pleasure of tasting Lancaster perch.

I am sure the Hon. Member himself must have tasted it because he is an authority on fish and no one who is an authority on fish could be so, without having tasted the great Lancaster perch. I thought I would bring it to the attention of the Hon. Member, to your attention, Mr. Speaker, and to the attention of all Canadians who may not have had the pleasure of tasting Lancaster perch.

Mr. Skelly: Mr. Speaker, I apologize for any misunderstanding. I knew that Glengarry—Prescott—Russell was the scene of a great perch fishery. Indeed, that had been brought to my attention by the Hon. Member for Selkirk—Interlake the other day who was on his way into the area to do some fishing and had a case of dynamite.

I am glad the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) had the opportunity to bring this matter to the attention of the House, and I thank him for it.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I would like to make a few comments about the excellent motion

put forward by the Hon. Member for Egmont (Mr. Henderson), or we might say the Hon. Member for Prince Edward Island.

The Hon. Member has attacked the Government on various fronts, and rightfully so, for its neglect of the inshore fishery, for its absolute and total disregard for the interests of Canadian fishermen in the France-Canada dispute, and for its lack of political will, as he put it, in what happened concerning the GATT ruling in which the United States is saying that Canada no longer has the right to process its own fish and to create its own jobs.

In other words, the Hon. Member for Prince Edward Island has put on record for all times what the fishermen of Canada think of the Government of Canada.

Earlier I listened very carefully to the Minister of Fisheries and Oceans (Mr. Siddon). I must admit that he appeared to be somebody who was greatly concerned about fishermen and the fishery and who wanted to present the best possible picture of what the Government of Canada was doing for the people of Canada, for the fishermen of Canada, for jobs in Canada, and for the entire future of Atlantic Canada, the West Coast of Canada, and everywhere else that we have thousands, thousands, and thousands of families who depend upon the fishery. We have them all along the coastline of the Province of Quebec. We have them all along the coastline of the Province of New Brunswick. We have them all around Prince Edward Island, all down the Nova Scotia coast, all around Newfoundland, and right up and down the coastline of British Columbia.

The Minister of Fisheries and Oceans stood in the House and said, "Look what we have done in the Canada-France dispute". Just imagine this, Mr. Speaker. We have a number of small islands off the south coast of Newfoundland or the east coast of Canada. Those islands are about 13 nautical miles off the coast, about 16 miles off the coast, or about 24 kilometres off the coast of Newfoundland. The two populated centres of St. Pierre and Miquelon have a population of about 6,000 people, give or take 50. There are 5,400 people in St. Pierre and about 600 in Miquelon. Their unemployment rate is 10 per cent. Their only resource, apart from a few sheep, cows, goats, and a little agriculture, is the fishery; their entire resource is the fishery.

Let me refer to what they caught last year in Canadian waters, and this is the great dispute. The Minister of Fisheries stands and says, "We don't know where Canadian waters are". We are here to tell him today that we know where Canadian waters are. Canadian waters are around Canada. How dare the Minister of Fisheries stand up in the Chamber and say, "We don't know where Canadian waters are" or "we don't know who owns the waters off the coast of Canada"!

• (1310)

Just imagine that, Mr. Speaker. It has been said a dozen times in this Chamber by the Prime Minister (Mr. Mulroney), by the Minister of Fisheries, and by the Acting Minister of Fisheries, External Affairs, Transport—everything under the sun—I am referring to the Minister of Transport (Mr. Crosbie). We do not know who owns those waters off the coast of Canada so we cannot send in our fisheries patrol vessels to arrest those people who are breaking the law 200 miles off the coast of Canada. The Government of Canada says, "We don't know who owns these waters and, therefore, we cannot go out there and board a vessel to arrest somebody who is breaking the law. But we can if that somebody", says the Government of Canada, "is a Newfoundlander. Yes, we can arrest that person if he is a Nova Scotian or if he is from Prince Edward Island—if he is a spud islander as they call them sometimes—Yes, we can arrest him if he is a Quebecer or if he has come all the way around Canada and North America from British Columbia to get there". We can arrest him, and, Mr. Speaker, we do. The Government of Canada, that great strong Government of Canada, which stands up for the rights of Canadian fishermen, arrests people regularly if they break the law. If they are in excess of the quota allocation, the Government can arrest them.

We have had cases under this Government where a boat has been arrested for being 64 feet 10 inches long when it should have been 65 feet long in the disputed zone. We have had cases where Canadian boats have gone out and fished alongside American boats, Spanish boats, Portuguese boats and boats from China. The Canadian was arrested because the quota was gone for Canadians, but the quota was not gone for the foreign boats.

That sort of thing takes place right on the nose and the tail of the Grand Banks. They called them once upon a time the Grand Banks of Newfoundland. But the nose and tail of the Banks off the coast of Canada belong today, under this administration, to every foreign country that can send a boat there to fish. Canadians are not allowed to fish there because of a decree and a Cabinet decision by this Government, and they are not allowed to fish there because the Government says that for conservation reasons we will put a freeze on and we are hoping all the other countries will agree. If they do not agree, we can't arrest them but we will certainly arrest our own Canadian boats.

Getting back to St. Pierre and Miquelon—

Mr. Crosbie: It is about time you got back there.

Mr. Baker: St. Pierre and Miquelon with 6,000 population—

Mr. Crosbie: Get back to Gander.

Mr. Baker: Get back to Gander. Let us go to Fogo, just north of that. It is 18 miles off the coast. St. Pierre and Miquelon is 16 miles off the coast. Fogo Island and St. Pierre and Miquelon have roughly the same population. Now let us look at how much fish they caught last year. Fogo Island caught 24 million pounds and St. Pierre and Miquelon caught about 22 million pounds. There is a very low unemployment

rate on both islands. One would assume that each of the populations on those islands would have equal rights and that the needs of Fogo Island off the north coast of Newfoundland would have the same rights as St. Pierre and Miquelon off the south coast of Newfoundland. Equal industries, equal people, equal distance from the mainland, that is from the mainland of Newfoundland. But what do we see, Mr. Speaker? We see that Canadian fishermen, Canadian people who work on the Canadian island are subject to Canadian law on quotas. We see that whoever comes and fishes under the guise of being registered in St. Pierre and Miquelon, of being under the French registry carrying a French licence, can fish all they want without being touched. We are not allowed to board the boats and have a look at what they have on board because the Canadian Government under this administration says, "We don't know who owns these waters".

The solution to St. Pierre and Miquelon is quite simple. The solution lies in what happened back in 1967 when France was objecting to a group of islands off its coast. The circumstances are similar. The islands belong to Britain. France said, "You only deserve eight miles, seven miles".

Mr. Price: Six miles.

Mr. Baker: Six miles.

Mr. Crosbie: Try for five, George.

Mr. Baker: The matter went to arbitration and the international court ruled, like any other international court would rule, like every other court had ruled, like every other case that has ever been reported under international law ruled. That country off the coast of France, when France argued less than eight miles, was given an eight to nine mile territorial sea to fish in and control over that area—I am talking about the Channel Islands. That was not too long ago, Mr. Speaker. Now the shoe is on the other foot and France has a small group of islands off the coast of Canada and France demands 200 miles. What does Canada do? Canada does not say no.

Mr. Price: Twelve.

Mr. Baker: Canada says, "All right, we will declare it a disputed zone". The Minister of Fisheries said a moment ago in this Chamber, "They are not allowed to fish in Canadian waters". That is what he said. That is what the Prime Minister said and what the Minister of Transport said, "not allowed to fish in Canadian waters". I can tell you this, Mr. Speaker, yes, they are. Just forget the disputed zone off the south coast of Canada for a moment. We have a zone going out 200 miles that feeds thousands upon thousands upon thousands of Canadian families. It allows them to have money for their children. That zone takes care of Canadians, some of whom have now been kicked out of the fishery. They have 50 foot brand new boats and loans from the fisheries loans board. They had their licences cancelled this past year in this area called 3PS off the south coast of Newfoundland, and the federal Government said, "We will have to give you permits from now on month by month". Why? Because France is overfishing. Just imagine, France is overfishing.

This particular zone, which runs all along the south coast of Newfoundland, today is almost a disaster area in the Canadian fishery.

As I was saying, there is no fishing in Canadian waters. This year the French for the first time in Canadian history are allowed to go up off the Labrador coast and fish in zones 2G and 2H.

Mr. Price: Wrong.

Mr. Baker: "Wrong", says the Hon. Member across the way.

Mr. Price: Not for the first time.

Mr. Baker: For the first time in Canadian history, they have an allocation to themselves in 2G and 2H off the coast of Labrador. I have heard the Minister of Fisheries and I have heard the Prime Minister in this Chamber say, "Well, you know, we are going to give them that fish up there as an interim measure to get them back to the bargaining table because Canadians don't want it because the ground is too rotten at the bottom of the ocean. You cannot haul a seine through it. You cannot haul a trawl through it because the ground is too rotten". That is utter nonsense. That is the spawning ground for the entire northern fishery, the entire stock that we call the northern cod stock. The northern cod stock is located in the riding of the Minister of Transport. The northern cod stock is in the riding of the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson). The northern cod stock is in Gander—Twillingate. The northern cod stock is in Grand Falls—White Bay—Labrador.

• (1320)

When people hear on radio or television reference to the northern cod stock or when they hear some Hon. Members talk about the northern cod stock, they think that that is codfish that is way up North somewhere where no one lives except for a few Newfoundlanders who hunt seals. That is wrong. The northern cod stock goes right from the Avalon Peninsula down around St. John's and right along the coastline of Newfoundland in every single bay and inlet.

If a person wanted to catch a codfish from the northern cod stock, he would get on a plane, go to St. John's, Newfoundland, get off at the airport, go out through Belle Isle to Torbay or somewhere, put a line over the side of the wharf and hook a codfish. He would then have a codfish from the northern cod stock.

There is this misconception that the northern cod stock is way up North somewhere. It is not. It is right around the coastline of Newfoundland and Labrador.

I am not now talking about the French who live in St. Pierre and Miquelon. I am talking about the French from France.

Has anyone ever argued against allowing the people of St. Pierre and Miquelon enough fish to harvest for themselves, thus allowing them to employ themselves? No, no one has ever argued against that. One would have to be crazy to say that the people of St. Pierre and Miquelon do not have a right to live. Of course they do, they have an historic right to exist off that resource which lies off the coast of Canada.

These great big ships called the Metropolitan Fleet with their fancy equipment, their fancy gear, their on-board freezing facilities and all of their modern technology come over and scoop up millions and millions of pounds of fish. That is what we are talking about now. That is the fleet that the people in St. Pierre and Miquelon detest. That is the fleet over which they call public meetings. They say that they must do something against the Government of France because the Government of Canada lacks the political will, as the Hon. Member who presented this motion said, to do anything about it.

Add to that the new horizons of the French Government, not of the people of St. Pierre and Miquelon but of the French Government. This year in St. Malo alone, where the Minister of External Affairs sent a letter guaranteeing jobs for years to come, 2,500 people worked in the fish plants from the fish they gathered off the coast of Newfoundland.

This year, the French fleet is fishing on 2G and 2H. This year there is an interim fishery. Granted, there is no interim fishery for 1988, that is true. The Minister of Transport made that quite clear. He drew that distinction, but the Minister of Fisheries did not a few moments ago.

On top of that, we have that poor, unfortunate Tory Government of Newfoundland. Amid all of this frustration felt by the inshore fishermen of Newfoundland, the Government of Newfoundland went to work and applied for licences for what is called the middle-distance fleet, another bunch of new ships to be launched in order to take away the fishing resource that we do not have off the coast of Newfoundland.

In conclusion, I must congratulate the Hon. Member for Egmont for putting forward such a sensible resolution. I do hope that all Hon. Members and even members of the Progressive Conservative Parties will vote totally in favour of the motion.

Mr. Crosbie: Mr. Speaker, I have a comment or two to make and even a question or two to ask the honourable toothsome gentleman. I must say, however, that I am afraid that he did not cook up very much in his remarks. There is not much we can get our teeth into. As a matter of fact, what he had to say was as toothless as a tomcod.

The hon. gentleman never made one sensible point. I would like him to deal with some of these other questions. I did not hear one offer of an answer or a solution from him.

The Hon. Member mentioned the arbitration between England and France in connection with the Channel Islands dispute. That case went to arbitration because the United Kingdom and France agreed that it would go to arbitration. Surely the hon. gentleman must realize that for some years now, both the Government he was elected to represent and the present Government have been attempting to convince France that it should go to arbitration about the territorial boundaries surrounding St. Pierre and Miquelon, but France refused to do so.

Would the hon. gentleman enlighten us on how he will force France to go to arbitration if France says that it does not wish to go to arbitration? There can only be arbitration if both parties agree to that arbitration. What is his solution to that?

If he had a solution to that problem, why did he not produce it when the Trudeau administration was in power through all of the years between 1968 and 1984? If he did offer that solution then, he might explain to the House why that Government did not act upon it.

While the hon. gentleman is dealing with that question and while we are on the subject of Canada and France, would he explain to the House why his Liberal Government in 1972 entered into the 1972 treaty between Canada and France that gave the French the right to fish in Canadian waters? He says that he knows where Canadian waters are. The Liberals must have known where Canadian waters were then if they know where Canadian waters are now. Of course, they had their water cut off in 1984 so I do not know how they could know where Canadian waters are, but if they know now, they should have known then.

The Liberals entered into a treaty with France that gave France the right to fish in Canadian waters, into the Gulf of St. Lawrence and into 2J3KL and all of the Canadian waters they could claim to have a right to fish in. Perhaps the hon. gentleman might explain to the House why his Party and Government did that.

The hon. gentleman might also explain to the House why his bench-mate, the Hon. Member for Humber—Port Au Port—St. Barbe (Mr. Tobin), rose in the House on Wednesday and made a perfect fool of himself. He was the leading questioner of the day for the Official Opposition. He pretended that there had been some great change and that we were now threatened by France and that for the first time in history, a French navy vessel would be permanently deployed off the Islands of St. Pierre and Miquelon. He went on and on and said that this was the first time in history that there would be French navy presence off the East Coast of Canada because the vessel *La Centure* was patrolling the waters off St. Pierre and Miquelon. It turned out that poor Tugboat Tobin had his mug in a tug and all this was was a naval tug that has been coming to Canada for 10 years. Four tugs come here and spell one another off. That was the leading question of the day.

Where was the Leader of the Liberal Party at that time? Was he out on a tug, or perhaps he was flying over the tug, getting his mug over the tug? The hon. gentleman might

explain to us why his seat-mate from Newfoundland asked that question.

By the way, I want to pass this on to the hon. gentleman. I came across Ambrose Bierce's definition of "positive" the other day. The Hon. Member is very positive. According to Ambrose Bierce, positive means that you are mistaken at the top of your voice. Certainly the hon. gentleman made a very positive speech. He was mistaken at the top of his voice.

Would the hon. gentleman get hold of Tugboat Tobin and ask Tugboat Tobin why in 1972 his Party signed this treaty, Article 7 of which says that the French patrol vessel which usually accompanies the French fishing fleet may continue to exercise its function of assistance in the Gulf of St. Lawrence? His Party agreed to a French patrol vessel which usually accompanies the French fishing fleet going not only into Canadian waters in the North Atlantic but into the Gulf of St. Lawrence. Where was the Hon. Member for Humber—Bumptious—St. Barbe when this 1972 treaty was entered into? When will he apologize to the House for rising as the leading questioner and making a fool of himself, shaming his own province by fussing about a French naval tug with a machine gun, and guess where the machine gun was? It was on the stern of the vessel. It could not even fire forward! It could only fire aft. Of course, that is where you find that crowd, always to the aft. In the raft at the aft. That is where you find that crew. I guess they were in danger from that machine gun. I hope he will pass on to his Hon. seat-mate, the Hon. Member who has so shamed his Province of Newfoundland with his ignorance because of his lack of checking the facts, the Hon. Member for Humber—Port au Port—"St. Blab" as they are going to call him from now on. Why did he not check Article 7 of the treaty? It allows a French patrol vessel, not a French naval tug, to go right into the Gulf of St. Lawrence.

• (1330)

Oh, Mr. Speaker, I could go on a bit longer but I am going to have another 20 minutes and I am dying to get to it.

Mr. Baker: Mr. Speaker, I know you are only going to give me two minutes but I want to answer the Minister because this is very important.

Why in goodness' name would the French want to go to arbitration when, as long as they do not, they are allowed to fish all they want in Canadian waters?

Mr. Crosbie: Why did you give them the treaty?

Mr. Baker: Why would you want to go to arbitration if you could fish all you wanted without fear of being arrested?

Mr. Crosbie: Without fear of contradiction.

Mr. Baker: You can drill for oil off the Canadian coast legally because the Government has proclaimed that it cannot interfere at all.

The other thing is, if they ever go to arbitration the Government had better watch them because the chief French negotiator, as you know, has been appointed to the World Court.

Mr. Crosbie: He will not be on the case.

Mr. Baker: The Minister says he is not going to be on the case. He is a judge, with 14 or 15 other judges. He will not be on the case? If he is not on it directly, he will be on it indirectly.

Some Hon. Members: Oh, oh!

Mr. Baker: The Minister read the 1972 agreement, or part of it. He neglected to say this, however. That 1972 agreement that gave France the right to fish in Canadian waters recognizes, "the right of French nationals to fish in these waters".

Mr. Siddon: Why did you do that, George?

Mr. Baker: Let me read it again for the Minister. It recognizes "the right of French nationals to fish in these waters". It is in the 1972 agreement.

Mr. Crosbie: Right.

Mr. Siddon: Why did you do it?

Mr. Baker: The Minister says: "Why did you do it, George?"

Some Hon. Members: Why?

Mr. Baker: I will tell you why we did it. Because there is no period after "waters".

Some Hon. Members: Oh, oh!

Mr. Baker: There is no colon after "waters". There is no semi-colon after "waters". There is no dash after "waters". There is no comma after "waters". There is no bracket after "waters". What is after "waters"?

Mr. Turner (Ottawa—Carleton): You are all wet, George.

Mr. Baker: I will read it all to you. It recognizes "the right of French nationals to fish in these waters—" here it comes, "—subject to conservation measures, including quotas".

Mr. Siddon: You gave them quotas.

Mr. Baker: Subject to conservation measures, including quotas. End of quotation right from the agreement. The copy of the agreement that the Minister has must have been lacking somewhere. Maybe the person printing it forgot to put in the last part of that sentence. However, I can assure him that this is what is there. If he looks at it, that is what is in the agreement. That is why we signed the 1972 agreement. It was copperfast.

Mr. Siddon: Still does not make sense.

Mr. Baker: We had them, because we said it was subject to conservation measures, subject to quotas.

Apart from that, let me tell the Minister that under international law, unless you legislate something in your country, it really has no standing in international law.

Mr. Deputy Speaker: Resuming debate with the Hon. Minister of Transport (Mr. Crosbie).

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is verily one of the weakest and silliest resolutions ever brought before this honourable House.

Mr. Boudria: Shame!

Mr. Crosbie: Just listen to me and I will explain to you why that is. Before I get into it I might say to the hon. gentleman who moved the motion that his Right Hon. Leader has not been here for several days. I am not criticizing him. He is probably out on great public business somewhere. He is a man that has no enemies, of course. However, as Oscar Wilde once said about Bernard Shaw, he has no enemies but he is intensely disliked by his friends. I would like the Hon. Member to pass along that little warning to his Leader about where he can look for support.

To get back to the motion, which must have the approval of the Right Hon. Leader of the Opposition (Mr. Turner), like Gaul, it is divided into four parts. Anyone who moved it certainly had a lot of gall.

I will deal with all four points quickly because I want to concentrate on the Canada-France issue and on the last part.

It blames the Government for inept management of Canada's fisheries. In the last several years, in the present Minister—and I do not want to hurt the feelings of anyone else who has been the Minister of Fisheries and Oceans, including those who occupy chairs in this House—we have had the greatest Minister of Fisheries and Oceans (Mr. Siddon) I believe of this century.

Some Hon. Members: Hear, hear!

Mr. Crosbie: There has been the complete opposite of inept management. There has been "ept" management. One would think that Jake was in the Minister's position. Let me give one or two examples of "ept" management.

We are getting effective enforcement of the 200-mile limit that went into effect in 1977. That "ept" and effective management began with this Minister who has improved in every direction the enforcement of the 200-mile limit. He has placed observers on all foreign trawlers who fish within those limits. He has placed observers on domestic trawlers who fish in 2J3KL for the first three months of each year. Even our domestic trawlers have observers. Why? To help protect inshore fishermen.

That brings me to another part of this silly resolution. It alleges a lack of support for the inshore fishery in Atlantic Canada. I have just given one example of support. We also had the increasing of fines for illegal fishing in the 200-mile limit. I do not know how much they have increased. They have quadrupled or quintupled up to $500,000 an offence. The Minister says tenfold. Our patrol vessels have been armed. They are no longer afraid to meet naval tugs like the *La Centure* which has a machine gun on her stern. The French will find our patrol vessels now have a machine gun on their front end. This is because of the Minister.

The Minister has acquired a dual-engine helicopter for surveillance purposes. He has hired or contracted with Atlantic Airways for a new radar patrol facility for the 200-mile limit.

This resolution talks about inept management of Canada's fisheries. I am not even going to touch on the West Coast or central Canada or Lake Winnipegosis or any of those other lakes. I am not going to touch on the North. I am only going to touch on the east. This is the most "ept" management Canada has ever had in the fishery on the East Coast of Canada in the person of our friend here from British Columbia, the Minister of Fisheries and Oceans.

I will not go into other aspects of management because we do not have all that much time. The motion refers to lack of support for the inshore fishery. I gave one example of how the Minister is ensuring that stocks of fish are available for the inshore fishermen. All Members will know that over the last three or four years there has been some difficulty because the fish are not coming inshore in as great a number as in the past. In 1986, inshore fish landings in Newfoundland and Labrador amounted to 281.655 million tonnes, with a landed value of $135.365 million. That is for the inshore fishery alone.

• (1340)

This year, to the end of September, inshore landings have totalled 195.616 thousand tonnes, and the landed value of $149.248 million is already greater than the whole landed value of last year.

While the catch appears to be down, the year is not yet over, the value of the catch is up considerably. It does leave some problems of course for the fishermen who were not lucky enough to get any fish or very little. If necessary, programs will be introduced to help them, just as the Minister introduced a special program for inshore fishermen in the last three years who were in a bad position with respect to unemployment insurance.

Let me make one other point with respect to the inshore fishery. I want to mention the Minister's Small Craft Harbours Revitalization Program. That is a three-year $150 million inshore fishery program for major repairs and infrastructure over and above the ongoing A-base spending of the Minister's Department for operation and maintenance of $48.5 million a year. It is a tremendous program.

We were criticized for making announcements about this program during a by-election. Apparently, one is not supposed to announce anything during a by-election or an election, but must keep all the good news quiet. That is tommyrot, tripe, typical NDP softheadedness in suggesting that we should do nothing good in St. John's East during the by-election. The Member opposite, who was elected temporarily to this House, is now coming to me to make sure that the projects are completed. I tell him not to worry, the projects will be completed. They will be done in Flat Rock, despite the flat heads in the NDP and despite their criticism. They will be done in Processor's Rock in my district. There will be $6 million put in St. John's, Newfoundland, so that we will have for the first time in our history proper fishing facilities for the some 200 inshore fishermen of St. John's. These are projects implemented by this Minister, yet this resolution criticizes how he is looking after the inshore fishery in Atlantic Canada. That is absolute bunkum.

I hope the Hon. Member will withdraw this motion in shame when I sit down.

When I was goaded by a foolish question from the NDP one day, I let the cat out of the bag about the work that was being done in St. Bride's. This Minister is the patron saint of St. Bride's, St. Siddon.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Minister appointed a special committee, comprised of experts from outside Canada, who are studying the fishery resource off our East Coast in order to advise him as to why in the last three or four years the cod are not coming inshore in the quantities they have previously. That committee will report to him during November or early December so that he can use the information and advice when he decides on the total allowable catch at the end of December of this year.

This is the most "ept", adequate and best management of the East Coast fishery we have had in this century, bar none. Even if I had been Minister of Fisheries I would have to say the same thing.

As a matter of fact, I was Minister of Fisheries in Newfoundland for a year and a half. Therefore, the House is not listening to some neophyte, some know-nothing, to somebody who knows nothing about this issue. The House is listening to someone who has thousands of fishermen in his district. Every rural community in St. John's West is a fishing district and they all love me.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With the exception of two communities where they had the temerity to vote continually for the Liberals. However, they are swinging around now.

The third criticism raised by the Hon. Member is the lack of political will to assert Canada's rights in the Canada-France dispute. That is absolutely contrary to the facts. Since last February particularly, the Secretary of State for External Affairs (Mr. Clark), the Minister of Fisheries and Oceans (Mr. Siddon) and I, under the direction of the Prime Minister (Mr. Mulroney) have handled this dispute firmly and I believe capably. While we always had good negotiators, we now have a first-class outside negotiator in the person of Mr. Fortier.

I do not have time to go into all the details of what we have done, but at the moment there is an impasse. We had meetings with France which ended on October 9. As an example of how firm we have been, in February we closed Canadian ports to French fishing vessels to show the French that we were not satisfied with their attitude and with their over-fishing in the disputed zone of 3PS. In March, the Minister of Fisheries and Oceans closed Burgeo Banks so that the fishermen of St. Pierre and Miquelon cannot fish in Burgeo Banks.

In August, the Minister closed all other areas of 3PS, including the western gullies which are outside the disputed zone, to French fishing vessels.

We have placed reasonable offers before the French because we are worried about over-fishing in the disputed zone of 3PS and what effect that will have on Canadian and Newfoundland fishermen, particularly on the south coast of Newfoundland. On October 9, when the French broke off negotiations and asked us to go to arbitration, quoting us under Article 10 of the infamous Liberal treaty of 1972, we said that we are not going to arbitration on fishery quotas under the treaty. We said we would not go to arbitration on quotas at all, but only consider giving quotas if the French reduce their fishing in disputed area 3PS, and agree to go to arbitration on the boundaries of St. Pierre and Miquelon. We told France that they will receive no quotas in Canadian waters in 1988 under this undesirable and unsatisfactory treaty of 1972 unless they begin to bargain with us in a sensible and reasonable manner. We said there will be no quotas for France in Canadian waters in 1988 despite the treaty, which French actions have made unworkable. The lack of reasonableness of the Government of France in this negotiation has made this treaty unworkable. Since the French have made it unworkable, we do not intend to go to arbitration and allow anyone outside Canada to decide what quotas might be in Canadian waters, despite the wording of this infamous Liberal treaty of 1972. That is our position.

The French have agreed to resume negotiations on the compromise with respect to the boundary dispute. There was a meeting on November 6, dealing with these technical legal matters, and I believe another meeting will be held at the end of November.

We witnessed a disgusting spectacle from the NDP ranks last January and February. The Leader of the New Democratic Party called for Canada to go into battle and use the Navy to clear the French ships off the sea. We saw Rambo Jewett, Battleship Broadbent and Hotspur Harris—the former lambs of peace. They are all for peace in the NDP. Their motto normally is: "peace at any price", except in the Canada-France matter. They wanted to let slip the dogs of war.

We believe Winston Churchill when he said that it is better to jaw jaw than it is to war war. We do not believe in the use of force. We will avoid the use of force in this dispute, unless, of course, we are given no alternative. That was the sensible policy of our predecessors in the Liberals. Apparently an NDP Government would resort to force. The Member for Oshawa (Mr. Broadbent) was going to send out the Navy, but first he had to find it, of course. Tug Boat Tobin, that tame tabby, crying wolf across the House is now a little pussy cat and we will not hear, I do not imagine, too much more from him. That is point number 3. I do not know how much time I have left. That is the trouble with speaking on one of these debates, one does not have sufficient time.

• (1350)

I come to the final point of this resolution, criticism of the Government for our willingness to allow Americans to exploit weaknesses in order to gain control over processing in the fishing industry. What a pernicious load of piffle. What have the Americans done? They made a complaint. I have five minutes. That is great. I can handle this adequately, then.

The Americans made a complaint under the GATT. The GATT should be a magical name to the members of the Official Opposition and members of the New Democratic Party because they have been harkening about the GATT ever since we started discussing free trade arrangements with the United States, since the U.S.-Canada free trade discussions began. They said: "Oh, we would go multilateral". The Leader of the New Democratic Party is a multilateralist. He does not want anything to do with the United States where, unfortunately, 75 per cent or 78 per cent of all Canada's exports go. Mr. Broadbent does not want anything to do with the U.S. That is unimportant. He is a great multilateralist. He is sitting on a $2 billion investment from General Motors in Oshawa and he is so darned selfish that he does not want to share the benefits of that kind of thing with anyone else in Canada. That is Mr. Broadbent for you.

But they all believe in the GATT. The Leader of the Official Opposition, the Hon. Member for Vancouver Quadra, believes in the multilateral. Now, he is against free trade in connection with our agreement. He is for free trade, he is against this agreement, or he is against this agreement and he is for free trade. Anyway, he is for free trade but he is also against free trade. He is on both sides of the free trade issue, he is for and against everything. His mug is on one side, his wump is on the other, and he has not even been around all week anyway. That is where he is on free trade.

What is the alternative of the Official Opposition to our negotiations with the U.S. on free trade? It has no alternative except to mention GATT. Unfortunately, there was a GATT panel ruling the other day in connection with certain restrictions pertaining to the sale of unprocessed salmon and herring in British Columbia. We want that fish processed in Canada, naturally. There is a regulation which says it has to be processed in Canada. The U.S. challenged that, as is its right—the right of any member of GATT to challenge anything they think is protective—and it managed to get a panel to agree with it. The Minister of Fisheries and Oceans and the Minister for International Trade (Miss Carney) are battling that all the way. We do not know what the final outcome will be. But did you notice, Mr. Speaker, that as soon as there was a decision contrary to what we conceived to be our interests in the GATT, the lack of enthusiasm for GATT on the Liberal and New Democratic Party opposition side and the criticism we received from Mr. GATT Broadbent? GATT Broadbent got up and: "GATT, GATT, GATT, GATT, gittle". Do you remember Danny Kaye, Mr. Speaker? He used to go: gittle, gittle, gittle"? That was the Leader of the New Democratic Party.

He no longer likes GATT. He does not like the United States. What does he like? What are we going to do, give up all our exports? Will a quarter of our GNP disappear because the Leader of the New Democratic Party, if he gets into power, will have nothing to do with the United States and nothing to do with GATT? Is that not an inconsistency? I mean, if we are going to be members of the international world trading community, do we not have to observe the rules? If some panel says we violated the rules, do we not have to go through the process? Can we turn our backs on it? We, the country in this world most dependent on trade, are we going to be taking in one another's washing, 25 million of us: "I will give you my socks to do, you give me your dirty underwear to do, and we will pay one another"? Do you think, Mr. Speaker, that is the way to have prosperity in Canada? What nonsense. Do the opposition Members think we have our present standard of living because we did that? Not at all. It is because 25 per cent of our GNP comes from trade. That is why we have our present standard of living.

These people are inward looking. They are midget-minded. They are mean spirited. They do not have the guts to take a risk. They are afraid of the outside world. They think they can fool the Canadian people, and now this resolution comes along and adds this piece of nonsense. We have no willingness to allow Americans to exploit any weaknesses of ours, or anyone's, to gain control over processing of the fishing industry. We are fighting the case just as any Government here in Canada would fight the case. We have a similar problem on the east coast of Newfoundland, one that is not as bad because I do not think the Americans are anxious to buy, or try to buy, our raw fish down there. They oppose the sale to the United States of raw fish. It is a question of conflicting interests between processors and fishermen and so on, in any event.

We have a resolution here that is completely nonsensical and completely inconsistent. I do not blame the Hon. Member from Prince Edward Island for leaving the House. How could one stay in the House and have exposed to view the nakedness of this nitwit, neutered resolution? I only appeal to Hon. Members opposite to ask him to withdraw this so we can adjourn a bit earlier, get up to our offices and do something

worth-while. This is a disgrace of a resolution. The Party that moved it, the further it gets from power, the more irresponsible it becomes, the louder it shouts, the more it roars, the sillier its questions get in the House. It has disgraced this country with its behaviour during Question Period. We see it day after day. There is no sense of rationality, no sense of responsibility, no sense of reasonablness, and no connection with its past. When it was a Government, it did have to try to be at least responsible from time to time. This resolution is a further confirmation of the lack of thought and the lack of alternative that the Official Opposition provides to this country.

The NDP does provide an alternative. It provides Canadians with the alternative of committing suicide, of committing hara-kiri, the alternative of all of us getting together and marching off the wharf like a group of lemmings, right over the side of the wharf.

Mr. Skelly: I rise on a point of order. Forty-seven per cent of the people in British Columbia would rather commit suicide than go any further with this particular group, according to the recent Gallup polls.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Crosbie: Am I finished?

Mr. Skelly: May we seek unanimous consent for additional time to enable us to listen to the stand-up comic in the House of Commons? He has spent 20 minutes making us laugh. I wonder if he would like another 20 minutes.

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Deputy Speaker: There not being unanimous consent, I recognize the Hon. Member for Glengarry—Prescott—Russell on questions or comments.

Mr. Boudria: Mr. Speaker, most Canadians who have just witnessed what we heard will now know why unanimous consent was not granted. If someone could not make any sense in 20 minutes, one really has to wonder why additional time is required under the circumstances.

Mr. McDermid: I have a question for the Chair, Mr. Speaker, are these comments now in question period or are we in debate?

Mr. Deputy Speaker: On questions and comments.

Mr. Boudria: Perhaps we should repeat those things slowly for the Hon. Member opposite so he would not have to ask these ridiculous questions from time to time.

I was just about to say that every now and then I do stand in for the Whip of my Party, as I am doing today, which means I had to sit through this debate and listen to the entirety of the remarks of the Hon. Minister of Transport (Mr. Crosbie). I now know that what constitutes cruel and unusual punishment is having to listen to the comments we have just heard from the Hon. Minister. They were nonsensical, first, and, second, and probably even more importantly, totally inaccurate. Sir Winston Churchill described those kinds of remarks once by saying, "The Hon. Member could not have stated the opposite to the truth with greater accuracy". That describes the comments we just heard from the Minister.

• (1400)

It is interesting to note that on the one hand the Minister wanted to speak longer while on the other he asked if we would adjourn the debate so that he could return to his office. This is typical not only of this Minister but of the Government of which he is a member.

The Minister was critical of the Right Hon. Leader of the Opposition (Mr. Turner) for not being here in the House. Not only is it improper to refer to the absence of Members at any time, as you well know, Mr. Speaker—and I am sure you wanted to bring that to the attention of the Minister if he had stopped for more than half a second to catch his breath—but there is another unwritten rule of the House. It is that when an Hon. Member is ill and when it is known by everyone, such as happened with the Right Hon. Prime Minister (Mr. Mulroney) at one point in the past, one does not question the motivation for the absence of that Member, particularly when it is written across the front pages of most newspapers of the country. I suggest that those kinds of comments are inappropriate.

I want to ask the Minister this question. He referred to the protest against the free trade agreement made by the Hon. Member for Oshawa (Mr. Broadbent) who obviously is not of my Party. Nevertheless, he is a Member of the House. He said that the Hon. Member for Oshawa was glad to have foreign investment in his own constituency but did not want to share that kind of wealth with the rest of the country. That is not the first time that we have heard members of the Government saying that Ontario is populated by fat cats or that another part of the country is wealthy and they want this and that part of the country to be as wealthy or as well off as another part.

Does the Minister not feel that those kind of divisive words are, first, a sign of desperation of a Government that is engaged in a futile attempt to continue to sell a free trade deal which is obviously not selling, not only in Ontario but in terms of a large number of Canadians everywhere? Second, does he not think that there is a certain moral ethic that dictates that one does not in such a manner divide Canadians, or attempt to divide Canadians one against the other, in order to sell a free trade deal which should never have been signed in the first place?

Mr. Crosbie: Mr. Speaker, the Hon. Member almost brings tears to my eyes with his moral protestations. Where was the hon. gentleman I wonder when his Government was engaged in the battle with Newfoundland and Labrador over offshore

mineral resources? For four or five years it attempted to starve the Province of Newfoundland and Labrador in the struggle over who would control the ownership and management of the offshore resources. He has the gall to get up to suggest that we are taking some type of discriminatory steps against Ontario. Some 90 per cent of all of the exports of Ontario go to the United States of America. Of them a tremendous quantity move under the Auto Pact.

I am simply suggesting, and I will keep suggesting, and I will suggest it from one end of the country to the other in every community in Canada in which I speak, that if the sauce is good for the goose it is good for the gander. If a free trade auto pact arrangement is good for Ontario, then a free trade auto pact arrangement is good for the rest of Canada, and we are entitled to have it in the rest of Canada. That is what we will say. It is what we will keep saying. There is nothing discriminatory about that.

Where was the Hon. Member when his Party was discriminating against the West by placing a cap on what price it would be paid for its resources at a time when the resources were rising in value and when doing this was being done for the benefit of other parts of Canada? That is all part of being Canada. Sometimes one's area has to make a sacrifice for another area. So the Hon. Member should not wave his honourable finger at us saying that we should not use arguments about what part of Canada is benefiting from what.

We know that Ontario benefits from the Auto Pact. Can anyone deny that? I know that Newfoundland and Labrador do not derive any benefit whatsoever from the Auto Pact. But I know that Newfoundland and Labrador will derive a great deal of benefit from the free trade arrangement. Why? Because Newfoundland's exports are primarily resource-based.

The Hon. Member might be interested in this. The most important example of this in Newfoundland is the U.S. tariff structure for fish. The duty on processed seafood, including breaded, battered or value-added products averages 12 per cent. That is why in the past we have not been able to produce in Canada the higher value-added products. We have had to build plants behind the U.S. tariff wall in Boston and Gloucester to make fish fingers and all the breaded, battered and other value-added products. After the free trade arrangement goes into effect we will be able to do all of that value-added work here in Canada. The President of Fisheries Products International, Vic Young, said, "It means that our fish products—like the value-added products we produce at Burin, we would be able to put into the U.S. market without the existing tariff. We could thereby increase the amount of exports from the Newfoundland fishing industry. This would increase the number of jobs for Newfoundlanders. So what is good in terms of the Auto Pact is good in terms of the fishing industry. If there can be jobs in Ontario then we want to be in a position to have increased jobs in Newfoundland. We will not apologize for that.

The free trade agreement will ensure that there will be no new barriers to trade resulting from the abuse of technical standards. Our exports of fish through packaging requirements and through inspection regulations will not be able to be stopped. Our right to control foreign investment in the fishing industry will be maintained. All customs user fees on Canadian exports to the U.S., including fish, will be eliminated. The fishing industry will benefit from the dispute settlement mechanisms. I quote from Gordon Cummings of National Sea Products Ltd. who said:

> The most important aspect to us was the dispute settlement mechanism and we got that. It's a hell of a gain for Canada . . . As it stands now we cannot get fair treatment in the United States. The bi-national trade panel will bring a more sane approach from the United States. This is a straight win situation for us.

He also predicted that National Sea would expand its workforce by 400 as exports to the U.S. increase. And the Hon. Member says he is against this free trade agreement. The Official Opposition says that it is against jobs and expanded jobs in the fishing industry of Canada. Members of the NDP say the same thing.

Finally, I just want to quote Carlyle. When someone wanted to introduce him to the poet Swinburne he said, "I have no desire to meet a person who if he sat in a sewer would add to it". That applies to some other people I could name.

Mr. Skelly: Mr. Speaker, one rarely gets a chance in the House to enjoy a speech such as the one given by the Hon. Member for St. John's West (Mr. Crosbie). Most of the day of a Member of Parliament is spent struggling with the complex problems of Canada and working into the late hours of the night. Rarely does one get the quality of stand-up comic that we have just been witness to in the House of Commons this afternoon. This hon. gentleman could stand and speak for hour after hour making humour and flashing cracks as quickly as he pleases with absolutely no content or relevance to the problem before us. It has been one of the most enjoyable and refreshing afternoons that I myself and many other people in the House have experienced in a long, long time. I now hope we can get back to business.

There is one matter about which I would like to ask the Hon. Member for St. John's West who is a former Minister of Justice. He had the responsibility of protecting the morals of Canadians. Perhaps he could explain this to the House. I understand that the residents of Dildo Hill have put the Minister of Fisheries through the beatification process and allowed sainthood to fall upon him. Is he taking any responsibility for stamping out the satanic cults that would have done that? That is the first question I would like to put to him since in this country the Minister is certainly viewed in many quarters as a representative of the forces of evil and the Conservative Government.

• (1410)

In the free trade situation again the conflicts between the two individuals are astounding. The Minister of Transport

(Mr. Crosbie), a prominent member of the Conservative Government is overriding the Minister of Fisheries and Oceans (Mr. Siddon) from British Columbia and saying that the free trade arrangement in fisheries is good, that the export of our raw, unprocessed salmon and herring on the West Coast, which will also undoubtedly happen on the East Coast, will be an excellent thing. The GATT ruling is protected in the free trade agreement—or the Mulroney free trade agreement, and there is nothing free about this. We will pay through the nose until hell freezes over.

The Minister of Transport is actually advocating that as a valuable thing that has been protected under the trade agreement with the United States. On the other hand, the Minister of Fisheries and Oceans states that it is absolutely wrong, British Columbians will not lose one job.

The second question here is, who is in charge? The Minister of Transport speaking on fisheries today, attempting to give this country a snow job on free trade, or the Minister of Fisheries and Oceans standing up and advocating that that GATT arrangement should not go through, that it should not be honoured and that the raw product in British Columbia and Atlantic Canada should be processed in this country?

The third point on which I would like a response is the desperation technique of attempting to fan the fire of regional racism in this country. I am not sure whether he did this in his usual exercise of an incredible sense of humour, or whether he put this before the House through his lack of intellect, but the Minister knows that the auto trade is a managed trade agreement in a specific sector. It was carefully thought out and worked out. There were bugs in it when it came through, and people pointed out those bugs, but it was a managed trade agreement in a sector that was worked out very thoroughly before it went into place, and it has derived benefits for Canadians. What the Government did was to put forward an agreement, a proposal to sell this country out. That is not a free trade agreement, and the Minister of Transport knows it. This country will lose its sovereignty. It will pay through the nose forever, if this agreement goes through.

Mr. Crosbie: Mr. Speaker, that is about the weakest, most insipid, and most dishonest series of remarks that I have heard in the House in a long time.

I just finished explaining how the Minister of Fisheries and Oceans and the Minister for International Trade were taking this GATT panel decision to which we are subject because we are members of GATT, and because we have to trade to live, therefore, we have to be members of GATT which is an organization that both opposition Parties support, and those Ministers were going to appeal it and do everything that is possible to resolve the issue in our favour, or to see that processing of unprocessed fish still continues to be processed in Canada. That is what I said. Then we have this weak-minded attempt to get up and say that I said exactly the opposite. I will leave it to *Hansard* to reveal exactly what I did and did not say.

The hon. gentleman ended up talking about sovereignty. That sovereignty argument is not going to wash.

The European common market and the countries that make it up have gone far further than a free trade arrangement. Yet, is anyone suggesting that any one of those countries has lost its sovereignty? They have not lost their sovereignty. They have entered into a whole common market. The labour movements in those countries opposed it. They had the same short-sighted approach. You are the most reactionary body in society today. You oppose everything that is a change in the *status quo*. You are just selfish and want to hold on to what you conceive are your own gains; small-minded and inward looking.

By entering the European common market has England lost its sovereignty? Has Mrs. Thatcher lost her sovereignty? Has she lost the power to control her destiny? Has France lost its sovereignty? Has a small country like Belgium lost its sovereignty? Has Luxembourg lost its sovereignty? Of course they have not lost their sovereignty. They have not even lost their what-do-you-call-it—virginity. Somebody says that they have not even lost their virginity.

Yet we are supposed to accept this as a serious argument against a free trade arrangement that Canada is losing its sovereignty. The only way that we can retain our sovereignty is if we retain our capacity to grow and increase our economic strength. That is what gives a country sovereignty. What good is sovereignty to Canada if we have a shrinking market and a declining standard of living?

A month or two ago Doug Fisher pointed out in his column that in the 1960s Mr. Pearson's Government looked at the question of what we could do if we took the protectionist role and got out of our international GATT obligations or ceased any attempt to co-operate with the U.S. How would we survive on our own? The conclusion of the study was that there would be a decline of our standard of living of 25 per cent. The Government wisely concluded that no one in Canada would take that route and willingly forgo 25 per cent of their standard of living to follow the route that is now advocated by the so-called Canadian nationalists.

We know, of course, that the Leader of the Opposition would not take that route either because he is for free trade, and he is against free trade, but he is more for free trade than against free trade. Although he is not for this free trade agreement, he is for some other free trade agreement that he thinks that he could get that nobody else could get. Well, it is no wonder that he did not get anything when he was in for two or three months. He was too busy appointing people to the livestock feed board where they are still feeding away.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Thank you, Mr. Speaker, for recognizing me. I must say that there will not be as much wind in the House as when the Hon. Member for St. John's West (Mr. Crosbie) had the floor because I will try

to deal with this fisheries issue in a little more serious and less facetious manner than has been the case so far.

I am pleased, therefore, to support the motion moved by my colleague the Hon. Member for Egmont (Mr. Henderson) which reads:

> That this House condemn the government for its inept management of Canada's fisheries in Atlantic Canada and its lack of political will to assert Canada's rights in the Canada-France dispute and for its willingness to allow Americans to exploit its weaknesses in order to gain control over processing in the fishing industry.

As you can see, Mr. Speaker, this motion says a lot. As far as condemning the Government for its inept management, we need only look into the expenditures of the Department of Fisheries and Oceans to realize what has happened since the Conservative Party came to power.

In 1984-85, the Department's budget was about $690 million. The first full year, 1985-86, under this Government, the budget was slashed to $620 million. In 1986-87, it was cut even further to $550 million. Using the 1984-85 budget as a yard stick, this Government has accumulated nearly $350 million worth of cut-backs in this Department alone.

Mr. Boudria: Irrespective of inflation?

Mr. Robichaud: Of course, irrespective of inflation, as suggested by my colleague the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), which means that the Department of Fisheries and Oceans is now operating with a lot less money than in 1984 and 1985. This simply does not make sense.

Mr. Speaker, we could review the way the Department of Fisheries and Oceans has tried—and now I am using their own words—to improve a number of programs especially designed for fishermen. I am referring here to the Fishing Vessel Insurance Plan which was tailored to the needs of fishermen and made it possible for them to obtain lower insurance premium rates.

Because of certain changes which were made to improve this program, the rates are now much higher and the fishermen no longer find the program attractive. They are forced to get their insurance elsewhere because the Government has decided that it would no longer help them with their insurance. Some will say: "Well, why not?" A program was developed and implemented by and for the fishermen. What reasons could there be to say that the program was not worth much and could simply be cancelled? Yet, this is exactly what happened. Conditions were brought in which the fishermen found unacceptable and the program is no longer attractive.

Then, there is the boat-building subsidy program. Mr. Speaker, in the regions of this country where there are fishermen, you only have to mention the boat subsidy program and everyone will know what you are talking about. Fishermen could have a $50,000, $60,000 or $100,000 boat built for inshore fishing, or a bigger boat costing much more money, but in my region, it was mostly $50,000 to $60,000, and they could obtain a subsidy to help them build it. Fishermen finally could afford the boats which they needed and which had the safety features necessary to give them peace of mind. What happened to that program? Mr. Speaker, this is a very good example of how this Government has given in to the Americans. The Americans said: "Your boat-building program subsidizes the fishing industry and we shall therefore apply countervailing duties." When the minister heard what the Americans were planning, he said: "No, do not do that, we shall simply remove the program completely."

This is exactly what he did. The fishermen can no longer benefit from this program which helped them build their boats for so many years. The Government simply and remorselessly cancelled the program. This is how the Government reacted to the threatened intervention by the Americans, by simply giving in.

There is a lot of talk about free trade. Ministers are travelling throughout Canada saying that free trade—we should perhaps call it the Mulroney treaty with the United States—is the magical solution and what the fishing industry had been waiting for. Now, we have no more reason to worry about our fishing industry. All the problems have been solved. However, when we ask how this industry will benefit from the agreement, we find it difficult to get answers.

• (1420)

[*English*]

We hear from the fishermen's association that they are somehow happy with the free trade deal, but when we ask them why, we get the answer that we have enhanced *status quo*.

[*Translation*]

What is the meaning of enhanced status quo?

Mr. Boudria: That is just like the Progressive Conservatives.

Mr. Robichaud: There you are. My colleague had the answer.

Mr. Speaker, it means that this agreement, this Mulroney treaty, does not mean anything at all in terms of fisheries, it simply has no positive impact in the fishing sector. And when we are told about the agreement provisions concerning trade dispute settlement, and we are told that this mechanism will solve all our problems, we look at the fine print of these provisions and come to the conclusion that this mechanism does not entail any kind of power. In cases where countervailing duties have been imposed, they will quite simply examine the situation to find out whether the duties were imposed pursuant to American legislation, whether they are in accordance with American laws. And if they are, Mr. Speaker, nothing will change as was the case with respect to soft lumber, potash, and shingles. There is no way this mechanism will serve Canadian interests.

And yet they keep telling people, fishermen particularly, that the provisions of the agreement are just what they wanted. That settles all problems. We are also told that we are gaining access to the American market. Of course we have access to the American market. We have always sold to the Americans, especially in the Atlantic regions. So what more do we get out of this? Well, absolutely nothing. We quite simply have the same access. Someone might have asked what kind of protection the fishing industry could have under the agreement. Well, we can see now that there is absolutely no protection for fishermen or for all interested parties in the fishing sector. There is nothing to prevent the Americans from taking over our first processing companies and plants and, by the same token, from monopolizing some of the fish stocks we want to keep for ourselves. And there is no protection in the Agreement against this kind of takeover.

We could go on discussing the Free Trade Agreement and the Mulroney—U.S. deal at infinitum. However, I would rather talk about the Small Craft Harbours Program that was discussed with considerable verve yesterday morning. We were told that at last we had a program that would solve all the problems of our fishermen. There would be harbours for small boats, wharves would be repaired, channels would be dredged, and all other problems related to fisheries would be taken care of. Of course everyone welcomed the funds that had been allocated. I did so myself. However, Mr. Speaker, in recent years, we saw a reduction in fund, for repairing small craft harbours. Wharves could no longer be repaired and in some cases had to be barricaded. People were advised not to go to certain areas because it was dangerous to do so. Access channels to the wharves could no longer be dredged. In some cases, fishermen had trouble leaving the wharf to go fishing and had to watch the tides.

And this despite the fact that where I come from, fishing vessels don't draw that much water, not more than one meter or three or four feet. And even there, fishermen were having trouble going out.

Mr. Speaker, you must realize that in my part of the country, along the Northumberland Strait, we have some very specific problems owing to the fact that storms cause the sand that is carried by the currents to shift and fill up the access channels to the wharves, and these channels have to be dredged every year, or at least often enough to make sure they are open.

As I was saying, the funds to carry out this work had been reduced, and now all of a sudden, they seem to have found the money to do it. Of course they had to find the money, because if they had let the situation continue, some of our wharves would have been lost altogether.

It was high time money was found, and I hope, Mr. Speaker, that the same funding will continue, so that our harbour facilities will meet the needs of our fisheries.

The creation of harbour authorities was also discussed. These would be set up along the coast and, in fact, would be committees that would take care of the facilities, make sure someone looks after the lights on the wharves, does minor repairs, and watches the buildings where the bait is stored. Of course we have to have people to do these odd jobs.

But in addition to managing the facilities, they also want to make these authorities responsible for imposing certain fees on users. All I can say, Mr. Speaker, is that if the Department of Fisheries and Oceans tries to impose user fees on our fishermen, something is going to give!

I would really like to stand at the end of the dock when the person in charge of collecting these charges will ask the fishermen to pay up. I would really like to be there!

If possible, Mr. Speaker, I would like the Minister of Fisheries to ask the Minister of Transport himself to go to the end of the docks to collect these charges from the fishermen. That would be amusing, much more amusing than what we saw this afternoon because our fishermen will simply not accept these user charges.

The Government is trying to do by the back door what it was unable to do by the front door in Bill C-75. We debated that Bill at length, to such an extent that the Hon. Member for Humber—Port-au-Port—Sainte-Barbe (Mr. Tobin) spoke for nearly seven hours to block it. Section 4 of the Bill would have applied the user pay principle.

The Bill did not receive passage, but the Department of Fisheries now has a plan to impose user charges anyway. I really do not see how the Department can collect these charges.

• (1430)

I would like to take this opportunity to speak about a major project which will probably go forward because this is not the first time we hear about it. I am talking about the fixed or dry link between New Brunswick and Prince Edward Island.

If a bridge, or even a tunnel is built, because it might be one or the other, it will have to go through some of the best fishing grounds in New Brunswick. In the Northumberland Strait between Cape Tormentine and Borden on Prince Edward Island, you go through a fishing zone which produces a rich lobster harvest. Indeed, these last few years, this has been the highest yielding sector for lobster fishermen.

Mr. Speaker, the fishermen were told that they would be consulted and that all the studies on the environmental impact and the effects on fishing would be made available. A few meetings were held in New Brunswick. The first steps were taken, but after the studies were completed, Public Works officials did not go back to consult the fishermen.

Now I mention this, Mr. Speaker, because I want to make sure that the Minister of Fisheries will accept responsibility for defending the interests of Northumberland Strait fishermen, because if this bridge or tunnel project were to have a negative impact on fishing, that might prove to be a disaster for all

people in my riding. Indeed, not only fishermen depend on fishing, but so do all lobster processing plant workers.

We heard recently that the project would have no impact on fishing. Well, Mr. Speaker, I fail to see how anyone can make that kind of statement. If they are going to build a bridge to cross over to Prince Edward Island, it certainly will not be a suspension bridge spanning the full width of the strait. They will have to build foundations, piers resting on the bottom of the strait, they will have to dig, they will have to dredge. And if they disturb the bottom, they will certainly disturb the habitat of the lobster and that of scallops, for there are also lots of scallops in that region.

I mention this this afternoon, Mr. Speaker, because I want to make sure that the Minister of Fisheries and Oceans (Mr. Siddon) will assume responsibility for seeing to it that this project will not have a negative impact on fishing. And should the project indeed have such a negative impact, either during or after the construction phase, the Minister will have to set up a mechanism at the earliest opportunity, that is before work begins, a mechanism to provide compensation for fishermen who will be affected by the bridge or tunnel construction project.

[*English*]

Mr. Henderson: Mr. Speaker, I have a question and a comment. I want to thank the Hon. Member for Westmorland—Kent (Mr. Robichaud) for a very good speech. He is an excellent Member of the House of Commons and he certainly represents his riding and the interests of the people in Westmorland—Kent and New Brunswick very well.

It was refreshing to hear a sincere and honest speech in the House today on this most important motion put forward by myself and seconded by the Hon. Member compared to the outburst, if you will, by the Minister of Transport (Mr. Crosbie) who tried to liken this Mulroney-Reagan trade fiasco to the European Economic Community and the trade deal within the EEC. The Minister drew the analogy that we could not live within our own borders. He said that we could not live simply within our own borders. No one disagrees with that. Members of the Opposition are not saying that we should only trade within our own country. Our Party has always stood for multilateral trade, trade with all different countries, and for trade that is enhanced in every way. However, we are now talking about a deal that left far too much out.

• (1440)

The Minister of Transport tried to give the House the impression that we stood only for trade within our own borders. Obviously this is the story government Members are carrying across the country. It is simply not true.

The Minister said: "You wash my socks and I will wash your shirts". That analogy is incorrect because one cannot liken Canada and the United States to the European Economic Community. There are many millions of people in the European Economic Community. We in Canada live alongside a giant. There are 260 million people in the United States, whereas there are 25 million people in Canada.

Under this deal, which offers no protection whatsoever for most of our natural resource industries, we will be pressing the pants of the people in Washington. As well, we will be washing their dirty underwear. That is the analogy I would draw.

I would like to deal with a few of the issues mentioned by my colleague, the Hon. Member for Westmorland—Kent. One such issue was the harbour authorities which are being put in place by the Government. Yesterday, we dealt for a couple of hours with concurrence on a motion for increased funding for small craft harbours. We all agree with that, but does the Hon. Member for Westmorland—Kent believe that the harbour authorities that are now being appointed are simply a back-door approach to collecting more revenues at harbours and ports? In other words, is the Government trying to get the fishermen themselves to levy user fees on themselves rather than following through with the Government's original intent which was to have the Government itself do it?

I would also like to comment on the P.E.I. crossing. The Hon. Member for Westmorland—Kent and I agree in general principle with a fixed crossing bridge or tunnel to Prince Edward Island. My concern and the concern of the Hon. Member, on which he may comment, surrounds the environmental aspects of the project. It is very important that there be no adverse environmental effects if such a structure is to be built across the Northumberland Strait.

If the fishery is adversely affected in any way, there must be a mechanism put in place before construction of such a crossing or facility is begun. The fishermen should know right from the start that if there are to be adverse effects, some meaningful compensation would be paid to them for the duration of the construction of the structure if it happened to be a bridge. If a bridge were to be built, the pilings and foundation work would obviously disrupt somewhat the lobster and scallop grounds in those areas during construction, and that would take away some of the income of the fishermen. Perhaps the Hon. Member could comment on that issue as well. Perhaps he could tell us whether or not he agrees with me that we are in agreement with the general principle of this, provided that those two important items are looked after along with a number of other items.

[*Translation*]

Mr. Robichaud: Mr. Speaker, I also thank my colleague the Hon. Member for Egmont (Mr. Henderson) for his comments and questions. I should like to mention here the contribution of my colleague on the Fisheries and Oceans Committee who, throughout the Committee proceedings, has forced the Minister to look into the harbour facility situation and make sure that enough money would be available to carry out the necessary repair work. I commend him, therefore, for his efforts which seem to have been successful.

As to the port authorities, I do believe that, afraid to go directly to the fishermen and ask for users' fees, the Government will try to do it through a committee. I feel it is not quite right for the Minister to tell fishermen to get together and devise development plans for the facilities, in order to be the first to get the funds appropriated for small craft harbour repairs.

Fishermen will then be faced with a dilemma: on the one hand, if they refuse to get organized, they will not be able to get Government's funds to repair their facilities; if, on the other hand, they get organized, they will be the first to obtain part of this money. I suggest it is not quite straightforward to operate in that way.

Concerning a fixed link, either a bridge or a tunnel, I agree with my colleague the Hon. Member for Egmont who lives on Prince Edward Island that such a structure should be built provided it has no adverse effect on the fisheries in my area. The Hon. Member also mentioned a compensation mechanism. A precedent exists already. Before the Miramichi River was dredged in the early 1980s, a mechanism had been put in place to compensate the affected fishermen, and I can tell you, Mr. Speaker, that this way to operate was quite successful in the sense that a number of fishermen were appointed to sit on this committee, together with representatives of Public Works Canada and the contractor doing the work. Mr. Speaker, I should like such a mechanism to be put in place before construction work starts either on a bridge or a tunnel.

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I have the greatest of respect for and, I believe, friendship with the Hon. Member for Egmont (Mr. Henderson). We have got along well over the last eight years. I am very disappointed in the motion he brought forward today. It will not impinge upon our friendship or upon my respect for the gentleman, but it does put into question his judgment and his knowledge of the industry we are discussing today.

I had a great 20-minute speech planned but I only have 10 minutes left. Therefore, with your permission, Mr. Speaker, I would like to speak for a moment before I deal with the GATT panel about what the free trade agreement will do for the fisheries. We have heard a lot of scare tactics, so I would like to put on the record of the House of Commons the facts regarding the free trade agreement and fishermen.

The free trade agreement which has been negotiated between the United States and Canada is a tremendous deal for the fishermen and for the fish processors. It is going to bring down tariff barriers to our exports. It is going to protect our fish products from vexatious countervail and anti-dumping actions, and reduce technical barriers which have hampered our exports. Those technical barriers are better known as non-tariff barriers.

• (1450)

Canada's export of fish products to the U.S. totalled almost $1.5 billion in 1986, almost one-third of which were subject to duty. Elimination of those tariffs will particularly benefit processors of fresh and frozen groundfish fillets, prepared fish products such as fish sticks, which are currently facing a U.S. tariff of from 10 per cent to 17.5 per cent. That tariff will disappear with the free trade agreement. Do they mean to say that will not help our fishermen? It will not help our fish processors? How can they stand up here all day long and say it will not help?

Those products I mentioned, including crab meat, represent over 90 per cent of dutiable Canadian fish trade with the U.S. The tariffs on fresh frozen fish, fish-meal, and anchovies—which, I must say, I am not a fan of, even though I know the Minister is—will be lifted as soon as the agreement goes into effect. Reductions will begin on all other tariff items. By January 1, 1994, U.S. tariffs will have been eliminated on fish fillets, salmon, mackerel, clams and, guess what, lobster.

To give an indication of what this means in concrete terms, exports in 1986 to the U.S of lobster from New Brunswick totalled $84 million. From Nova Scotia it was $97 million. Newfoundland's export of fresh and frozen fillets to the U.S. were valued at $331 million last year. British Columbia exported $50 million worth of salmon and salmon products. All other fish products, including tuna, fish sticks, prepared meals, herring, crab, and others will be duty-free by January 1, 1989. These products will gain market share through elimination of tariff barriers. Growing and more secure markets will lead to more processing taking place in Canada and more jobs for Canadians.

Industry spokesmen, the people who put their money on the line to create the plants and hire the people, all say this will be good for their industry. We hear opposition politicians running around this country like Chicken Little saying the sky is falling. Yet Canadian entrepreneurs, the people who take the risk, are saying this is great.

I watched the great debate the CBC had on trade last night between the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and the Hon. Minister of State for Privatization and Regulatory Affairs (Mrs. McDougall). Do you know who the most excited people were? The young people. They love it. One of them was from Windsor and he said, "You mean I can't compete with those guys across the border in Detroit? You're crazy. I can compete with them." The young people are excited about this deal.

Then we have Ron Bulmer, President of the Fisheries Council of Canada, who said that we will be getting better access to a market of 250 million people for our processed products. These are the guys who can make it happen. They are not afraid of it. They are looking forward to it. They want it. As a matter of fact, they are the ones who encouraged us to get into these negotiations. It was industry-driven. We are not afraid of this. The industry is not afraid of this. It is that little

red rump over there who want to be isolationist. Stop the world, I want to get off, that is the way they like to operate. That is what they are trying to do when they go through the country scaring people. It is totally unfounded.

I could go on and on and on about the fishery, quoting chapter and verse of what those people involved in the industry are saying about this. It is a great deal for fishermen and fish processors. For my friend to come along and say we have sold out to the Americans, that is just poppycock. Those big bad Americans are going to come up here, oh, dear, and take us over. Canadians are not that gullible. They have not taken us over since this country came into existence and they are not going to do it now.

We are proud Canadians. We are Canadian nationalists. We believe strongly in Canada. For this Captain Canada, Mel Hurtig, to run around the country saying he is a better Canadian than I am or a better Canadian than the Prime Minister (Mr. Mulroney) is fraud. He is a fraud. What total and absolute nonsense. Tariffs have been coming down from an average of 40 per cent to an average of 9 per cent over the last number of years. Have we lost out to the Americans because of it? No, we have gained strength. In that period we have had prosperity, except for that time during the early 1980s when the Liberals were in power. That was a disaster. Do you know why? Because they hog-tied every industry in this country, especially the energy industry, and we do not want to see that happen again ever.

Mr. Nowlan: And Captain Canada supported them.

Mr. McDermid: That is right. He sure did.

I want to cover briefly the matter of the GATT panel because there have been so many inaccuracies coming out about that. This is the genesis of the issue and this should be understood by Canadians. This action was primarily brought by Alaskan processors. They wanted the same deal for American processors as Canadians had for their processors. In other words, they wanted to make sure that American-caught fish was sold to American processing plants. Our processing plants were buying raw fish from Alaska. The Americans just said they wanted to be treated the same way. The GATT panel kind of twisted this thing around. Instead of saying that American processors should be treated the same way, they said that this was an unfair trade practice. We understand the problems. The Americans understand the problems. We have GATT procedures which we are following and will continue to follow.

The only thing I have time to say is to assure the workers in the industry—the fishermen have a different attitude towards this GATT panel then do the processors—that we are working diligently with the B.C. Government, the unions and the industry to ensure that the results will be beneficial to all concerned. Canada will maintain its reputation as a fair trader and it will continue to be great for the economy of this country.

Mr. Deputy Speaker: It being three o'clock, it is my duty to inform the House that, pursuant to Standing Order 82(12), the proceedings on the motion have expired.

[*Translation*]

The House stands adjourned until Monday at 11. a.m, pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, November 23, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 16 petitions Nos. 332-3213, 332-3229, 332-3230, 332-3232, 332-3233, 332-3236, 332-3237, 332-3240, 332-3243, 332-3270, 332-3272 to 332-3274 and 332-3275 to 332-3277.

* * *

[*Translation*]

PETITIONS

CANADA POST—OPPOSITION TO CORPORATE PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I have the honour and pleasure of tabling several hundred signatures from residents of New Brunswick. Your petitioners humbly inform the House that Canada Post's new corporate plan has created two classes of citizens by permanently installing its super boxes in urban and rural areas; that closing rural post offices deprives Canadians of a unique federal presence and reduces postal services that are vital to rural areas; and that rate increases, especially for second class mail, jeopardize the distribution by mail of many newspapers, weeklies, regional papers, magazines and religious publications; Wherefore your petitioners humbly pray that Parliament reject Canada Post's plan and urge the Corporation to deliver the mail to all Canadian taxpayers, without exception.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, the following questions will be answered today: Nos. 197, 198, 200, and 212.

[*Text*]

DND—REPLACEMENT OF SHIPS

Question No. 197—**Mr. Howie:**

In 1987, does the Department of National Defence plan to place orders for the replacement of ships or the acquisition of new ones and, if so, how many?

Hon. Perrin Beatty (Minister of National Defence): As stated in the White Paper, the Department of National Defence plans to replace six more of its existing frigates through Phase II of the Ship Replacement Program (SRP II).

DND—NUMBER OF DESTROYERS

Question No. 198—**Mr. Howie:**

1. How many destroyers are currently on strength in the Canadian Armed Forces?

2. Of this number, how many are (*a*) under repair (*b*) otherwise incapable of going to sea?

Hon. Perrin Beatty (Minister of National Defence): 1. Twenty-three.

2. (a) One. (b) Nil.

PERSONNEL AT CFB GAGETOWN

Question No. 200—**Mr. Howie:**

1. For the latest date for which figures are available, at CFB Gagetown, Oromocto, N.B., how many (*a*) permanent civilian personnel (*b*) temporary or 'term' civilian personnel (*c*) regular force military personnel (*d*) militia personnel on callout were on strength?

2. Of those military personnel who were employed at CFB Gagetown, how many were (*a*) in combat trades (*b*) in non-combat and support trades?

Hon. Perrin Beatty (Minister of National Defence): 1. (a) 656; (b) 192; (c) 3,254; (d) 12.

2. (a) (i) Regular Force 1,787; (ii) Militia 5. (b) (i) Regular Force 1,467; (ii) Militia 7.

BANK OF CANADA—GOLD LOANS

Question No. 212—**Mr. Nickerson:**

With respect to each gold loan made by the Bank of Canada currently outstanding (*a*) to whom is the gold being lent (*b*) how much gold is being lent (*c*) what is the term of the loan (*d*) what rate of interest is being charged?

Hon. Michael Wilson (Minister of Finance): Gold loans are made from the holdings of the Exchange Fund (a special account of the Minister of Finance which serves as the main repository of Canada's official international reserves). Gold loans have been made to the Royal Canadian Mint in connection with its gold coin programs and to financial institutions and precious metal dealers who are active in the gold market. The loans are made on commercial terms for maturities up to six months. As of October 31, 1987, total loans outstanding amounted to 601 thousand ounces. It would prejudice the Account's competitive position to reveal the details of individual transactions.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

Hon. Jake Epp (Minister of National Health and Welfare) moved that Bill C-5l, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, Bill C-51 now before the House addresses the issue of current tobacco marketing practices. Its effect would be to ban the advertising of tobacco products available for sale in Canada. It would also ban tobacco product promotion and regulate labelling and the reporting of technical information.

The federal Government has taken an active role in addressing the issue of cigarette smoking. It is important for people to understand why smoking, which was thought of as merely a personal habit, has become a legitimate public concern. There is overwhelming evidence that tobacco smoke is the largest preventable cause of illness, disability and premature death in Canada. Moreover, it has also become evident that Canadians who are consistently exposed to smoke in the environment may suffer from adverse health effects. Not surprisingly, the public is increasingly asking for an environment that protects non-smokers from tobacco smoke.

• (1110)

As Minister of National Health and Welfare, my primary concern is the health of Canadians. Therefore, I must do all that I can to protect their health by discouraging the advertising and promotion of tobacco, and by increasing public health knowledge of the health hazards of smoking.

This is not a moral crusade. It is not a case of some overzealous individuals attempting to force their life-style on others. It is responsible government action in reaction to overwhelming evidence that tobacco, despite its widespread use by a third of the adult population, is actually responsible for nearly 100 deaths a day in Canada.

The health risks of tobacco were realized long after it had become an established industry and millions of Canadians had become dependent. If tobacco were discovered tomorrow, no government would permit its sale, let alone its advertising. No one is immune, since scientific studies have revealed that non-smokers can be harmed in a smoke polluted environment.

Each year tobacco prematurely kills Canadians. On average, one Canadian dies of smoke related illness every 17 minutes of every day. I ask the rhetorical question, do Canadians, and those who may have some hesitation about this form of legislation, not have a right to expect that a Minister of health and a Parliament has a duty to face those facts? Victims are obviously mostly smokers, but some are non-smokers, and they are Canadians of all ages.

At least 500,000 Canadians have died prematurely of tobacco related illnesses since 1964. I choose that year because it was in that year that the Surgeon General of the United States first published the link between cigarette smoking and death. About one-quarter of deaths among people aged 35 to 84 in 1985 could be attributed to smoking. Today, smoking continues to be the leading cause of preventable death in Canada.

Tobacco is not a consumer product like any other widely advertised product on the market. Tobacco, a toxic and addictive substance, is the only consumer product that is dangerous when used exactly as intended. There simply is no level of safe smoking.

Of 23 known human carcinogens, 6 are components of tobacco smoke. Tobacco smoke also contains dozens of other chemicals that are toxic to humans. Tobacco is such a highly addictive substance that the vast majority of individuals who smoke are unable to limit their intake, even if they are aware of the health risks and would like to quit. Only 30 per cent of tobacco users manage to break their addiction, although polls show that more than 80 per cent would like to do so.

Some killer connections, like lung cancer and emphysema, are reasonably well known. However, many Canadians, especially the many teenagers who smoke, do not realize that heart disease is actually the leading cause of death among smokers. Almost no one knows that gangrene and amputations result from some tobacco caused peripheral vascular diseases.

Few know that in terms of over-all mortality and death rates, low tar, low nicotine cigarettes appear to be only slightly less hazardous than high tar, high nicotine brands.

In 1969, an all-Party committee of the House of Commons concluded that there was no longer any scientific controversy regarding the risk created by cigarette smoking. But it stated that the tobacco industry, by refusing to accept the established medical evidence, was directly responsible for causing confusion and delays. That was stated in 1969 by an all-Party committee of this House, and I would suggest that the same remains today.

Action is long overdue. A Private Member's Bill, Bill C-204, is further action in this House in respect to this legislation. We do not need more studies. We do not need more dead and disabled bodies. We need immediate action, including preventive educational campaigns and concrete efforts to strip tobacco of its alluring image.

Accordingly, on April 30, I tabled in the House of Commons Bill C-51, the Tobacco Products Control Act, and today it is here for second reading. The main provisions contained in the Bill are the following. First, with respect to advertising promotion of tobacco products, a ban on the advertising of tobacco products sold in Canada; a prohibition of the use of the brand name of a tobacco product or its trade mark, in any promotion of tobacco companies sponsorship or other support for any activity event, publication or broadcast; the prohibition of any free distribution of tobacco products; the prohibition of any gifts or cash rebates or the right to participate in contests, lotteries, or games related to the proof of purchase of a tobacco product; and prohibition of the use of a tobacco product brand name or trade mark on any non-tobacco goods that may be used to promote the sale of the product.

Second, with respect to labelling of tobacco products, a requirement that tobacco product packages display, on a rotating basis, a series of new, stronger, more visible health warnings; a requirement that packages also display a listing of toxic constituents found in tobacco products or tobacco smoke, including levels of tar, nicotine, and carbon monoxide; and a restriction on the use of writing on tobacco product packages to the name, brand name, and any trade marks of the tobacco product and information specifically required by this and any other relevant legislation.

I do not know, Mr. Speaker, and I know that it does not include you, whether Members of the House have recently looked at a tobacco product and read the warning. The warning is totally inconsequential. Keep in mind that it is on a tobacco package. What the Minister of National Health and Welfare is warning the purchaser and the user to do, when he or she uses the product, is to avoid inhaling. That is how weak the message is today.

Third, with respect to reporting of tobacco related information to the Government, a requirement that constituents specified by regulations and their quantities, in the tobacco product itself or the smoke produced from it, be reported; and a requirement that tobacco product production, import and sales information also be provided.

In the Bill there are also effective dates. I know that implementation of those dates will need adjustment, and that will be an examination to which the legislative committee will have to give close consideration.

My decision to introduce those strong and comprehensive legislative measures to control tobacco products came following much thoughtful consideration. After examining the evidence that has accumulated on the effects of tobacco and tobacco smoke, I came to the conclusion that continued advertising and promotion of a product which is so clearly hazardous and addictive poses a significant threat to public health that is no longer acceptable. Tobacco use has become a national public health problem of pressing and substantial concern.

The effects of direct exposure to tobacco have been clearly demonstrated over the past decades. Approximately 35,000 Canadians die prematurely each year from smoke-related diseases. Smoking contributes to some 30 per cent of cancer deaths, 30 per cent of heart disease deaths, and 85 per cent of chronic obstructive lung disease deaths.

Moreover, we have become increasingly concerned that smoking is a health hazard to non-smokers. Those who share indoor space with smokers can be placed at health risk, particularly when they are exposed for long periods of time.

• (1120)

A report of the U.S. Surgeon General recently concluded that involuntary smoking "is a cause of disease including lung cancer in healthy non-smokers". I am pleased today to add that an expert committee here in Canada, which convened at the request of my Department, has also completed a review of the world-wide evidence on this matter. In its report entitled "Involuntary Exposure to Tobacco Smoke", it concluded that the chronic inhalation of environmental tobacco smoke by non-smokers is associated with increased risk of various diseases including lung cancer. The expert committee also reported that all available scientific evidence on passive smoking is consistent with policies which eliminate all involuntary exposure.

These statistics on smoking in Canada indicate the existence of a serious health problem and suggest certain disturbing trends. Currently Canada ranks as one of the top 10 countries in the world in per capita consumption of cigarettes. A Gallup poll conducted in May of 1985 showed that 34 per cent of Canadians 18 years of age and over smoke cigarettes. While the proportion of smokers in Canada has been slowly decreasing, the number of young Canadian women smoking continues to increase. Among Canadian women in their twenties the proportion of daily smokers increased from 36 per cent in 1983 to 45 per cent in 1986. While we see the trends in general going down, among Canadian women we see the trend going up.

Obviously we are concerned about various cancers, especially young women and breast cancer. Today the rate of lung cancer among Canadian women is almost equal to that of breast cancer. I ask Canadians in a very straightforward manner whether they expect their Minister of Health, their Government, and their Parliament to be silent in the face of that type of evidence.

I would suggest that Parliament is trying to catch up with public opinion on the issue. Moreover, smoking rates remain high for young people, many of whom start to smoke even before reaching their teenage years. The onset of regular smoking often takes place as early as age 12. By age 18 to 19, 37 per cent of young people are smoking daily. The facts that so many teenagers continue to smoke daily and that young women are now smoking more suggest that the recent over-all decline in cigarette sales may be offset in the near future by increases brought about by a new generation of smokers.

The decision to start smoking is not an informed choice. It is a decision precipitated by what young people perceive to be the social acceptability and desirability of tobacco use. Sophisticated and well-targeted tobacco advertising has much to do with creating powerful and appealing images of the lifestyle of a smoker. To minimize any potential health concerns young people may have, ads have been cleverly designed to show healthy looking, physically active smokers enjoying their workout in the gym, taking to the ski slopes, bicycling in the clean outdoors, and in general staying trim and keeping fit. These ads are not designed to impart factual information about tobacco products or the consequence of their use.

Just recently in the British Journal of Addictions there are some interesting statistics to indicate that children at a very early age are able to identify brand names with advertising. I will not go into those statistics today, but we find indications that children under the age of 10 years can already identify brand names with the ads.

I wish to make another point which I stated to some ad executives the other day. Is the advertising industry of Canada, in spending $75 million on tobacco ads, so inefficient that that $75 million does not convince one Canadian to try the product? Yet, they turn around and argue "give us your account and we will sell your product". Why does it work with every product except tobacco?

The public has certainly become more concerned about tobacco advertising and promotion since the sponsorship of the R. J. R. Macdonald Tobacco company of the Canadian Ski Association in 1983, ad campaigns which were directed toward recruiting new smokers among Canadian youth. The manufacturers claim that their sole purpose in advertising is to promote brand switching among current smokers. However, in view of the fact that smoking habits are generally established by age 20, it is not surprising that there is the temptation to engage in tobacco marketing activities targeted at youth.

Currently the Canadian Tobacco Manufacturers Council has a code to regulate voluntarily the advertising and promotion practices of member companies. While the code is partially restricted to tobacco advertising, the rules are weak and many of them have been violated.

In response to the concerns regarding tobacco advertising and promotion, I have on a number of occasions met with representatives of the Canadian Tobacco Manufacturers Council over the past few years. On the whole these discussions have failed to persuade me that a voluntary self-regulating approach to advertising is workable.

The purpose of tobacco advertising is to encourage over-all tobacco use. The advertiser hopes that it will also encourage the use of his particular brand. Alternatively it is the policy of the Government to discourage tobacco use. Since these objectives are mutually incompatible, the Government has concluded that legislation banning all tobacco product advertising is the only acceptable option.

There is a strong national consensus calling for action. Public opinion polls indicate that a majority of Canadians favour measures similar to those proposed here. In 1987, 67 per cent of those expressing an opinion supported the proposal of the federal Government to ban tobacco advertising, which was an increase from 62 per cent in 1986. In 1979, 80 per cent favoured federal legislation for health warnings and toxic substances reporting on packages. This consensus in favour of action supports the national movement toward non-smoking, which is getting stronger.

I say to my colleagues in the House that health is not a partisan issue. While the Government is generally supportive of health regulation, this is not the case where products have serious health consequences. The challenge facing us is to regulate in such a manner as to protect public health and safety while imposing the fewest restrictions possible on individual freedoms.

Let me say a few words about freedom of speech, a freedom treasured by all of us in the House. Freedom of speech must be accompanied by the responsible exercise of that freedom. Freedom and responsibility are like two sides of the same coin; they are inseparable. Many Canadians believe that the responsible exercise of freedom of speech does not include the freedom to advertise addictive products. The responsible exercise of freedom of speech does not include the freedom to portray a lethal product as glamorous and socially acceptable. It does not include the freedom to advertise and promote addictive lethal products which can be easily obtained by teenagers and even younger children.

I submit that tobacco advertising conducted in exactly these ways represents the exercise of freedom without responsibility. One-sided coins are being spread around the community purporting to represent freedom of speech. There is a tail side of alleged free speech, but the coins have no head side of social responsibility. This coinage is worthless; it is without value.

Prohibiting the sale of a social drug like tobacco is not feasible, but prohibiting the advertising and promotion of this toxic substance is both feasible and desirable. The Charter of Rights and Freedoms provides for reasonable limits on our freedoms including freedom of speech. Since the evidence shows tobacco use to be a public health problem of pressing and national concern, a complete ban on tobacco promotion is consistent with a responsible health policy under our Constitution. By outlawing tobacco advertising, the federal Government is conveying a clear, unequivocal message—tobacco is a dangerous substance.

• (1130)

The advertising ban is but only a part, although a key part, of a long term comprehensive health oriented policy on tobacco and smoking. The long term objective is to bring about a significant decline in smoking and tobacco consumption. An essential tool for meeting this objective is the national program to reduce tobacco use, a joint effort of provincial, territorial and the federal Governments plus major health organizations. In the short term, the Government's objectives are to strengthen the existing trend against the social acceptability of smoking and to enhance the credibility of the health message.

I am speaking today not only to parliamentarians but to the country and to those who are parents, relatives and close friends of children and young adults whose actions can now determine the quality and duration of their later life. To replace smokers who quit or die prematurely, the tobacco industry annually must attract many new smokers. Virtually all of these replacement smokers are children or adolescents. Tobacco purchases by children and adolescents exceed $250 million every year. While older Canadians are quitting the tobacco habit in record numbers, smoking among teenagers has not decreased.

Voluntary controls on tobacco advertising have been tried without success in Canada, and more than 15 years of experience with the Canadian Tobacco Manufacturers Council voluntary code, including well documented breaches of both the spirit and the letter of its provisions, have resulted in a loss of public confidence in this approach.

Violations of virtually every rule of the voluntary code have been reported. Rule 11 prohibiting outdoor cigarette advertising adjacent to schools has been frequently flaunted. Cigarette brands have been launched with blatant appeals to youth. Health warnings which are supposed to be permanently displayed are often virtually invisible on billboards and in print ads, so we have stepped up our efforts to communicate health concerns about tobacco to Canadians, especially through increased support of the national program to reduce tobacco use.

The presence of massive amounts of tobacco product promotions, however, simply dwarfs efforts to communicate the health hazards of smoking. Simply stated, many people just do not take health warnings seriously when they are bombarded at every turn of the head with soothing tobacco company ads promoting their product as normal, good and glamorous.

I would suggest the young are particularly vulnerable to such appeal. Young people are also good hypocrisy detectors. Tobacco ads prominently displayed at every corner store make government health warnings ring hollow. As long as glossy advertising campaigns lure young persons into thinking that smoking is okay, our society will continue to pay an unconscionable price in premature deaths and disabilities. Tobacco advertising fosters social acceptability of a dangerous product. The ability of the tobacco industry to stay healthy while its customers get sick is, according to a recent report in a business magazine cover story, "One of the most amazing marketing feats of all times".

I also want to assure Members of the House and all Canadians that the measures we are discussing are not intended to prohibit smoking in Canada. That is another argument that opponents to this legislation have said it provides for. Cigarettes have been used in Canada since the turn of the century and other tobacco products for a lot longer than that. Tobacco use has been legal too long to consider such measures. It is my intention and my hope that the Bill will continue to reduce smoking.

As well when Bill C-51 was made public other anti-smoking measures were announced, intended to strike a balance between legislative and program initiatives. By combining legislation, education, restrictions on smoking in indoor environments and transitional assistance to tobacco growers, the Government has developed a comprehensive and balanced policy to reduce the tragic consequences of smoking on our society.

For my part, Mr. Speaker, you will recall that on April 22 I announced my commitment to strengthen significantly my Department's participation in the national program to reduce tobacco smoking. This national program, launched in 1985, was established to unite provincial, territorial and federal Governments and national health organizations in co-ordinated action toward a common purpose, that of developing effective and comprehensive initiatives to reduce the use of tobacco in Canada.

We have three goals: one, to protect the health and rights of non-smokers; two, to help non-smokers stay smoke free; and three, to encourage and help those who want to quit smoking. The initial focus of the national program through the "Break Free for a New Generation of Non-Smokers" campaign has been directed at youth at the vulnerable ages of 12 to 17. In support of the national effort, the Department of National Health and Welfare has developed and is now promoting the implementation of a school based smoking prevention program for Grade 6. We are also completing work on two other educational resources, a guide book of project ideas for community youth groups such as YM-YWCA's boys and girls clubs and a smoke-free educational kit for children aged three

to six for use in day care settings and kindergarten classes. Provinces and health agencies have also tied some of their own activities into the national program, including, for example, New Brunswick's "Business for Kids" projects and Alberta's publication on women and smoking called "Break Free—Leaving the Pack Behind."

Other concerns to be addressed through the program include promoting the benefits of a smoke free life among our youth and helping them to deal with peer and other social pressures to smoke; reversing the increasing trend in smoking among young women; increasing the accessibility of effective cessation programs; supporting the initiatives of community groups responding to local needs, and ensuring that all Canadians have the opportunity to grow up, live and work in healthy smoke free environments.

Several federal departments have restricted smoking on the job. These include my own department, the Department of Regional Industrial Expansion, the Auditor General's Office, the National Research Council, the Public Service Commission, Statistics Canada and others. On April 22, my colleague, the Minister of Labour (Mr. Cadieux) announced new measures, both short and long term, to restrict smoking in workplaces subject to federal jurisdiction. In the short term, the Minister of Labour is requesting employers to restrict smoking in their workplaces to designated areas by the end of 1987. Also on the same day, the then President of the Treasury Board, now the Minister of State (Science and Technology) (Mr. Oberle), announced the Government's intention to ban smoking in all public service workplaces by January 1, 1989. In August, we reaffirmed our intention by announcing that for a 15 month period beginning October 1, 1987, smoking throughout the public service was to be restricted to specifically designated areas. I know this is not ideal, but I think it is a very big step forward.

As well, Mr. Speaker, you will recall that I recently wrote to you outlining my concerns about the health hazards of involuntary smoking and the need to control exposure to tobacco smoke within the precincts of the Parliament of Canada. Similar letters were sent to the Speaker of the Senate and the parliamentary librarian. I am happy to report to this House that both Speakers and the parliamentary librarian responded quickly and positively to my concerns. At their request, a committee of officials of both Houses of Parliament and the Parliamentary Library have been meeting to draw up alternative strategies for the control of tobacco use that would apply to all locations occupied by the Parliament of Canada. It is my hope that the policy adopted will be comparable to the approach taken elsewhere in federal jurisdiction.

The House will recall also that last November the Minister of Transport (Mr. Crosbie) proposed a new air regulation to ban smoking in Canadian aircraft for domestic and trans border flight segments of less than two hours. If Members of Parliament look back at what people have been telling them as they have been flying to and from their ridings, they will agree that comments from the public have been overwhelmingly favourable. Accordingly, these new regulations will be fully implemented by Canadian airlines before the end of this year.

• (1140)

I recognize as well that with these changes, difficulties can occur for those in the industry. Recognizing the serious difficulties faced by tobacco farmers as demand for their products declines, the Minister of Agriculture (Mr. Wise) announced the establishment of an alternative enterprise-initiated program to assist diversification in the tobacco growing regions of Canada. On April 23, in conjuction with the Ontario Agriculture and Food Minister, details of a $30 million program to assist Ontario farmers who cease tobacco production was announced, the funding of which will be shared equally by the two orders of Government.

The legislation the House is now debating has been misinterpreted in many areas. Tobacco has not been singled out for legislation; nor is it a precendent-setting exercise. Intervention to regulate dangerous or potentially dangerous products and to reduce or prevent problems is considered an appropriate role of Government in Canada. Prescription drugs, for instance, may not be advertised to the general public. Alcohol which is harmful if used in excess is already regulated both provincially and federally. If it is legally and socially acceptable to prohibit some forms of advertising, I believe we should have no qualms about prohibiting any form of advertising for the nation's leading cause of preventable death.

It is not true, as the tobacco industry claims, that ad bans in other countries have been unsuccessful. In counties where tobacco advertising has been effectively banned, consumption has remained stable and at lower levels than in Canada. Bans have been in effect since the mid 1970s in Norway and Finland. Per person consumption rates in those two countries are 50 per cent lower than in Canada. In the five years following the tobacco advertising ban in Norway, cigarette sales declined by 15 per cent with the largest component of the decline being among children and particularly girls.

If that is not sufficient evidence, we only need note what the Government of China announced last week. China is a society that is heavily into the practice of smoking. It is very interesting to see a country like China taking the lead from the World Health Organization and taking the steps that are beginning to be taken in respect to the use of this product.

Education and legislation are both important. By pursuing these complementary approaches and by working together, I am confident that we can achieve the mutually beneficial goal of a smoke-free society. In a world where private gain ranks supreme, we must not lose sight of the need to work for the indivisible social benefits that come from the pursuit of public health objectives.

If this Bill passes this stage, it will go to the legislative committee. There members of the committee will have the responsibility to decide whether the specific provisions of this Bill are reasonable and effective. They will have to look at the

issue in light of the evidence that I have presented today. I look forward to seeing the judgment of the legislative committee.

I believe that a smoke-free environment is as essential to human health as pasteurized milk and chlorinated water. Sooner or later, every country will ban tobacco advertising and promotion in an effort to combat the greatest man-made epidemic of modern times. Canada has the opportunity to set an important example for the rest of the world in the effective control of this critical public health problem. The decision rests with each one of us as to whether we are willing to take an active, pro-health stand or whether we are willing to defend the indefensible in the face of the evidence I have produced today.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, first I would like to point out that I believe that all of us in the House of Commons today are guilty of a bit of hypocrisy in introducing this particular piece of legislation. The laudable objective of this legislation is to cut down on the consumption of cigarette and other kinds of tobacco in Canada. We all know, and we have heard the statistics from the Minister, that a cigarette is an instrument of death. However, I do not see any political party actually calling for a ban on cigarettes.

We are saying that tobacco is a hazardous product, a product responsible for thousands of preventable deaths in Canada. We are saying that it is a product which costs the health care system millions. Yet if we were to carry that argument to its ultimate conclusion, we as parliamentarians would actually vote on a Bill to ban the sale of tobacco products in Canada. However, no political party has the courage to do that.

We realize that tobacco has been a part of our culture for many hundreds of years. We realize that the negative health effects of tobacco have become evident only in the last number of years. Yet frankly, from a strict political point of view, I do not think any political party would want to go into the next election trumpeting itself as the party which will introduce prohibition on tobacco. That is a fact.

If we are stopping short of actually banning the sale of this hazardous product, what steps are we prepared to take to cut down on its use over the next number of years? Certainly, a ban on tobacco advertising is one strategy which is supportable in the move to cut down on the consumption of tobacco. However, I think there is a more fundamental principle which unfortunately the Minister did not address.

Just a few moments ago I had delivered to my desk from the legislative assistant to the Minister a summary of the expert committee report on involuntary exposure to tobacco smoke. This particular report indicates that chronic inhalation of environmental tobacco smoke, other people's smoke, is associated with an increased risk of lung cancer and that ETS probably causes lung cancer. An expert committee has made an analysis which shows that those who do not smoke but work in a place where they are exposed to environmental smoke may have an increased risk of lung cancer.

While the Minister has introduced legislation specifically designed to deal with advertising, he has not dealt with the more fundamental right of Canadians to live and work in a smoke-free environment. The Minister has mentioned that certain initiatives will be undertaken by regulations which relate to federal Government employees, and that is to be lauded. However, there are literally millions of Canadians who live and work in places which are not covered by regulations that apply only to civil servants.

The Government is saying that it believes civil servants should have the right to work in a smoke-free environment, but what about the thousands of other employees working under federal jurisdiction who will not necessarily see any benefit arising from this legislation because there are no fines or ways of enforcing companies under federal jurisdiction which do not live up to the requirement to provide a smoke-free workplace? The employees of banks, trucking companies and other companies involved in interprovincial transport will see no respite from second-hand smoke as a result of this legislation.

More important are the millions of Canadians who work at the provincial level and are covered by provincial legislation. This Bill does nothing to provide a smoke-free work environment for the millions of Canadians who should have the right to work in a smoke-free environment.

In a small way, this legislation touches upon the future tobacco consumption pattern of teenagers and young people. Representatives from the Canadian Cancer Society who are here in the gallery today certainly see this as being a step in the right direction. It is a step in the direction of cutting down on the increasing numbers of young people who are seduced into the world of smoking as the result of things like kiddy packs, which are still legal, and advertisements which show that those who smoke are part of the gang, part of the attractive culture of young people who are in style.

• (1150)

Certainly this measure will deal with that in a small way. However, even if one accepts that this Bill does not address a major flaw, which means millions of Canadians will continue to have to breathe second-hand smoke for at least eight hours a day, which by the Minister's own study released today could cause them to contract cancer, we should take a few moments to look at the Bill as it relates to advertising and point out just how flawed it really is.

Many of us have been involved in the debate in this Chamber over the last number of weeks concerning the Mulroney trade deal. I submit that as a result of that deal, this legislation will do nothing to prevent the advertising of tobacco products in Canada. I will tell you why. It is quite simple.

One item on the table under the heading "Services" is printing. We know that if and when the final deal is signed, it

will be possible for Canadian companies to go to the U.S. and have their material printed there. Let us take, for example, tobacco advertisements which have been a rather significant portion of revenue for Canadian magazine publishing companies. All those companies have to do to get around this law is to have their magazines printed in the U.S. and then sold back in Canada. If it is published in the U.S. it is not a Canadian magazine and therefore not subject to Canadian regulations governing advertising.

If the Minister really wants to bring in legislation to ban all tobacco advertising in Canada, he has to recognize that the ban should be applied equally to magazines and other reading material coming from outside the country. I do not think he wants to inadvertently introduce legislation to encourage Canadian magazines to go south of the border to be printed, so amendments have to be made. There is no point in spending a lot of time discussing this issue in this House if as soon as the trade deal is completed the Canadian publisher just turns around and has his magazine printed in the United States in order to be exempt from Canadian laws on tobacco advertising.

There is another major flaw dealing with trade marks. The Minister has stated that if a company wants to sponsor, for example, a sporting or cultural event, it can use only its corporate name. It cannot use the brand name of a cigarette or even chewing tobacco, which we know has not been addressed in this legislation. All the company has to do in order to get around this provision is to register all its brand names as corporate names.

For example, if you want to have a du Maurier Special or Player's International Tournament, for a few hundred dollars you can put together a corporation under those names and get around this law. The law does not prohibit tobacco companies from sponsoring—

Mr. Stewart: You do not know what you are talking about.

Ms. Copps: I am not sure of his riding but the Hon. Member asks, "What is the Member talking about?". He made a comment about the U.S.S.R. during the Minister's remarks and I thought that was rather interesting. However, if he has read the legislation—

Mr. Stewart: I know a hell of a lot more about it than you do.

Ms. Copps: Then he should be aware of Clause 5(1) under "Promotion":

> —no person shall employ the brand name or a trade mark of a tobacco product in any representation made to the public for the purpose of acknowledging financial or other support provided by a manufacturer—

I suppose the Hon. Member has not read this far, but Clause 5(2) states quite categorically:

> Notwithstanding section 3, the name of a manufacturer or importer of tobacco products may be used in a representation referred to in subsection (1)—

Quite clearly, if a company wants to advertise the Player's International, all it would have to do is incorporate a Player's International company. That would permit it to continue to advertise. The Minister knows that is true. When I was lobbied by the tobacco company, I pointed to this flaw. You know what the tobacco company said? We want to live within the spirit of the law. They also said they will live within the law as it is written. Knowing their record for not moving on voluntary bans or restrictions on advertising, they will use every loophole at their disposal to get their message out. Those loopholes include incorporating new companies and having their material printed south of the border. Unless we move amendments to address these concerns, the tobacco companies will continue to advertise in some way, shape or form in Canada.

There is another major flaw in this legislation. The Minister was right when he pointed out the disturbing consumption patterns among young people, in particular young women, as they relate to tobacco advertising. We know it is illegal for children under the age of 16 to purchase tobacco products. We also know from testimony with respect to Bill C-204 that the average age a person begins smoking is 12. How are they getting their cigarettes? They may be getting them through stores. We have had evidence to show that nine times out of 10 they can buy them directly from the corner store even though it is illegal. However, there is another way to get them with absolutely no prohibition, and that is through vending machines.

In his legislation the Minister addresses vending machines, but not to make them illegal, which seems to me to be the logical consequence of the statement that young people are smoking at a greater rate in greater numbers and earlier than ever before. Why has the Minister not introduced a ban on vending machines? What he has done is set out regulations on advertising on vending machines. How can the Minister justify his intention to allow the continued growth of vending machines when he knows they are one sure fire way for children to get cigarettes? When a six-year old puts, I guess, three "Loons" in a vending machine he or she gets a package of cigarettes in the same way a 60-year old does. Quite clearly if the Minister is committed to reducing consumption among juveniles, one way of doing that is through a ban on vending machines, which is not contained in this legislation.

Mr. Oostrom: Tell your buddy Peterson.

Ms. Copps: Pardon me?

Mr. Oostrom: Tell your buddy, Peterson.

• (1200)

Ms. Copps: The Member for Willowdale (Mr. Oostrom) says, "Tell your buddy, Peterson". That is interesting, Madam Speaker. I just happen to have a letter from that Member for Willowdale who says, "Tell your buddy Peterson". I can understand why Members on the government side of the House are a little edgy with regard to this Bill. I would like to

read into the record a letter which was sent out by the Member for Willowdale. He calls this piece of legislation a form of censorship which has no place in our free market society. He sent this letter to the President of Ted Bates Advertising Inc. It reads:

> The thrust of Bill C-51 is to curb the social acceptability of smoking—
>
> The total ban on tobacco however, is a form of censorship which has no place in our free-market society.
>
> It is not the role of the government to selectively decide what commercial messages may be heard by the population. The cornerstone of our democracy is freedom of speech and expression, and this may be inconsistent with our charter of rights and freedoms. Further, the proposed ban does not prevent foreign magazines from carrying tobacco ads.

The letter goes on:

> I will be approaching the Minister to reconsider his proposed legislation on banning all tobacco advertising, for I sincerely felt that this action represents an intervention in the marketplace which threatens individuals and commercial freedoms.

An Hon. Member: Hear, hear.

Ms. Copps: Obviously the Member has support from some other Members on the government side.

Mr. Stewart: He sure does.

Ms. Copps: The letter concludes:

> I believe that a solution can be worked out which will address both sides on the issue.
>
> Once again, thank you for taking the time to inform me of your opinion on this subject. Best wishes and warm regards.

I would not have read this letter into the record had the Member for Willowdale not somehow suggested to me that the solution to this problem lies with the provincial Government of Ontario when he has promised the advertisers that he personally will go to the Minister of Health and will personally move to stop this Bill.

Yet, we have been threatened by the Government that if we put up too many speakers on this legislation the Government will drop the Bill and will blame it on the Opposition. That is because the government Minister involved does not want to let his Members loose to speak their minds about this piece of legislation. He wants a cosy little deal and I can understand why.

I have other letters. If the Member would like I will read some letters which other members of the Conservative Party sent out in out in opposition to this Bill.

I have tried to point out what I consider to be a number of flaws in the Bill which I believe will neuter the Bill and render it impotent in what I consider to be the main objectives, that of providing a smoke-free environment for Canadians. The first is guaranteeing a smoke-free workplace and the second is cutting down on consumption by strategies including a ban on advertising.

I think that a ban on advertising is completely defensible. I agree with the Minister that there are many other instances where, as a part of public policy, we have introduced restrictions. I think, for example, of the restrictions which have been introduced with regard to the advertising of pharmaceutical products. I think of the voluntary ban on the advertising of distilled spirits which was entered into under the threat of legislation. There are certainly many instances where the Government has deemed, whether as a result of a voluntary ban or public policy, that certain messages are not good to be transmitted through the media.

I also admit that in the support of this legislation we in this House are all guilty of hypocrisy because we are not prepared to take the full step of a total ban. However, from the point of view of societal norms I do not believe that that is a possibility at this time.

The Member on the government side likened this piece of legislation to measures in the U.S.S.R. I think he did so because he has concerns about some of his constituents. When the first legislation on this issue was introduced last April we did not hear very much about alternative funding for the tobacco farmers who are being driven out of business as a result of decreasing consumption of tobacco and will certainly be further affected by this legislation. I was happy to hear the Minister make some mention in his speech today to some transitional funding for them which we have to consider.

We must also consider the role of the Government in offering transitional funding for sports and cultural organizations which could be adversely affected by corporate requirements to move away from their sponsorship. I believe that the Government must address that issue in tandem with this legislation.

• (1210)

[*Translation*]

Madam Speaker, I think that as far as the smoking problem is concerned, what we as Members of this House have to decide today is whether we want to adopt strategies that will lead to a reduction in the consumption of tobacco in Canada. If we wanted to be really thorough about this, and I think all Parties would agree, we would have to ban the sale of tobacco products in Canada, but we know that is not possible. It is impossible because smoking has been part of our culture for thousands of years.

Ms. McDonald (Broadview—Greenwood): No, no, no!

Ms. Copps: I knew I would be corrected by my hon. colleague who knows far more about the subject than I do. I am looking forward to her comments.

In any case, smoking has been ingrained in our society for quite some time, and not one political party would have the courage today to make banning the sale of tobacco in Canada part of its political platform in the next election. That would be hardly likely.

What we must do as Members is, first of all, give Canadians a working environment where they will not be exposed to smoke produced by others. According to a report released today by the Minister's office, people who work in environments where there is a great deal of smoke are more likely to get cancer. I think the primary purpose of any Bill of this kind should be to guarantee Canadians a smoke-free environment at work. That we do not find in this document, and we do not find it because the Minister prefers to proceed by regulating federal employees. That is fine for federal workers, but many people working in the private sector or even the federal level will not be entitled to a smoke-free environment because the regulations do not even impose fines on companies that refuse to provide such an environment for their employees.

If I happen to work in a small transport company or bank and I want to claim the right to work in a smoke-free environment, I can't because there is not even a mechanism to apply the regulations. And that is one of the flaws in this Bill.

Another flaw in this legislation is one that will have to be examined very closely in committee, and I am referring to the consequences of the Mulroney Free Trade Agreement, because . . .

The Acting Speaker (Mrs. Champagne): Order please. The Hon. Member is aware she should refer to the Hon. Member for Manicouagan as the Right Hon. Prime Minister and not by his name. The Prime Minister is treated the same as all other Members.

The Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Madam Speaker, I was referring to the Mulroney-Reagan free trade deal.

The Acting Speaker (Mrs. Champagne): The deal to which the Hon. Member is referring is between two countries and does not bear the name of any Hon. Member. In this case, the Hon. Member should have referred to the Right Hon. Prime Minister.

Ms. Copps: Thank you, Madam Speaker. The House is aware that under this Canada-US deal, printing is defined as a service, which creates a situation in view of the fact that this Bill refers specifically to magazines which are published by Canadians in Canada. Since magazines such as Maclean's or Chatelaine may be printed in the United States, as a result of the Canada—US deal and then be imported into Canada, they could therefore still contain tobacco advertising. In this case, if we are really serious about prohibiting the advertising and promotion of tobacco products in Canada, we should propose amendments to this Bill to really cover all magazines sold in Canada, whether imported or printed here, failing which, Madam Speaker, when the provisions of the Canada—US deal authorize accross-the-border printing within the next two years, tobacco manufactures will be able to pressure Canadian publishers into having their magazines sold here but printed in the United States, thereby avoiding the regulations which will result from this Bill.

On the other hand, since this Bill will only prohibit the trade mark use of a product with sports events, for instance, they will be able to refer to the *Imperial Tobacco Races* or the Imperial Competition; they would not be able to refer to the Players Competition, because Players now is the trade mark of a product. To bypass the provisions of Bill C-51, companies need only introduce such names as Players Inc. or DuMaurier Inc. It is a well known fact that for a few hundred dollars, a company may be incorporated in Canada under another name and thus not fall within the scope of this Bill.

It has other deficiencies. The minister himself emphasized that the purpose of this Bill was to reduce tobacco consumption among children and teenagers, for adults have come to realize the detrimental effects of tobacco and there has been a marked decline in tobacco use among them. But among teenagers, partly because of advertising and partly because of peer pressure, there has been an abnormal increase in tobacco consumption, especially among young women; if the minister really wants to prevent an increase of tobacco use among teenagers, I suggest the Bill should also prohibit all cigarette vending machines in Canada. As you know, Madam Speaker, it is already illegal to sell cigarettes to young people under 16 years of age; while some stores will sell them cigarettes, others will not. But if there is a cigarette vending machine, and if I am seven years old with three quarters in my pockets—nowadays it is more like three dollars—but that was the case quite a long time ago.

A seven-year old with three dollars' worth of change can get cigarettes the same as a sixty-year-old. I think the Minister also should have banned vending machine sales, to make sure that the young will not be able to obtain cigarettes outside convenience stores and that the latter are more strictly regulated with respect to the sale of tobacco to minors.

It is common knowledge, and we were told by witnesses appearing before the committee considering Bill C-204, that there were convenience stores—I believe the figure mentioned was twenty—where young teenagers could obtain tobacco. They were able to purchase tobacco in 19 out of 20 convenience stores, even young teenagers, even though it was illegal, so it is clear everyone is selling tobacco indiscriminately. That is why I think we should have stricter regulations to deal with this and with vending machine sales, which should be banned. There is nothing to that effect in the Bill before the House today.

We know there are many flaws in this legislation, though its purpose is a laudable and admirable one, which is to reduce tobacco consumption step by step. What we also knew, and we heard many comments in this respect . . . Madam Speaker, if you had seen the slides presented by the Canadian Medical Association! They were quite extraordinary for people like me who have never had a close look at the deadly effects smoking

can have. There was a lot of testimony to support the statement that cigarettes could be lethal, not just to those who smoke them but also to those who are exposed to ambient smoke.

Since the purpose of this legislation is to reduce consumption of a product that is bad for Canadians—I was a smoker once, I smoked for a long time before I gave it up—I think the purpose is admirable, and that is why we intend to support this Bill, but I think we will table a number of amendments to clarify the impact of the Mulroney-Reagan Agreement—the Canada U.S. Agreement. We intend to propose a number of amendments to clear up the problem about company names. We will also try to table amendments that will include what I consider to be our most important goal, which is to guarantee all Canadians the right to work in a smoke-free environment.

As I explained earlier, it is very odd that the federal Government has adopted regulations concerning federal employees, while, as we all know, Parliament remains sacrosanct, so that regulations that would prohibit federal employees from smoking as of 1989 would not apply to Parliament. This means that we, the Members of this House who will vote today on the second reading stage of this Bill and who will soon be voting on the third reading stage, that we are about to adopt regulations that would ban smoking by federal employees while we are not prepared to have the same regulations apply to our own employees.

So that is one more loophole in the regulations presented by the Minister with his colleague, the President of the Treasury Board (Mr. Mazankowski), a loophole that should be closed by amendments that will be proposed by the Liberal Party.

• (1220)

[*English*]

There are so many loopholes in the legislation that I think one could probably drive a Mack truck through them. In the course of discussions that will follow second reading of this legislation we will be introducing some amendments to it. We will try to improve the Bill. In particular, we will try to guarantee what we consider to be the primordial role of the federal Government, which is, at the very least, to protect working men and women who are exposed to second-hand smoke on a daily basis in the workplace.

We are not satisfied with the regulations the Government has introduced which deal with federal civil servants and which, in fact, exempt Parliament and thus our own employees. We are not satisfied with that approach. We will be introducing some amendments. On the whole we will come out with a better Bill.

For the Minister to achieve the objectives he is seeking, and I believe he is intent on achieving them, the Bill has to be strengthened. The Bill has to be more precise. The loopholes must be closed. Above all, the Bill has to protect people in the workplace. It cannot deal only with the issue of advertising. Unfortunately, Bill C-51 simply deals with the advertising issue. A curb on advertising will assist in reducing consumption in a long-term strategy. It will not provide people with the protection in the short term that they need to be free from exposure to smoke in the workplace.

The study that the office of the Minister released today on second-hand smoke is damning enough evidence that Canadians should have the right to work in a smoke-free workplace, whether or not they happen to be federal government employees, working in Parliament or in the private sector on the federal or provincial scene. Those are the areas which we intend to explore in our further discussions on Bill C-51.

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I congratulate the Minister of National Health and Welfare (Mr. Epp) for finally bringing in Bill C-51 for debate today. It is an important step forward for protecting the health of Canadians. I am glad to see the strong stand that the Liberal critic for health has taken in her demand for a comprehensive approach to this question of the very serious numbers of deaths and diseases that are caused by tobacco smoking. The statistics are painful enough.

More than 35,000 Canadians who are smokers die every year from tobacco related diseases. Some 300 to 500 non-smokers who are involuntary smokers die from tobacco-related diseases, for example, lung cancer and probably other diseases. A number of still births and perinatal defects occur as a result of tobacco-smoking on the part of the mother and, indeed, even from secondary smoke that affects the pregnant mother. These deaths are numbered in the hundreds. Fires are caused by the misuse of cigarettes. The deaths caused by fire are in the area of 200 to 400. This is indeed a very serious problem and I am happy to see this legislation before us today.

Bill C-51 would ban advertising of tobacco, cigarettes and sponsorships. However, there are a couple of loopholes. I also welcome the parts of the Bill that deal with labelling which are very important. They are a good step forward in dealing with this question and a matter not dealt with in my own Bill, Bill C-204. We are indeed breaking new ground.

I want to call to the attention of the Minister the need to plug a couple of loopholes with respect to advertising and sponsorship. The first loophole in the Bill is with respect to the point of sale advertising, for example, in local stores. This is where young children are purchasing their cigarettes. Local stores are bribed by the tobacco companies to have advertisements in their stores. Point of sale advertising must be completely banned and not left merely to regulation.

The other loophole is with respect to the partial ban on sponsorships. A brand name cannot be used but a company name can be used for sponsorships under this legislation. This is something which would not be permitted if Bill C-204 were enacted. It takes but a bit of imagination to consider that the tobacco companies could be incorporating new companies to make a company out of a brand name and thus escape the spirit and the letter of this law. We would like to see those

loopholes plugged. We know why the tobacco companies have to advertise. It is because some 35,000 Canadians a year are dying. They are smokers, the customers of these companies. Some 350,000 smokers, largely intelligent adult men, are quitting smoking. The tobacco companies have to replace their customers. They are doing this by looking for new markets. We know that they are going after children. That has been all too well documented. We also know that they are going after women. I am sorry to say that they have been enormously successful in their advertising directed at women. The women's movement is speaking up and talking back to the tobacco companies on that point. The symbols of emancipation are being used. Glamour, success and peer acceptance are being used to attract people to smoking.

One of the sneakier methods that has been attempted by a tobacco company to attract women smokers is worth citing here. I refer to a plan which, fortunately, has been scotched. Benson & Hedges wanted to put out a book on political women. My understanding is that this book would be sent to all the schools in Canada. It was a very clever idea. I was asked if I would give my permission to be included in this book. Other Hon. Members who are women were also asked to be included in the book. I am sorry to say that some of them fell for it. A woman member of the public was concerned about this matter and she sent a letter to the President of Benson & Hedges to protest. She wrote as follows:

> I am very disturbed by your plan to publish a book on women in politics. I am convinced that this will have the effect of identifying successful women, women who are role models for other women—mainly younger women—with smoking, since I am well aware that the tobacco industry in North America has capitalized on the movement for women's liberation in an attempt to persuade feminists that smoking is the necessary corollary of success in the male-dominated world of politics, business and sport.

That was a very reasonable protest. In fact, it was very timely. Benson & Hedges replied to this public-spirited citizen in a letter which stated:

> I am in receipt of your letter—
>
> First, let me say that I consider it rather presumptuous on your part to complain about something which is based, at best, on second or third hand information.
>
> Inasmuch as you appear to have a Ph. D., I would have thought that irrespective of the discipline in which it was obtained, you would check your facts before committing yourself to paper.

Check the facts indeed. I have some of the facts here with me. One is a letter to myself inviting me to be one of these successful role models and to be included in a book on political women. The Minister of Communications (Miss MacDonald) was probably one of these women. Her name and face would go out to those young teenagers to encourage them.

We want to encourage young women to enter politics—of course we do. But do we want to sell them cigarettes at the same time? This is shameful. It is a good example of the tactics of this industry. It is going after young women in order to replace the intelligent older men who are quitting smoking. Fortunately, there was enough bad publicity on this matter that the company apparently produced the book but did not distribute it.

Advertisers want to tell us that advertising of cigarettes does not work and that they are only interested in maintaining their brand name quota within the system. They have quoted some phoney statistics. They have tried to say in Norway, Finland and Singapore in full-page advertisements in newspapers this summer that ad bans in other countries have not been successful and that it would be counterproductive for us to go for an ad ban. The Canadian Cancer Society subsequently checked out all these so-called facts only to find that the situation was quite the opposite.

For example, in Norway, and the Minister has referred to this example, since the ban on advertising there has been a 15 per cent decline in the number of smokers. Yet exactly the opposite was claimed by the tobacco companies and the advertisers. It is very shameful that Canadians are being misled. They may not be too misled on this, because it is a little preposterous for the advertisers themselves. They have been coming to committee on my Bill C-204 and stating that advertising does not work, undermining their own industry. I think that advertising does work, and it should be part of the solution. We should have a counter-advertising program in order to encourage young people not to start, and to encourage those people who have already started to quit.

• (1230)

There has been a very dishonest use of so-called data. In the case of Norway, the clever trick was that it did not use ordinary tobacco made for roll-your-own cigarettes, and they included only one form of cigarette use which had gone up since the ban. But the total use had gone down. It also did not take into account the fact that there had been a population increase. It was not done per capita. So there was a very dishonest use of statistics in order to make their point.

The advertisers also tell us that it is not advertising that makes young people smoke, it is peer pressure. They actually did a study and asked children, "Are you influenced by advertising?" Human nature tell us that none of us likes to admit that we are influenced in a decision by advertising. We like to think that we made up our own mind. Quite naturally, most children stated that they had not been influenced by advertising, but some stated that they had been.

Even if it is a very small number, I suggest that one person dying from a tobacco related disease, from a habit that he or she would not otherwise have taken up, is too many. Thirty-five thousand Canadians die a year, and if only 5 per cent of those people started as a result of advertising, that is a sizable number. Even if it is only 1 per cent, that is 350 people. If it is 2 per cent, it is 700 people, and that is almost the murder toll in Canada. If anyone could find some brilliant way to reduce murder by 700 people a year, we would be very grateful to bring those numbers down.

Even if it is only 2 per cent and the advertisers are correct, and I do not think they are—but even if we accept their statistics, we should be pleased at the prospect that we could save 700 lives a year. I feel we will be able to save far more than 700. I feel there will be thousands and thousands saved, as this Bill and other measures undertaken begin to attack the consumption of tobacco.

We have been told by various people who oppose this Bill, and who oppose my Bill, that there are other measures that can be taken. Instead of legislation there should be a voluntary code. A voluntary code has been in operation for tobacco manufacturers. As the Minister himself pointed out, virtually every rule has been ignored and violated, time after time. I wish to cite a few concrete examples of how the tobacco industry violates its own code that is presently in operation. How could we have any confidence that they will reform and be different in the future?

The first rule states that there will be no cigarette or cigarette tobacco advertising on radio or television, nor will such media be used for the promotion of sponsorships of sports or other popular events. We all know that the tobacco companies buy advertising at sports events that are televised, so that their names and logos will appear. We know that they sponsor teams and require that their logos are on the sporting equipment and uniforms so that when the event is televised their name will get around, in this way getting around the fact that they cannot advertise directly on television. This is a very flagrant example of the abuse of their own code.

The second rule states that the industry will limit total cigarette and cigarette tobacco advertising, promotion and sponsorship expenditures for any year to 1971 levels, and that they will be increased only to compensate for cost increases or decreases—in short, the cost of living. Have they kept their word on this? We do not know exactly, because they will not release the data. I am a little suspicious on this one. If they had kept their word, why would they not release the data to prove it?

The sixth rule states that all advertising will be in conformity with the Canadian code of advertising standards as issued by the Advertising Standards Council. If this rule were obeyed, we would not have any advertising at all. The rule states that advertisements shall not display a disregard for public safety, or depict situations which might encourage inappropriate, unsafe, or dangerous practices. What could be more unsafe or dangerous than smoking itself? Thirty-five thousand Canadians are dying from it. This is far worse that any of the other types of activities.

I raised this at committee with advertisers. They stated that what they had in mind was boating accidents; we do not wish a boat shown in a billboard and not have the person wearing a life-jacket because that would encourage people to run out and get into a boat without a life-jacket and have a boating accident. These are the people who tell us that their advertisements for cigarettes never encourage anyone to smoke, but somehow a boating commercial which showed someone doing something unsafe would suddenly encourage Canadians by the thousands to go out and have boating accidents. What nonsense.

The seventh rule states that cigarette or cigarette tobacco advertising will be addressed to adults 18 years of age or over, and will be directed solely to the increase of cigarette brand shares. I have never seen an advertisement that said, "We discourage you from smoking because it is very unhealthy, but if you are continuing to smoke anyway, try our brand". It does not happen that way. It is supposed to be addressed to adults 18 years or over.

It is very difficult to see a grocery or confectionery store without tobacco advertising that is located in an ordinary neighbourhood where there are families living and children going to those stores. There are bill boards all over. There are lots of bill boards on the Gardiner Expressway. They are lighted up and one cannot even read the health warning on those bill boards. They are all over the place. Canada's Wonderland has tobacco advertising. That is a place for children. Children thumb through magazines, although they may not be the subscribers, and they see tobacco advertisements there. The main drag in my riding, down Fourth Avenue, is a commercial street. Children use commercial streets. They go to stores. Fifty feet away from the street itself is a residential area. Yet there are massive bill boards advertising to children living in those neighbourhoods.

The eighth states that no advertising will state or imply that smoking the brand advertised promotes physical health, or that smoking a particular brand is better for health than smoking any other, or is essential to romance, prominent success, or personal advancement. This is the so-called "life-style" advertising. Tobacco advertisements are largely of this nature. Of course, there were the famous tropical fish advertisements that suggested that smoking is very good for tropical fish. Otherwise, they try to convince us that smoking is good for white water canoeing, kayaking, hang-gliding, exercising, dancing, and doing all those types of things. The example I just mentioned of Benson & Hedges wishing to associate cigarette smoking with successful woman in politics is absolutely contrary to their own code of advertising. It is a voluntary, useless code.

The thirteenth rule states that the warning will be prominently displayed. Of course, the warning on cigarette advertising is not prominently displayed. One can hardly read it, and it is a weak warning at that.

The tobacco manufacturers and advertisers tell us that we cannot ban advertising because it is a legal product. Advertising is limited for many legal products. Tobacco would not have been a legal product if we had had any idea of the harmful consequences when tobacco smoking began to become popular in Canada some years ago. It simply would not have happened. If we buy this argument, what it says is that once a mistake is made and a product becomes a legal product then you cannot

get rid of it. If it is a legal product or if it is an addictive product, it is not realistic to ban a product that is used by 6 million or 7 million Canadians.

Its use can be discouraged, and people who do not wish to smoke can be protected from being involuntary smokers. There are many things that can be done. The price can be raised to make it more difficult for kids to buy cigarettes. That should be done. Measures can be encouraged for farmers to get out of tobacco crops and to get into healthy, wholesome crops. That should be done. We should help farmers and their communities make the adjustments. There are many things that we can do. But to say that we cannot undo a mistake of the past is foolish, immoral, and there is no legal basis for doing that. We have a responsibility to act in respect to Canada's number one preventable health problem.

Another thing stated by the advertisers and tobacco companies is that if sports and arts sponsorships are banned, arts and sports will suffer. They make themselves out to be major contributors to this very important sector of national life. I want to spend a little time on this, because it is one of the more shameless misinformation campaigns we have seen. I want to deal particularly with sponsorship of the arts.

• (1240)

How much is it, for one thing? The companies would like us to believe that millions and millions of dollars are going into the arts, that they are the Canada council of the arts. Far from it; they are not remotely close to the CBC or the Canada Council in the amount of money they give to the arts. We are not even sure how much it is.

A couple of weeks ago, at a public meeting in Toronto, a representative of tobacco companies said that $20 million went to arts and sports. Nonsense, it is not $20 million. The Council on Business and the Arts indicated that it was $10 million to the arts alone. It is not $10 million to the arts alone. The full-page ads taken out by tobacco companies last summer indicated that $10 million went to culture and sports together.

Let us examine that $10 million figure. For one thing it is tax deductible money, and tobacco companies are paying tax at the rate of 35 per cent. Thus, 35 per cent of that money is our money. If it is $10 million, then $3.5 million of it is our tax money because we forgave it or reduced their tax bill. They are spending $3.5 million of our money.

How are they spending it in sports and the arts? Imperial Tobacco is the largest donor to the arts. It claims that for last year it spent $1.54 million on the arts. If we reduce that by the 35 per cent which was our money and not the company's, we are getting the sum down. If we look at how it is spent, the money goes down further. According to the Council on Business and the Arts, roughly half the money which goes to the arts is in the form of a gift, meaning that a ballet company can buy music, can pay choreographers, or can pay dancers. Half the money is not a gift at all; they do not even see the money. It goes for so-called services.

What are the services? They are not ballet slippers, music, or choreography. They are receptions at which the tobacco company's name is advertised. They are advertisements in newspapers of the ballet company with the logo of the tobacco company. It is a chance for the tobacco company to advertise its name without even the farce of that mild health warning. It is a chance to advertise cigarettes.

They have launched a campaign to convince people that they are spending a lot of money. I had a piece of work done through the Library of Parliament research services to try to find out exactly how much money they were spending on the arts or how much they were giving, and how much was involved in deals where they get advertising for it, in both cases tax deductible. So far these questions have not been answered. We are still awaiting precise information. However, it is very clear that it is not $20 million or $10 million. We are getting the numbers down in the case of the arts. It is well under $1 million for the arts. We are getting down to about $500,000 in contributions to the arts.

If they did not have this tax deduction, and if we did not allow this advertising and sponsorship, the Government would be collecting this money. It could be given to the Canada Council or to the arts directly or, in the case of sports, to sports organizations. That would be a far better use. I suggest very seriously that by permitting advertising and sponsorship in the arts and sports we are actually depriving these communities of better support. We should be giving them real money with which they can do what they want, instead of forcing them into providing services which effectively advertise tobacco companies far more than they help them in their own activities.

In order to convince people that tobacco companies are great patrons of the arts and promoters of sports, the companies undertook a massive campaign last summer. There were full-page ads everywhere at an estimated cost of $4 million, incidentally $4 million which was tax deductible. We are paying some of this money. We paid for more than $1 million of it. The irony is that taxpayers' money has been used more to try to convince Canadians that tobacco companies are promoters of arts and sports than in health promotion campaigns. That amount of money is more than the Minister of National Health and Welfare is paying for programs to discourage people from smoking. It is our money. Our taxpayers' money is being used to try to convince Canadians that we need arts and sports sponsorships when we surely do not need them and do not get value for our money.

I am pleased to see that the sports community is fighting back. I am pleased to see the leadership of athletes and of Physicians for a Smoke-free Canada, and the initiative taken by that group and others to have a smoke-free Olympics this year is a breakthrough. It is important and most desirable.

I was also very pleased to see that artists would not fall for this baloney on the part of tobacco companies, that they were the great patrons of the arts. Artists themselves, in co-operation with the Non-Smokers' Rights Association, have

taken out ads saying that they want a ban on advertising and sponsorship because they believe that children need a chance. They do not want to see children encouraged of to take up this dangerous product. I am glad to see that responsible attitude being taken by our friends in the arts and our friends in sports.

It has been suggested that if we ban this advertising it will only apply to Canada in that we get much of our advertising from the United States. It has also been suggested that Canadians will simply switch to the American brands advertised in American magazines. It is true, if the Americans do not ban that advertising this will happen in the case of magazine advertising. However, I suggest that there is no tobacco advertising on television or radio either in the States or in Canada, and that billboard advertising is only relevant for our country. Therefore the only area in which this is a problem is magazine advertising.

It so happens that roughly 60 per cent of tobacco advertising in magazines is of American cigarettes right now, but American cigarettes only account for about 1 per cent of the market. It is strange, is it not, that Canadians do not seem to want to smoke American cigarettes? We do not have any real reason to fear that there will be a massive switch to American cigarettes if we take the correct step and ban tobacco advertising and the Americans are slow.

Incidentally many Americans want their country to take this step as well. There are people in Congress who are working for ad bans. The United States is ahead of us in terms of a smoke-free workplace. They are ahead of us in some measures. Let us not give up on the Americans. Instead, let us lobby them to bring in parallel legislation which would be in the interests of all people who read magazines.

Members of the House have been subjected to quite a clever campaign on the part of the tobacco industry to convince them to vote against Bill C-51, and I guess indirectly against my Bill C-204. All Hon. Members will have received a large number of letters supposedly from constituents expressing their concerns—and perhaps Hon. Members have received some very genuine letters from constituents—which they should be aware were part of a strategy. It has been estimated that it cost $30 to get each letter to us.

What happened is that the public relations company managing the campaign sent out information to people it thought might respond. I am glad to say that only 10 per cent of them responded and that 90 per cent did not. They were given three follow-up telephone calls to encourage them to send in their letters.

I will read a sample letter which was addressed to me: "You have succeeded in finding a symptom but have completely missed the issue". Then it talks about not wanting it to be illegal to advertise. These letters never mentioned health. They talked about freedom of speech. They were very high-minded about the Charter of Rights.

However, it is most interesting to look at the fine print. These are phoney letters, and people must understand that. How do we identify between a phoney letter and a genuine letter from a constituent? How do we distinguish the ones which came in from this campaign? They were all typewritten because the public relations company prepared the letters and the persons to which they were sent only had to sign them. There was no letterhead and they were not on their own stationery. Many of them were from small business people who have stationery. The same thing holds for the envelopes. They were matching envelopes, and different coloured stationery was used. It has the individual's name, the MP's name. It is Dear Mr. so and so or Dear Madam so and so. The letters are here but they are not on the letterhead of the company. Of course not. It was not the people in the company who wrote the letters, it was a public relations company that wrote letters to you, Hon. Members and to you, Madam Speaker. Hon. Members on both sides of the House have been flooded with phony letters purporting to be genuine letters of concern from constituents. Instead, this is a well heeled campaign on the part of the tobacco industry.

• (1250)

In case you are not sure about it, Madam Speaker, some of the letters are on white paper, some are on beige paper, some are on cream paper and some are on turquoise paper. None of them mention health, death, emphysema, heart disease, hospitalization or any of these assorted effects of tobacco use. Another hint that the letters are phony, beyond the fact that there is no letterhead, they are blocked to the left. Most Canadians when writing letters indent each paragraph. Some people do not, but it is very common. If you have 100 letters in your office with no letterhead, a matching envelope, the address typed out and blocked to the left, you can be very sure you have been a victim of a big hoax.

Some people who received these letters, that is your constituents and mine, have written back with little comments. They sent the letter back and signed it. One constituent says "I am completely opposed to this letter and urge you to support the ban on tobacco advertising". I am pleased to see that. I have another one from a constituent who has written across it "nonsense". The individual added a P.S. It says "Ms. McDonald, I support the banning of cigarette advertising even though I derive some benefit from it via my work in the theatre". Here is a public spirited person who can distinguish from his own benefit and the need to have controls. He also enclosed the letter he had received from the Canadian Tobacco Manufacturers Council, the perpetrator of this hoax.

The letter is to him and it says "In the postalgram we advised that you would receive a comprehensive information kit on this critical issue. You now have the kit in your hands. As you will note, it contains a letter and a stamped pre-addressed envelope directed to your Member of Parliament. We urge you to sign and send the letter right away. Remember this damaging legislation could be passed into law soon.

Damaging, absolutely". It goes on and on in a tirade against the legislation.

But here we have a public spirited constituent who exposed this phoney hoax for what it is, as I am pleased to see a lot of people have done. Apparently 90 per cent of the people who were approached refused to go along with it. We should not be surprised about that, because we know that a strong majority of Canadians support a ban on advertising, and who support the other important measures which the House has considered and let us hope will continue to consider.

So much for the hoax and letters and envelopes. These are not genuine letters of concern from your constituents, Madam Speaker.

The measure before us now to ban advertising and sponsorship is important, but it has to be part of a comprehensive package. It alone will not really make a dent in tobacco smoking. We cannot have a proper education program for children so long as we allow advertising. Children do not believe the education program. They go into the classroom and the teacher tells them something about smoking, and then they go to the corner store to buy candy and there is a big cigarette ad. Children themselves say that if advertising is allowed, the Government must think it is all right. The fact that advertising is allowed says to people that it is not so serious that it should be banned. It is absolutely vital in order to have an education program that cigarette advertising be banned. That alone though will not do everything that we want to have done.

Recommendations have been made by many organizations. Let me cite one of the best, from the Non-Smokers' Rights Associations, list of measures that we ought to be considering as complementary to the ban on advertising and promotion. Amendments to Bill C-51 are recommended as follows. The Bill must terminate tobacco marketing to minors, a very large market of which we are aware. Features from Bill C-204 must be added to Bill C-51 to protect non-smokers from environmental tobacco smoke exposure in federally regulated workplaces and transportation. I will address a few words to that. Under existing Canadian tort law, tobacco manufacturers are required to give their customers detailed warnings with respect to the nature and extent of the risks. Some further points along that. There must be an immediate ban on spitting tobacco, so-called smokeless tobacco, an important measure that could be easily handled. It should be handled now before this habit becomes more prevalent and before we are in the same situation as we are with tobacco because it is hard to ban something that is widespread. The ban on the promotion of tobacco must include the industry practice of providing payments to retailers to feature tobacco products at the check-out counters.

That is why I think my Bill C-204 is a bit stronger in this respect. It is very clear that there should be no advertising whatsoever. It does not allow the loophole of point of sale advertising. We need measures at the workplace.

Treasury Board has by regulation introduced a number of measures, and we are pleased to see them. I look forward to the House of Commons, the Senate and the Library bringing in no smoking measures as well, but we do not have them yet, only partial measures.

Before a committee on Bill C-204, Labour Canada made it very clear that there would be exceptions to the no smoking rule. In places, for example, where federal employees share office space with the private sector, a provincial body, or somebody else, there would be no requirement for a smoke free workplace. Labour Canada did not know how many people would be exempted from the regulation but we suspect it is a very large number.

It is quite clear that the regulations the Government has introduced do not include the Armed Forces, the RCMP or Crown corporations. Several Ministers have said that they hope these other bodies will bring in regulations, but so far they have not. They have brought in only partial measures.

We need much clearer measures and full protection for the public as well as for employees. Regulation may not be adequate. We asked for legal opinions on that at committee. Is the Government sure that legislation will not be needed and that regulation will be adequate? We just do not know at this point.

It would be important in my view to meld Bill C-204 and C-51 so that we can deal with all of these aspects, the labelling which is contained only in Bill C-51, the smoke-free workplace, which is contained only in Bill C-204 and the advertising which is in both. We need to bring these measures together and come back with two Bills which cover the subject as adequately as possible. Let us hope the Minister will bring in other Bills and the related measures to which I have referred.

[*Translation*]

Addiction to smoking has taken epidemic proportions and we need a comprehensive program to fight it, to fight the mortality rate, to fight increasing tobacco use by youths, teenagers and even children. A total ban on sales to minors and children is what we need. We now have this legislation. Sanctions must be stricter, and this legislation which in practice has not been enforced must be effectively applied. Smokeless tobacco must be banned. We must have higher taxes as a means to discourage children, youngsters and teenagers from smoking. We need measures to encourage tobacco growers to switch to other health-promoting agricultural products. We must protect the workplace, we must protect the public.

Madam Speaker, we need a whole series of measures to fight smoking addiction in Canada.

[*English*]

I can see that it is one o'clock, Madam Speaker. I believe I have a couple of minutes left, presumably after Question Period.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please. It being one o'clock, I do now leave the chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

CANADA POST CORPORATION

OPPOSITION TO NEW BUSINESS PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, it has now been a year since Canada Post management set up their new corporate plan. The minute this plan was launched several hundreds of thousands of Canadians demonstrated against the installation of superboxes which, as we all recall, could not be closed and would open by themselves.

On a number of occasions several hundred municipalities passed resolutions urging Canada Post not to implement the new action plan. Even the Canadian Federation of Municipalities adopted a resolution asking Canada Post officials not to close rural post offices.

Mr. Speaker, last week a Montreal court did forbid Canada Post to install these famous superboxes on city property. How many more Canadians and how many more institutions must speak out against this ill-conceived corporate plan, Mr. Speaker? How much more time will it take this Government to realize that this plan is not good for Canadians and that priority ought to be given to restoring home mail delivery, providing equitable postal services, and keeping small rural post offices open because they are important to Canadian society?

* * *

SHIPBUILDING

AWARDING OF CONTRACT TO BUILD FRIGATES—NEED FOR GOVERNMENT TO CONTROL COSTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Department of National Defence will soon award a contract for the last six of a twelve frigate construction program. Billions of dollars are at stake. Simple logic should prevail when awarding this

contract. The Department of National Defence should make sure that frigate construction expertise is developped in several locations of this great country. It should take advantage of the competition between two shipbuilding contractors in order to better control costs. Any monopoly situation would result in a price escalation much too costly to Canadian taxpayers.

The Department of National Defence should also question very seriously the representations made by the Saint John Shipbuilding Company to the effect that a frigate built outside of its own shipyards would cost an additional $79 million. That is sheer nonsense, Mr. Speaker, for the cost of a frigate expressed in 1985 dollars is $110 million. It is unthinkable that a responsible company should say this cost of $110 million would go up by $79 million as a result of a simple transfer from one shipyard to another.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

CFPR PRINCE RUPERT—PROTEST AGAINST BUDGET CUTS

Mr. Jim Fulton (Skeena): Mr. Speaker, residents of northwestern British Columbia are not amused by the Conservative-inspired proposal to slash the existing CBC station at Prince Rupert from 14 persons to 2. This station opened during World War II and has provided a vital cultural and information system to the far-flung coastal and internal communities for almost half of this century.

The slashing of CBC's operational and capital budget by $85 million has sent the corporation in search of ways to meet growing demands from Prince George, Kelowna, Kamloops, Vancouver and Victoria. No doubt these areas deserve more and better CBC service. However, where are those silent B.C. Conservative MPs when it comes to providing new funds to the CBC? They are silent, that is where they are. The Treasury Board has directed that CBC not enter into any extensions of service, including to British Columbia.

The CBC plan would slash $700,000 from CFPR. That is less than one-half the cost of the Stevens inquiry, a mere 1 per cent of the cost of the penitentiary in the Prime Minister's (Mr. Mulroney) riding and less than three days worth of interest on the $1 billion the Conservatives gave away to the Reichmann brothers on the oil deal.

The priorities of the Government are backward. It is time to push big business back from the trough. Taxpayers in the Northwest want service for the tax dollars they pay, and that means maintaining local CBC radio. Save CFPR!

S. O. 21

DISASTERS

EXPRESSION OF SYMPATHY TO FAMILIES OF VICTIMS OF FISHING VESSEL ACCIDENTS

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I would like to express my sincere condolences to the families and loved ones of the eight victims of the two tragic accidents which occurred at sea this weekend, one in the Magdalen Islands and one in Nova Scotia.

[*Translation*]

Saturday afternoon, in the Magdalene Islands, a thirty-one foot boat with five people on board was shipwrecked while crossing from Cap-aux-Meules to l'Île de l'Entrée. All lives on board were lost.

[*English*]

In Nova Scotia, the vessel lost was from West Dover near Peggy's Cove. It was 27 feet long and had three occupants. It left port Saturday morning to check fishing nets set nearby. At 2 p.m. it was reported overdue and a search began. Winds were strong at the time. At 3 p.m. Sunday, November 22, wreckage was brought ashore and identified as being from the missing craft. The search is continuing under favourable weather conditions.

These tragic incidents serve as a grim reminder that the sea can be cruel and unforgiving. A recently released Coast Guard study into fishing vessel safety made 41 recommendations on improvements. These tragic incidents underline the need for fishermen and for all those who make use of small vessels to take the report and its recommendations very seriously and to ensure that their vessel operations are carried out in as safe a manner as possible.

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ENVIRONMENTAL AFFAIRS

CANADIAN WATER POLICY—CALL FOR GOVERNMENT ACTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as Hon. Members know, closed beaches because of pollution are a common experience for Canadians every summer. The causes of water pollution are known and we have the technology to take remedial action. We even know the cost—about $15 billion at last count. What is missing is the political will here in Ottawa to share the costs with the provinces and municipalities.

We had hoped to find an effective approach to sewage and water in the federal water policy just tabled. Instead, the Minister of the Environment (Mr. McMillan) commits himself to more research and development. By substituting study for action he takes a page from President Reagan's acid rain policy book.

• (1405)

In contrast, we in the Liberal Party are committed to providing the federal share required to build sewer and water systems to protect our health and environment. If the Government is, as it claims, strapped for cash, instead of planning to spend billions of dollars on nuclear submarines it could provide such funds to ensure good drinking water for Canadians and prevent the closing of beaches every summer for many years to come.

* * *

COMMUNICATIONS

SLOWNESS IN APPLYING TECHNOLOGY—CHALLENGE FOR CANADA

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, "the future lies in knowledge-intensive industries and new technological applications . . . . We must compete with our brains, our ingenuity, and our creativity." These true words of the Prime Minister (Mr. Mulroney) are reflected in the discussion paper entitled "Communications for the Twenty-first Century" recently published by the Minister of Communications (Miss MacDonald).

While pointing out that Canada has great strength in information technology and has, for 100 years, been a world leader in communications, the paper lays out the challenges of the future. These include database and software underdevelopment, slow technology application rates, and a need for expanded research. In addition, we have a fragmented and outdated regulatory system.

I recommend this excellent paper for ardent study by parliamentarians and all those with an interest in Canada's technological development.

* * *

LITERACY

IMMIGRANT CHILDREN—NEED FOR SPECIALIZED TRAINING IN ENGLISH

Mr. David Orlikow (Winnipeg North): Mr. Speaker, later today the House of Commons will be debating a motion to study literacy standards and targets for Canada. I wish to draw attention, therefore, to a crisis situation now developing in schools in our metropolitan areas.

In Toronto, Winnipeg and Vancouver, as well as other cities, many immigrants, both adults and young people, particularly refugee children, desperately require English as a second language if they are to have any chance in our society at all. Yet both the Toronto and North York school boards are reporting that they are being swamped by immigrant children

who require specialized training in English which they cannot provide because of a shortage of funds.

Yet these immigrants are entering Canada fully in compliance with Canadian law, and will pay Canadian taxes and make their contribution to Canada if they are given sufficient opportunity.

It does no good for the federal Government to say they are the responsibility of the provinces because education is a provincial responsibility, when the Department of Employment and Immigration and the Department of the Secretary of State (Mr. Crombie) have literacy programs to help other Canadians in their workplace and in their culture.

If the federal Government takes its responsibility for immigration seriously, it will assist immigrants and refugees to upgrade their language skills by helping in the funding so they will become Canadians in name and substance as soon as possible.

* * *

EDUCATION

OPENING OF COLLEGE WEEK '87

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I am pleased to inform the House that today marks the opening of College Week '87. The nation's colleges and technical institutes have again joined forces to launch their second annual Canada-wide public awareness campaign which goes through to November 29.

[*Translation*]

This week was organized by the Association of Canadian Community Colleges which, with its 125 affiliated members, is the only organization which makes it possible for colleges to agree on the major social, economic and cutural issues. Since it was established in 1972, through its constant co-ordinating efforts, the Association has helped Canadian colleges organize into a real network.

[*English*]

Canada's colleges and technical institutes are a national resource of the highest significance. The clear conclusion that emerged from the recent forum in Saskatoon is that all the key players in higher education, including federal and provincial Governments, must work closely together if we are to survive in a world of increasing competition. I know the colleges are fully prepared to do their share to meet the many challenges ahead.

• (1410)

SPORTS

McGILL REDMEN WIN VANIER CUP—TRIBUTE TO UNDERDOG VICTORS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I know that this will not please you, nor will it please my Leader (Mr. Turner), but I would like to congratulate the McGill Redmen for their great victory on Saturday in winning the Vanier Cup, the national championship for Canadian university football.

This greatest victory in Vanier Cup history was against a UBC team which was undefeated in two years, and against heavy odds quoted against them. During the game McGill established nine records and their great fullback, Mike Soles, won the most valuable player award. He was not alone, Mr. Speaker. He was ably supported by their aggressive offensive line, the Crazy Dogs, and their outstanding defence, the Montcalm Maulers.

In a year when Montreal lost its professional football team we are particularly proud of this fighting McGill team. It is now evident that McGill is not only number one in academics but also number one in sport.

* * *

WESTERN GRAIN STABILIZATION ACT

FINAL CROP YEAR PAYMENT TO FARMERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the announcement in Regina this past week by the Minister of State for Grains and Oilseeds (Mr. Mayer) was good news for western Canadian farmers who are suffering from low commodity prices and very tight quotas.

Over 85 per cent of Prairie grain farmers participate in the Western Grain Stabilization Program which they fund jointly with the federal Government. The 131,000 cheques will be in the mail by early December. This will bring the total payout for the 1986-87 crop year to $1.398 billion.

The Minister noted that on completion of the 1986-87 final payout the stabilization fund will show a $1.5 billion deficit. This means that all of the 1986-87 payout was made under provisions of the Act which allow the fund to borrow money from the federal Government.

The federal Government recognizes the value of the protection provided to grain and oilseeds producers under the Western Grain Stabilization Program and is currently considering amendments to the Act which would improve funding and make future operations even more beneficial to farmers.

S. O. 21

ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT ON NORTHERN SASKATCHEWAN LAKES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, lakes in the Canadian Shield in northern Saskatchewan and Alberta, like those in Ontario, are very susceptible to acid rain because of the composition of much of the rock around those lakes and the lack of buffering materials on the bottom of them.

The increase in the processing of tar sands in northern Alberta at Fort McMurray and the Cold Lake area has meant a considerable increase in the amount of acid rain and snow being deposited across the northern part of that province and northern Saskatchewan.

Professor Hammer of the University of Saskatchewan warned us in 1980 about the short and long-term effects of this increased activity. Monitoring has shown that some lakes are already below the accepted PH level.

The Governments of Canada, Alberta, and Saskatchewan must take note of the fragility of the northern ecology and ensure that air quality standards are rigidly enforced so that sulphur and nitrogen emissions will not continue to acidify and eventually kill our northern lakes.

The time for action is now, not after the environment has been made unsuitable for much of our fish population.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Gordon Taylor (Bow River): Mr. Speaker, the NDP and the Liberals have a blurred vision of Canada, if indeed they have any vision at all. These negative individuals seem to think that Canada is an island, that we can live all by ourselves without trading partners and be happy ever after.

Well, I have news for them and the leaders of some of our unions who have the same blurred eyesight. Canada is not an island. Canada is a nation, and unless we have trading partners we will wither and die.

Under an NDP program we will share each other's poverty, but under the Tories we will share an expanding prosperity.

The Tory Party believes in Canada. We believe Canadians can compete successfully with the peoples of any other part of the world. We have confidence in our people. We are not afraid that the Americans will outplay us. Rather, we will meet the challenges that free trade will open up to us and we will welcome the vast opportunities that will bring buoyancy and new jobs to our people.

The agreement for free trade with our American neighbours can be the catalyst that will give Canada its greatest period of prosperity ever. So on with free trade!

* * *

REGIONAL DEVELOPMENT

NOVA SCOTIA—RICHMOND COUNTY DEVELOPMENT CORPORATION—END OF FUNDING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the decision to terminate funding for the Richmond County Development Corporation by the Department of Employment and Immigration is a decision that is both irresponsible and grossly negligent. I cannot understand why a Government would be so insensitive to the needs of the communities in Richmond County which are desperately struggling to find viable business opportunities to enhance their own livelihood.

• (1415)

It should be noted that community development corporations take a considerable period of time adjusting and educating the people whom they intend to serve. No community development organization is a great success on the first day. This is true of the Richmond County Development Corporation. Over the years it has been struggling to come afloat, and as of recent date it is doing extremely well.

From November 15, 1986, to August 15, 1987, the number of investments made by the Richmond County Development Corporation totalled 18, and the funds it has made available are approximately $327,700; owners' equity equals $553,000; and third party participation is over $1 million for a total project investment of $1.885 million.

I am appalled that the Government, which preached jobs, jobs, jobs in the last election, has treated this particular issue with such insensitivity.

What community development corporation will now want to go to Richmond County in order to assist individuals in that community after the way in which Richmond Community Development Corporation has been treated by the Government of Canada? The federal Government must change this regressive decision, because it is bad for the people who really count, the people of Richmond County in Nova Scotia.

ORAL QUESTION PERIOD

[*Translation*]

FREE TRADE

TRANSPORTATION POLICIES—APPARENT DISADVANTAGES FOR CANADIANS

Mr. Fernand Robichaud (Westmorland—Kent): My question is directed to the Deputy Prime Minister, in the absence of the Minister of Transport and the Minister of State (Transport).

[*English*]

In response to a question on Friday, the Minister of Transport said, as reported at page 11009 of *Hansard*:

> I can certainly confirm that we will not sign any transportation annex that will undermine Canada's ability to protect and advance Canada's interests.

He also said:

> —it is a disappointment to us that we could not persuade the U.S. to agree to change the protective provisions of the Jones Act.

Does this mean that negotiations on the maritime issues are over, or will the Government stand up and fight for our coasting industry? Will the Minister assure the House that Canada's coasting trade as laid out in Bill C-52 will be protected? Will he reintroduce this legislation before the trade agreement is signed?

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, my friend opposite has asked a number of very complex questions. I want to take note of them and we will get back to him with those details as quickly as possible.

[*Translation*]

REQUEST THAT PROVISIONS CONCERNING RAILWAY TRANSPORTATION BE WITHDRAWN

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my supplementary is directed to the Minister of State (Transport) and concerns railway transportation.

In his testimony before the Standing Committee on Transport, the executive vice-president of CP Rail, Mr. Ritchie, said:

—"We sincerely believe that the more extreme measures, especially competitive line rates, should be postponed—they practically boil down to setting up a unilateral free trade system with United States." The measure would clearly benefit Americans at the expense of Canadian interests.

Considering that 57 percent of the total volume of railway transportation is exported, will the Minister do what is necessary to withdraw a measure that goes against Canada's interests?

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, as a member of this Government, I can give the Hon. Member the assurance that when we started the free trade talks, it was always with the interests of this country in mind. Everything that will be signed, and this includes the transportation sector, will contain safeguards for Canadian interests, and that is how we intend to proceed for the transportation sector as well.

REQUEST FOR DETAILS ON COMPETITIVE LINE RATES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, will the Minister confirm that the measures I just mentioned, namely the competitive line rates, will be either postponed or withdrawn, since they definitely give Americans the kind of access to our transportation system that Canadians are not getting in the United States? Can the Minister give the House the assurance the measure will be withdrawn?

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, all measures that will become effective will always be aimed at protecting the interests and the economic situation of the people we are working for.

* * *

• (1420)

[*English*]

NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—HALIFAX HARBOUR PARTY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in Halifax today the Government of France is putting on a $1 million party for the Minister of National Defence and his entourage from Ottawa in an effort to sell a submarine. Picture if you will, Mr. Speaker, a fleet of white limousines, 25 bilingual guides, a portable movie theatre, and a 24-hour buffet with sumptuous food and drink—all you want free for 24 hours.

Does the Government not realize that today the fishermen of eastern Canada find it extremely difficult to believe that the Government has their best interests at heart when it takes part in such a *Parée soirée* in Halifax harbour put on by a Government whose very desire is to take away our right to fish in our own waters?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I share the Hon. Member's frustration at not being invited to the party.

Some Hon. Members: Oh, oh!

Mr. Andre: Both the British and the French were invited to Halifax to put their submarines on display. I am told that the number of visitors who will actually visit the submarines stays the same, although the British submarine which is a little larger takes more visitors at any one time.

As to the menu, I am informed by the Department of National Defence:

> The menu of the meals served on board these vessels is the responsibility of the Captain of each vessel. Keeping in mind the two nationalities involved, it is not surprising that the menus are different.

I am sure that when a final decision is taken by officials here in Ottawa and by the Government it will be made on the basis of the technical capabilities of the submarine, and not the quality of the cuisine.

CAPABILITY OF FRENCH SUBMARINE TO OPERATE IN ARCTIC

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in the middle of this 24-hour buffet table that seats over 90 people is a lard sculpture to scale of the submarine. I did not say "large", although that it is. I said lard sculpture, lard as in fat. In talking about being fat for the slaughter, this particular submarine being promoted by the French cannot even operate in ice.

What is the Government of Canada doing looking at a submarine that is not ice-strengthened, that cannot operate in the north and that is not even designed to use the very torpedoes for which we have already contracted? Has the Government's judgment been submerged in French largesse? We would be better off buying the lard model. At least then we could melt it down and have fish and chips while there are enough fish to fry.

Some Hon. Members: Hear, hear!

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think that the fish and chips are on the British submarine. The French submarine has *Beaujolais nouveau*.

Before either submarine would be purchased by the Canadian Armed Forces it would have to meet the specifications provided by the Canadian Armed Forces. They would both have to be modified to enable them to come up through Arctic ice and to operate in the Arctic environment. Both are within the technical capabilities of current design. The fact that those submarines that France now has and that are on display here are not designed for the Arctic is simply a result of the fact that France is not an Arctic power, and Canada is.

* * *

• (1425)

GOVERNMENT APPOINTMENTS

SYSTEM OF MAKING APPOINTMENTS—GOVERNMENT POLICY

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

A couple of weeks ago in Halifax the Prime Minister acknowledged that one of the reasons for the Government's unpopularity has been persistence in patronage appointees to a whole variety of government boards and institutions.

At that time the Prime Minister stated that Canadians wanted the Government to do better. In fact, he stated that they wanted him "to chuck the whole system out".

Considering that we now know that a substantial majority of the members of the Atlantic Canada Opportunities Agency have direct connections with the Conservative Party, and that on the weekend it was confirmed that seven of the eight members of the Northern Ontario Development Agency have direct connections with the Conservative Party, and in fact the eighth is a known supporter and financial contributor, is this what the Government means by doing better?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no. As my hon. friend knows, among other things we have almost doubled the number of women and ethnocultural representatives appointed to boards, commissions, and agencies of the Government of Canada. We have proceeded with high quality appointments of representatives of other political Parties and, I think, historic numbers of partisans of other political Parties to important jobs in the decision-making process of the Government of Canada.

But most of all we never suggested that political support ought necessarily to disqualify anyone from appointment. I hope that that is not the suggestion that my hon. friend is making. That is why we, under parliamentary reform, appointed or allowed the appointment of parliamentary committees to scrutinize very carefully, and allow parliamentarians to examine the credentials of people, be they NDP, Liberal or Conservative.

The parliamentary committee system is in place, and to my regret, I must tell the Hon. Leader of the NDP, that he and his colleagues have failed to use it. If they use it and examine political appointees under the GIC system, and if there is anyone who is disqualified for reasons of competence, we will be happy to bump him or her off the list. Until that time, the parliamentary system that is in place should be used to make sure that qualified Canadians can serve Canada.

Some Hon. Members: Hear, hear!

NORTHERN ONTARIO DEVELOPMENT AGENCY—APPOINTMENTS TO BOARD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, first, as one of my colleagues stated, we have constantly challenged appointees, where appropriate, and the appropriate committee can deal with it. The Prime Minister knows that appointing eight Conservatives on an eight-member board is nothing but total partisanship, and he understands that.

Mr. McDermid: Where do you get your information from, Ed?

Mr. Broadbent: I wish the Prime Minister would at least cut out the hypocrisy; going down to Halifax and preaching one

thing and then coming back to Ottawa and doing a completely different thing.

Considering that the members of this Northern Ontario Development Agency on their own authority can make decisions on grants up to $250,000, does the Prime Minister not understand that by having eight of eight Conservative appointees on such a board is precisely why there are accusations of unfair decisions, and that is precisely why there is real conflict of interest and apparent conflict of interest? When will the Government smarten up?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): My friend mentions the appointment of eight members to an eight-member board. My understanding is that it is a 15-member board and contains representatives from all walks of life.

Mr. Broadbent: It is eight.

Mr. Mulroney: I stand to be corrected on that. We can check it out mutually.

Mr. Broadbent: It is eight.

Mr. Mulroney: My understanding is that the board is larger than that.

It regard to this, I suppose that apart from the fact that it is true that Leo Bernier has served Ontario and Ontario's north well as a cabinet Minister for many years—

Mr. McDermid: Nobody is more qualified.

Mr. Mulroney: I think that most Ontarians would agree that Leo Bernier is extremely well qualified, and there is no one more qualified to head up that particular organization.

Mr. Waddell: He is a breathing Tory.

Mr. Mulroney: My hon. friend states that he is a "breathing Tory". All Tories breathe.

I think that Leo Bernier is someone whom my hon. friend would wish to support. If you do not care to support him, do not go to northern Ontario.

In regard to the second appointment of Mr. Elgie, by way of illustration, he was President and General Manager of Searchmont Valley Ski Resorts Limited, he served as president of a board of the local family YMCA, as well as the board of trustees of the United Way, and he is heading the 1987 campaign for funds for the Intermediate Corporations Group of the United Way. He serves on the board of directors of the Northern Ontario Development Corporation.

• (1430)

The next one, Mr. Pope, is a member of the Institute of Chartered Accountants and has been a member of the vestry of St. Matthew's Cathedral and the executive of the Anglican Diocese.

Some Hon. Members: Order!

Mr. Mulroney: I will acknowledge that some of them are Conservatives.

Mr. Broadbent: Not some, all.

Mr. Mulroney: Many of them to be appointed are not. Surely my hon. friend will acknowledge that there are NDPers whom we appointed to great positions, such as Ian Deans, such as Stephen Lewis, such as Dennis McDermott, such as Sylvia Gold to the presidency of the National Advisory Committee on the Status of Women, to name but four or five in very powerful positions.

My hon. friend would not disqualify outstanding people like Stephen Lewis or like Ian Deans for high government appointments. Why does he insist upon disqualifying Leo Bernier?

REQUEST FOR REPLACEMENT OF APPOINTEES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has said that because he has appointed one out of a hundred thousand from another Party that makes the system fair.

Some Hon. Members: Oh, oh!

Miss MacDonald: That is an exaggeration.

Mr. Broadbent: I tell him that the people of Canada understand the reality which is, in spite of getting a promise to put an end to patronage, that they have had the worst level of patronage probably in modern history from this Government—

Some Hon. Members: Oh, oh!

Mr. Masse: What are you looking for? This is a crazy approach you have.

Mr. Speaker: Perhaps the Hon. Member will put his preamble as facts upon which the question is based, and not just argument.

[*Translation*]

Mr. Broadbent: Mr. Speaker, the Prime Minister promised repeatedly that he would clean up the patronage system. Will he begin immediately by replacing this partisan list with one which is truly representative of the Northern Ontario community?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend has just indicated how difficult it is for the Government to deal in a serious manner with a serious problem which he raises when he prefaces his question with the observation—and this is a quote—that the Government has made one NDP appointment out of a hundred thousand.

That is a falsehood. It is a grotesque destruction of the truth, and it is difficult to dialogue with my hon. friend when he should be the first to acknowledge that this Government has appointed more people of NDP and Liberal persuasion, active partisans, to key roles than any other Government in history. I think that is a tribute.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Second, we have in place an important series of committees of the House of Commons whose responsibility it is to pass upon the competence of the individuals.

I invite my hon. friend to instruct his Members of Parliament to convene that committee to deal with these and any others that we propose and, if they can be rejected on reasons of incompetence, then reject them, but stay away from the exaggeration and partisan sniping which my hon. friend has been indulging in today.

PRIME MINISTER'S APPOINTMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister and it also concerns the issue of ethics in government.

This weekend Canadians were made aware of the fact that all appointees to the FEDNOR DRIE agency in northern Ontario were well-known political Tories.

Can the Prime Minister tell the House if it is just a happy coincidence that Leo Bernier is a former Tory member of the Ontario Legislature, that Reginald Pope is the father of a Tory MPP, that Shawne Emery is the wife of a former Tory riding association president, that Gaston Demers is a Tory member of the Legislature, and so on?

Does the Prime Minister still believe what he said in 1983 when he uttered, "There will be jobs for Liberals and NDPers too once I have been in power for 15 years and I can't find a living, breathing Tory left to appoint"? Is he running short of Tories now? Does he have any left to appoint?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I just give you an indication, inasmuch as my hon. friend raises it, of some important appointments that have been made.

The Hon. Donald Johnston was appointed a Queen's Counsel.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The Hon. Lloyd Francis was appointed Ambassador to Portugal. Pierre Genest, a very active, partisan Liberal, was appointed a director of de Havilland. Ted Johnston, a former executive assistant to Mr. Trudeau, was appointed a director of de Havilland. There was Marcel Belanger. The Hon. Jean-Jacques Blais was appointed as a member of the Security Intelligence Review Committee. Harrison McCain was appointed as a director of Petro-Canada. There was Francis Fox, and so on. They were very important and prominent Liberals.

May I just conclude, by way of illustration, that I was honoured myself to appoint Rita Prud'homme, the sister of the Liberal Member for Saint-Denis, as a citizenship court judge. I was honoured because she was a person of quality, and I would be happy to do it again.

Mr. Boudria: Mr. Speaker, I want to remind the Prime Minister that he certainly had the option. He could have said "no" to those old Tory ways.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member will confine his preamble to the facts necessary to ask the question and leave off the argument.

[*Translation*]

QUERY WHEN GOVERNMENT WILL PRESENT PUBLIC MORALITY CODE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the light of all the recent controversies and scandals surrounding this Government, I would like to ask the Prime Minister when he intends to table in this House his new information kit on a public morality code which he promised in the 1986 trone speech. In addition, can he tell us whether, when he introduces this new kit on public ethics, it will contain guidelines to prevent the Prime Minister himself and the rest of the Conservatives from abusing their privileges in the future as they have been doing since forming the Government three years ago?

Right Hon. Brian Mulroney (Prime Minister): Madam Speaker, the federal Government makes a great many appointments. These appointments include people from all walks of life and an impressive number of influent representatives of all political parties in Canada. Moreover, thanks to parliamentary reform, the Members of this House can now criticize and review appointments, and even, if they have solid evidence, question the competence of the individual proposed for an appointment. This is quite new and part of our parliamentary reform. If there are valid reasons to reject a candidate, this House will do so.

If the only reason for the Hon. Member to raise this issue is some link between an appointee and the NDP, the Parti Québécois or the Quebec Liberal Party, I can tell him that it is not enough, because all citizens are entitled to play an active role in the political party of their choice without being penalized in such a democracy as ours.

[*English*]

REQUEST FOR COMMITTEE SCRUTINY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is for the Right Hon. Prime Minister who will know that the history of the FEDNOR agency so far is that of being

consistently behind the schedule suggested in responses in the House by the Deputy Prime Minister.

First, in view of the fact that the Vice-Chairman of the Board is quoted in *The Globe and Mail* of Toronto as saying "we really haven't got our act together", is the Prime Minister willing to submit these appointments to the appropriate committee of Parliament? Second, would he consider, over and above the eight members of the board, creating a further seven positions for non-partisan appointments?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I find the question passing strange. All GIC appointments under the new rules are subject to committee approval, and these will be as all others.

Mr. Blackburn (Brant): What committee?

Mr. Broadbent: They are not.

Mr. de Cotret: Yes, they are.

Mr. Broadbent: Can the committee turn them down?

Mr. Blackburn (Brant): Can the committee say "no"? No way.

Mr. de Cotret: The committee can look into all the GIC appointments that we have been making.

Mr. Blackburn (Brant): We can say "no", but you don't have to do anything.

Mr. Waddell: When we join the States we will have a better committee.

Mr. Speaker: The Hon. Minister.

Mr. de Cotret: My hon. colleague could certainly benefit from a careful reading of the rules. All the appointments are submitted to committee. The committee does not have to look at each one. The committee decides on its own which appointments it wants to look at.

Mr. Orlikow: Can they turn it down?

Mr. de Cotret: In terms of FEDNOR, the Government did not hesitate to move in a very distinctive way to set up an agency to help a very unfavoured region of the country. They are getting their act together to reduce unemployment and economic disparities in northern Ontario, and I am very proud of them.

• (1440)

REQUEST FOR NATIVE REPRESENTATION ON BOARD

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a supplementary question for the President of the Treasury Board. How will his commitment made on October 2 in this House for native representation on the Board be met? In view of the Prime Minister's impression that there are 15 vacancies on that Board, what about appointing another seven on a non-partisan basis to represent the whole of northern Ontario?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Very simply, Mr. Speaker, I advised the Prime Minister that there were possibly 15 members on the board. I have checked. There are 12 members on the board. There are still four vacancies to be filled.

If the Hon. Member looks at the composition of the board, we have been very careful to have a balanced representation of all the interest groups from northern Ontario. In filling the last four vacancies, we will ensure that we complete that composition so that it truly reflects the social, ethnic and cultural realities of northern Ontario.

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ROYAL CANADIAN MOUNTED POLICE

COMMISSION ON PUBLIC COMPLAINTS, INTERNAL GRIEVANCES AND DISCIPLINE

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Prime Minister. First, the Prime Minister has talked about the appointment of the Hon. J. J. Blais. Is it not true the law requires that a person representing the Official Opposition be appointed on the recommendation of the Leader of the Opposition? I do not know how the Prime Minister takes credit for that.

A year ago, in March, 1986, Parliament passed a law establishing a Commission on Public Complaints, Internal Grievances and Discipline regarding the Royal Canadian Mounted Police. I am told as of early this morning that nobody has been appointed to this commission and that it is non-operational.

I give the Prime Minister a chance now to show some type of deathbed repentance with respect to appointments and to inform the House when the appointments will be made. Will he assure us that these people will be representative of the community of this country at large and will not be the kinds of appointments made to the FEDNOR group?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is right in regard to Mr. Blais, and we proceeded as well, under the same statute, I believe it was, to appoint to the Privy Council as a member of this important CSIS review group, Mr. Saul Cherniak, former, I think, NDP Finance Minister from Manitoba.

My hon. friend would want me then to point out—we did not have to, if that is his argument—the appointment of Chaviva Hosek as a member of the Economic Council of

Canada, who is now the Minister of Housing in the Government of Ontario, and dozens of other similar partisans. My hon. friend will acknowledge that we have done this in dozens of cases.

I hope when he has criticisms to make, as I am sure he will, that he will bear in mind the large number of appointments of active partisans of all political Parties, PQ, NDP, Liberals and Conservatives. Surely he is not trying to make the case that Miss Hosek ought to be disqualified from public service because she was appointed by a Conservative Government to the Economic Council of Canada.

Ms. Copps: She was the President of NAC.

Mr. Mulroney: We may even look at the Member for Hamilton East in regard to the substance raised.

Mr. Speaker: The Hon. Member for Windsor West.

REQUEST THAT PRIME MINISTER APPOINT COMMISSION MEMBERS

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the Prime Minister again why has more than a year has gone by since Parliament established the Commission on Public Complaints, Internal Grievances and Discipline regarding the RCMP without any members of that commission being appointed to it as yet? Surely the public interest is not being served by having this commission inoperative.

Surely it should be possible to ask the Prime Minister to make appointments of people who, on their merits, are worthy of appointment. Will he give an explanation for this unacceptable omission on his part?

Right Hon. Brian Mulroney (Prime Minister): Indeed, the Solicitor General is moving to appoint to this sensitive position a person of impeccable credentials, Mr. Speaker.

In regard to the sensitivity and to the notion raised, this Government has had two appointments made to the Supreme Court of Canada. I do not think that the Member will find that either of those two important appointments had any association of any kind with the Conservative Party, and yet that matter received little attention. But, if one appoints an unemployment insurance commissioner in North Bay, that is good for an eight column headline.

I think my hon. friend will agree, which is why I hope the committee will sit and carefully examine these appointments, that people of great competence have been appointed, in so called political patronage appointments by the Government, from all walks of life, and when the requirement was for sensitivity, the Government responded with that. When the requirement was very much for non-partisanship of any kind in an appointment, the Government has been responsive to that, as we shall in this kind of sensitive appointment raised by my hon. friend.

[*Translation*]

TRADE

QUERY WHETHER ALL FINALIZED PARTS OF CANADA-UNITED STATES FREE TRADE AGREEMENT WILL BE PUBLISHED BEFORE FIRST MINISTERS MEET

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Prime Minister and concerns the resumption of negotiations this week to prepare the text of the Free Trade Agreement with the United States. Will this text be made public before the First Minister's meeting which will begin in Toronto in a few days? If not, can the Prime Minister assure us that at least all parts of the Agreement which have been finalized will be made available to the public and to the First Ministers before the beginning of the meeting this Thursday?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the comprehensive text will be published in due time after the work which has now begun is concluded.

[*English*]

REQUEST FOR 60-DAY EXAMINATION OF AGREEMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Prime Minister aware of the growing anger among Canadians at being deprived of any knowledge of the details of the free trade agreement? There are 2,000 pages of text which people have not seen yet that will have a vital effect on many industries. Is the Prime Minister aware of the anger in Vancouver where the hearings began today that only eight groups from all of British Columbia can appear before the Commons Trade Committee?

How long will Canadians actually have to look at this text? Will the Prime Minister at least guarantee that if the Congress of the United States gets 60 working days to look at the free trade agreement, the Canadian people will get 60 working days to look at the free trade agreement before it is signed and sealed by the Mulroney Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to the growing anger. I can point to the growing satisfaction of Canadians across the country who see the free trade agreement as a tremendous opportunity for growth and prosperity.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I can tell my hon. friend that I have just come from Calgary, from St. John's, Newfoundland, from Arichat, Cape Breton, from Central Nova and from Manicouagan, and in all those places across the country there has been strong and growing support for free trade as an instrument of economic growth and prosperity.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Let me tell my hon. friend that if he thinks there are some deficiencies in the procedures we have adopted, in terms of arriving in the House the moment after the deal

was negotiated, inviting all Members of the House to begin a debate on it, referring the matter to a parliamentary committee, having hearings across the country—

Mr. Cassidy: No text yet.

Mr. Mulroney: —if my hon. friend thinks that this is a deficient procedure—and perhaps it is—I invite him to compare that with what took place when the previous Government negotiated the Auto Pact. It was passed without parliamentary hearings or reference to Parliament of any kind. That is the difference between a Government that genuinely believes in Parliament and in listening to Canadians, as opposed to one that did not care.

* * *

WINTER OLYMPIC GAMES

END TO HARASSMENT OF SMALL BUSINESSES WITH OLYMPIC IN CORPORATE NAMES

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is for the Minister of State for Fitness and Amateur Sport. What is our Government doing to protect small businesses in Canada? I am, of course, speaking of those businesses which use Olympic or Olympia symbols in their names and are currently being investigated by the Canadian Olympic Association.

In London there are at least six companies that use Olympic in their names. Many of these Canadians have been in business for many years but they do not have the resources to fight the Canadian Olympic Association in court. Can the Minister assure the House that the super sleuths of the COA will, in future, be less zealous in "going for the gold" in their attempts to protect Olympic symbols?

• (1450)

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I have discussed this very serious matter with Olympic authorities over the weekend and this morning. Although I understand the need for legitimate protection of trademarks, I made known to those officials in no uncertain terms the concerns the Government has in that regard.

I expressed and requested of the Olympic Trust on behalf of Olympic authorities that a more reasonable system be put in place and that they not be as over-zealous in areas where it is not likely there will be a conflict. I am happy to report to the House and to Canadians that I have received the following assurances today.

The Olympic Trust on behalf of Olympic authorities will be concerned only with those abuses that threaten legitimate conflict with Olympic and sport related matters, not small restaurants and tuck shops, and they will not be concerned with anyone using names or trademarks prior to 1980 unless it is in direct conflict with the Olympics. No further letters, threats or lawsuits will be issued without the personal approval of the president and the legal staff, something which has not been the case up until today.

As of today, Canadians from coast to coast can begin to prepare, as the Olympic torch travels across the country, to enjoy the most successful winter games in the history of the Olympic movement.

Some Hon. Members: Hear, hear!

Mr. Speaker: Because of the importance of the content of the exchange, the Chair exercised particular latitude. However, there is an item under Routine Proceedings whereby Ministers who wish to make statements can make statements. Then, of course, opposition Members can respond. The Hon. Member for Papineau.

* * *

[*Translation*]

FREE TRADE

REQUEST THAT PROVISIONS OF AGREEMENT DEALING WITH RAILWAY TRANSPORTATION BE AMENDED

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to ask a question to the Minister of State (Transport) as she did not reply to the very simple questions asked earlier by my colleague for Westmorland—Kent.

I would like to give her an opportunity to prove that she is worthy of her pay and that she knows something about her new department.

Is she aware that a Canadian transport company cannot transport goods from one American state to another without using an American driver? Why did her Government not try to have this injustice corrected during the free trade negociations?

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, I have no need to justify myself or to prove that I am worthy of my pay. I was elected to the House of Commons and I believe that I do my job as well as I can.

A while ago, I told the Hon. Member opposite that the Minister of Transport had taken a position last week as concerns the agreements negotiated for the transport industry. These agreements are in the interests of Canadians, and as a responsible Government turned to the future, we have made a commitment to negotiate conditions which will provide economic advantages for all sectors of our economy, including that mentioned by the Hon. Member.

[*English*]

UNITED STATES SUBSIDIARIES OPERATING INTRAPROVINCIALLY IN CANADA

Hon. André Ouellet (Papineau): Mr. Speaker, for the third time today the Minister has failed to give us an answer to a very specific question. She is answering in a very broad context without answering at all the specific question that has been asked of her.

I will ask the Minister the specific question for the fourth time. I hope she knows the answer this time. Does the Minister of State know that any U.S. trucking operation that has set up a subsidiary in deregulated province here in Canada will now have the right to operate intraprovincially, while 43 U.S. states including New York, Michigan, Texas, Pennsylvania, the major one, will not allow Canadians to have the same rights?

Will the Canadian provinces be able to refuse licence applications made by U.S. truckers based in states that do not give Canadians a fair deal? It is a very specific question, yes or no.

[*Translation*]

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, I maintain that the commitment made by this Government is quite good enough. I shall certainly reply by yes or no to any question concerning transport. The agreement is a good one.

* * *

[*English*]

HEALTH

ACID RAIN—HEALTH HAZARD QUERY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed the Minister of National Health and Welfare who should know from studies in his own Department that there are health consequences to acid rain quite apart from any consequences to the natural environment, farms, forests and lakes. Would the Minister tell us what responsibility he feels he has, given the studies that show respiratory disease in children as a result of acid rain, for example? What responsibility does the Minister have to investigate and to respond to acid rain as a health problem for Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would think that the Hon. Member is referring to a study that was done by the University of California Medical School. At least I take it she is referring to that study which claimed such a link.

I have not received from my officials any report of such linkage. I am neither substantiating nor denying the point she has made in her question.

We also know, as the Hon. Member will know, that acid rain as referred to in her question has various factors that we might not be able to isolate. I am not trying to dismiss the question in any way. Quite frankly, I need more evidence to be able to give a categorical answer to the very specific question she has asked.

REQUEST FOR STRICTER POLLUTION EMISSION STANDARDS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, apart from the California studies to which the Minister has referred, studies dealing with cancer and long-term effects of acid rain, there are also short-term effects including respiratory diseases in children. I wonder if the Minister would undertake to respond to both the long-term and the short-term concerns and to reassure the House that the question of standards of emissions will be looked at from the point of view health, not just from the point of view of the natural environment. Perhaps we need tougher standards if we are to protect the health of Canadians as well as address the question of the effect on our lakes, farms and forests.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Hon. Member asks is reasonable in the sense that it is incumbent upon the Department, and specifically the Health Protection Branch, to have an official position on those two points. I will take them back to the Department.

I do not have in my hand today from the Department or from Canadian officials a linkage, either short term or long term, which I can make available to her and to the public. Obviously her request is legitimate and I will take it back to the Department. However, I emphasize very strongly the position I took in the first half of my answer.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—FOOD PROCESSING INDUSTRY AND FARM MARKETING BOARDS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Prime Minister. In Canada at the present time we have both a large and viable food processing industry and an effective system of farm marketing boards. With the Government's free trade agreement, one will have to go. Unless changes are made, one will be eliminated.

Why is the Government forcing this destructive dilemma on Canadians? We now have both marketing boards and food processing companies, so why should one be eliminated as a result of this bad, hasty deal?

Mr. Rossi: There's the butler.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, my hon. friend from

Montreal says, "There's the butler". I would much rather be the butler for this Government than the doormat for the Opposition, I can tell the Hon. Member that. That's for sure.

Some Hon. Members: Hear, hear!

Mr. McDermid: In reply to the Hon. Member's question, we disagree with that premise. The changes that are made under the free trade agreement will help the food processing industry and will also maintain our system of marketing here in Canada. The changes will allow the food processors and grocery products manufacturers to continue on the way they have been going. As a matter of fact, some of the changes that are coming in will give them many more advantages. For example, there is an increase in the quotas for chicken, eggs and so on, negotiated under this agreement, something which makes abundant sense for the food processors.

• (1500)

REQUEST FOR CHANGES TO AGREEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, these concerns are not being raised only by me, but by farmers and food processors. This morning an article written by the president of Quaker Oats raised the same points I am raising here.

Food processing is a $40 billion industry employing 230,000 people. Will the Government make changes in this deal to assure the survival of both the food processing companies and marketing boards? It is your deal, make it work for both sides and not eliminate one.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the bottom line for the group that the Hon. Member is referring to is to abolish marketing boards. He knows that. If the Hon. Member is in favour of abolishing marketing boards, let him stand up and say so. That would be new Liberal policy and I would like to hear the Hon. Member state it.

The Hon. Member talks about the food processing industry. Ask the meat processors, the Schneiders and so on, if they are happy with this agreement. They are ecstatic about it because they can compete with the U.S. very well.

* * *

[*Translation*]

AIRPORTS

REQUEST FOR CLARIFICATION CONCERNING DORVAL AND MIRABEL AIRPORTS

Mr. Guy Ricard (Laval): Mr. Speaker, my question is for the Minister of State (Transport). Some time ago the Auditor General released his report indicating that again this year Dorval and Mirabel airports are in the red. A few years earlier the then-Minister had tabled a recovery project for both airports and was considering striking a committee to operate and control both facilities. I should like to know whether the Minister has anything new to say about this. If not, does the Minister intend to keep working along the same lines? In addition, when will we have a positive report on both Dorval and Mirabel airports?

Hon. Monique Vézina (Minister of State (Transport)): Mr. speaker, I thank the Hon. Member for his question, for it enables me to bring the House up to date on this case which has been progressing at the normal rate, regardless of what some may say or write about it. After an exchange of letters with the mayor of Montreal we were able to clarify the airport council status, so I proposed that the council be run independently from Transport Canada. I am pleased to announce that the Montreal airport concertation committee has accepted my proposition. We are also about to hire or appoint a director for the airport and, next Monday, I will be meeting with the Quebec Minister to discuss the status of autoroute 13. The matter has been progressing as expected and we intend to honour the commitments we have made.

[*English*]

Mr. Speaker: This will be the last question of Question Period. With the co-operation of Hon. Members, I will try to move a little faster tomorrow.

* * *

AGRICULTURE

TOBACCO GROWERS—ONTARIO REDUX PROGRAM

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of State for Agriculture. Tobacco consumption, hence production, are being reduced due to much higher taxes imposed by the Government, manufacturers importing product, and health concerns among consumers. Given that this trend is likely to continue, what has the Minister done to make the Ontario REDUX program more responsive to growers' needs? Has he initiated discussions for a Prince Edward Island type of program such as the Minister of Agriculture promised in his answer to my question on September 18? What results, if any, have been achieved thus far?

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): If my hon. friend has taken the time to have a look at the supplementary estimates which were tabled last week, Mr. Speaker, he is certainly aware that out of this $6.5 million allocated to the retraining of tobacco growers, a large amount will go to Ontario. In view of the fact that tobacco growers are via difficult situation, Mr. Speaker, we are making sure that this new program will meet their needs as adequately as possible. We are confronted with a difficult problem and I think that by injecting the amount indicated last week we are taking a step

in the right direction and we will continue to get the support of the farming community in this regard.

[*English*]

CREATION OF TOBACCO MARKETING AGENCY—GOVERNMENT POSITION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, that particular program does nothing to assist producers to leave the industry, it simply retrains those who have already made that decision.

Can the Minister tell us what the Government's policy is regarding the creation of a national marketing agency? That was one of the first items of business that the Government embarked upon three years ago, yet nothing has come of it because it was stalled in the courts by the manufacturers. Has the Government decided to intervene in that situation, or are some of the suspicions which exist in the farming community true, namely, that no more marketing boards will be created because of the trade agreement signed with the U.S?

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): Mr. Speaker, my hon. friend is well aware that even while negotiating the free trade deal, the Government has taken the necessary steps to keep the existing farm product marketing boards and to create new ones as the need arises. We are now considering this option for the potato industry . . . and as my hon. friend knows, the matter is progressing very well. We are expecting a report within the next few days.

As to the tobacco industry, I think my hon. friend referred to some matters which are currently before the courts, so that it would not be proper for me to comment any further.

* * *

[*English*]

PRIVILEGE

ALLEGED DISPARAGING COMMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I wish to raise a question of privilege about some comments found at page 10964 of *Hansard* of November 19, 1987. You are aware that it is a violation of the Standing Orders to refer to the presence or absence of any Member. Yet, contrary to that Standing Order, the Minister for International Trade (Miss Carney), because she could not find an appropriate response to a question concerning the Mulroney trade deal, made a disparaging comment—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member may very well have a question of privilege, but she is going to be taken up on a point of order if she is not very careful.

Ms. Copps: I will be careful.

Mr. Speaker: I thank the Hon. Member.

Ms. Copps: In responding to the absence of the Right Hon. Leader of the Opposition (Mr. Turner) who, as the Speaker will know, has been absent and in bed with an ear infection for a number of days, the Minister of Energy, Mines and Resources (Mr. Masse) commented:

> We want Turner back.

The Minister for International Trade (Miss Carney) then said:

> If they can find him, Mr. Speaker.

That was a disparaging comment about the Right Hon. Leader of the Opposition who, unlike the Prime Minister (Mr. Mulroney), when he is ill and away, is prepared to say what he is suffering from.

Mr. Speaker: The Hon. Member is of course completely correct. It is not proper to refer to the presence and certainly not the absence of anyone from this place. The rule is long standing and is there for the good reason that Hon. Members have much to do outside of this Chamber. I have repeated this on many occasions because it is not only important that Hon. Members understand it, but important also that the watching and listening public understand it. We have had a rule for many years that it is not appropriate to do that. I will very carefully examine *Hansard*, and if an inappropriate comment has been made I am sure whoever made it will want to rise and withdraw it.

On the latter part of the Hon. Member's point, it would seem to me that the comments, whatever they were, were in the form of light banter. In any event, I will certainly look into the matter and report back to the Hon. Member.

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): On a point of order, Mr. Speaker. First, I wish to advise the House that tomorrow will be an allotted day. Second, there have been discussions among the Parties with respect to the Bill presently before the House for debate, and I think you will find that there is consent among the Parties for the following motion to be put immediately:

> That, notwithstanding the provisions of Standing Order 113(2), Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, be referred, following second reading, to the legislative committee now considering Bill C-204, Non-Smokers Health Act.

• (1510)

Mr. Speaker: Perhaps the Hon. Member for Broadview—Greenwood (Ms. McDonald) could comment on behalf of her Party.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, on behalf of my Party, I certainly support referral of this Bill to the committee which is studying Bill C-204. I made that offer when Bill C-204 was passed. It has been understood that the same committee will study the two Bills. We have indeed organized our work to do that. This is a most appropriate motion.

Mr. Speaker: Perhaps the Hon. Member for Hamilton East (Ms. Copps) could assist the Chair.

Ms. Sheila Copps (Hamilton East): Absolutely, Mr. Speaker.

Mr. Stewart: I would like to speak on that Bill.

Mr. Speaker: I heard an Hon. Member say that he wishes to speak. The acceptance of the motion of the Hon. Minister of State will not in any way close off debate on the Bill.

The House has heard the terms of the motion proposed by the Hon. Minister of State. Is there agreement for that motion?

Some Hon. Members: Agreed.

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, be read the second time and referred to a legislative committee.

Mr. Speaker: When the House rose at one o'clock p.m. the Hon. Member for Broadview—Greenwood (Ms. McDonald) had the floor. I recognize the Hon. Member.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, earlier in my speech on Bill C-51 I exposed the hoax of the write-in campaign. The tobacco industry is spending more money to try to convince Members of Parliament and the Canadian public that they are great promoters of the arts than they actually give to the arts for artistic purposes. This is a terrific hoax and I urge Hon. Members not to be fooled by it.

In the time I have remaining I would like to refer to the economic consequences of this Bill. All kinds of scare tactics have been raised in committee on my Bill, C-204, and generally about the economic consequences of this Bill. Let us understand clearly that when people quit smoking—and let us hope that many Canadians will quit smoking—they do not burn the money they thereby save. They spend that money on other goods and services such as entertainment, trips, food, clothes and movies. Other economic opportunities are developed by the change in taste.

The health concerns of Canadians do not mean that people will lose jobs. They mean that new jobs will be created in different industries. We should welcome this change. It would not, in any event, be justified to oppose a health measure to save the lives of in excess of 35,000 Canadians every year on the grounds that any number of jobs would be lost if we save these lives. Certainly we cannot trade dollars for lives. I hope no one would seriously suggest that. However, we do not even have to make that comparison or trade-off. There will be new jobs as people change their habits to new and, let us hope, healthier practices.

In conclusion, I very much welcome this debate on Bill C-51. I fully support the matter going to committee. I can assure the Minister of the support of the New Democratic caucus, not only for this Bill but for a host of measures which will deal with the problem. We need a strong combination of Bills C-51 and C-204 which will deal with all the issues of advertising, sponsorship, labelling, and smoke-free workplaces and transportation. Let us make this good, strong health legislation for Canadians which we will be pleased to pass at third reading stage.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, I rise as a very disappointed Conservative today due to this proposed legislation, Bill C-51. I hope that when it gets to committee and the Minister looks at it a little more closely there will be a change of heart.

I must say that I stand here as a biased person because in the real world my occupation is a wholesale distributor. In that distribution business some 68 per cent of sales are of tobacco products.

I would like to begin by giving a bit of background on this issue. It is not purely and simply a health question. We are really discussing a severe economic problem. Nearly 3,000 farm families in Ontario grow almost 90 per cent of Canada's tobacco crop. What will happen to them as a result of the Draconian measures in Bill C-51, and the worse measures in Bill C-204? Over 30,000 transient workers are employed in that industry, an additional 6,800 people work for the manufacturers, and thousands upon thousands of people work for the wholesalers and retailers.

The independent wholesale trade services some 50,000 small stores. I defy the Minister or anyone else to dispute that over 50 per cent of their sales are of tobacco and confectionery products. That is to say nothing of the advertising industry

which derives 20 per cent of its revenue from the advertising of tobacco, the purpose of which is nothing more than to switch brand loyalty. We have heard all kinds of talk about what advertising does to young people.

I have in my hand the *Tobacco Advertising Bans and Consumption in 16 Countries* with introduction and editing by Professor J. J. Boddewyn, Baruch College, City University of New York. This was done for the International Advertising Association in 1986 and its findings are in direct opposition to that which has been stated in this House.

Let us look at the growth in per capita cigarette consumption from 1970 to 1984 in some centrally planned economies. I do not think that there would be one word of advertising in these countries. In the U.S.S.R. there was an increase of 10 per cent, in Poland there was an increase of 14 per cent, and in Hungary there was an increase of 15 per cent. I could go on and on. However, the net increase in these countries was 16 per cent without any tobacco advertising.

More important, let us look at the annual compounded growth rate in per capita cigarette consumption since the introduction of advertising bans to 1984 in free-market economies. In Sweden there was a decrease of .7 per cent and in Norway there actually was a decrease of .5 per cent. In those countries they pay 75 per cent income tax and I do not think we want that in Canada. However, in Iceland there was an increase of .8 per cent, in Singapore there was an increase of .9 per cent, and in Finland there was an increase of 1.8 per cent. That is in direct opposition to figures which have been stated. In Thailand there was an increase of 3 per cent, in Italy there was an increase of 3 per cent, and in Taiwan there was an increase of 4 per cent.

Advertising is done strictly to change a pattern of brand loyalties. That is well documented in the industry.

Let us take a look at how hypocritical this is. The Government would like to have a market which buys the product and contributes over $4 billion in taxes to federal and provincial coffers, but does not smoke it. That is how hypocritical this whole thing is. The Government wants money but it does not want you to smoke.

Between January 1, 1980 and April 15, 1987 federal taxes increased 179 per cent. There is now 64 per cent taxation on a package of cigarettes. Ontario's taxes went up 200 per cent. The federal Government now gets 92 cents of tax from every $3 pack of 25 cigarettes. As I said, the total taxes received last year were over $4 billion.

With regard to the economic impact on the industry, in 1986 Canadians spent an estimated $6.4 billion on tobacco products. Wages and salaries in the industry totalled $267.7 million. Capital expenditures by manufacturers totalled $65.9 million. Property income taxes were $112.7 million, and transportation costs were $30.1 million.

The proposed Bill is almost a death blow to the tobacco industry. It is an insidious encroachment on freedom of thought, belief, opinion, and expression, including freedom of the press and other media communications as guaranteed by the Charter of Rights. I did not think I would live to see the day that a Conservative Government would ever even suggest such a thing.

Statistics indicate that smoking has dropped in Canada since 1977 by 17 per cent among men and 10 per cent among women. That is not because of advertising or health reasons but because of over-taxation. Furthermore, it will continue. Within a few years we in the industry know that it will gradually disappear. However, it should never disappear as a result of removing the rights and freedoms of Canadians to make a free choice.

• (1520)

Any legal product for sale in this country should be free to be advertised. Canadians who are concerned about free speech should ask themselves what prompts the Government to infringe on fundamental freedoms when there are so many other solutions to the issue. Laws threatening our fundamental freedoms are unjust.

I am not suggesting that concern about smoking is not an important issue—far from it. We all realize that it is a concern, but laws must reflect tolerance and concern for justice and equity. Bill C-51 is inconsistent with these principles and Bill C-204 is worse.

Bill C-51 is also inconsistent with the Government's commitment to less government interference in our lives and is contrary to fair trade practices. In addition, it is censorship, and that is what happens in totalitarian states.

This Bill is the tip of the iceberg. What will be next, alcohol? Will we ban advertising on cars because they kill people? This is an insidious infringement on rights, and it is only the tip of the iceberg. It should be stopped now.

This legislation will affect farmers, manufacturers, retailers, advertising agencies, newspapers, magazines, outdoor advertisers and their employees. Sporting events, theatre and other artistic events sponsored by tobacco companies will be deprived of funds. For example, our Canadian Open will disappear.

Research and development will be curtailed because manufacturers will not be able to inform their consumers about improvements in product. The du Maurier clock will be gone from the shelves and the signs will be taken from the buildings. This is one of the most unjust measures I have seen.

A total ban on advertising will bring serious economic and social penalties, nothing else. People who wish to smoke will continue to do so and manufacturers will continue to produce tobacco products. I am willing to bet my next year's salary that 20 years from now there will be just as many people on the death rolls who were supposedly affected by tobacco smoking.

I want to read a couple of letters to give an idea of what the public really think. More than 50 per cent of people in the riding of Mississauga South, in answer to that Member's householder, said they were opposed to this Bill. The following letter to *The Toronto Sun* states:

> I am a veteran who got into some heavy fighting in the western desert, particularly around Alamein and Tobruk. I don't need November 11 to remember those days or the buddies who didn't come home with me.
>
> Yet on Remembrance Day I do stop and pay respect and remember why we were there, which was to fight for our country and our way of life—to protect the freedom of my generation and future generations.
>
> However, this year I sat and thought not of my own buddies, but what we were fighting for and what they would think if they knew what was happening to the society they gave their lives for.
>
> Most of the freedoms are slowly being taken away by minority groups that are always looking for one cause or another.
>
> I am now retired, having worked hard for 50 years to make a good life for my five sons and a daughter How many freedoms they will have when they reach my age, I'm not sure. They are losing their freedom of choice with all these anti groups: Military, abortion, animal rights and many others.
>
> This recent bill Toronto Council is trying to ram down our throats regarding smokers is going too far. Our ozone is slowly being destroyed by massive pollution. Our waters are being ruined by chemicals and toxic waste. We have thousands of tons of garbage we don't know what to do with and overworked and faulty sewage treatment plants. Diesel and gasoline fuels are spewed out daily downtown. Maybe they should spend as much time facing these major issues.
>
> I consider myself a good citizen, a good provider and a good father. I am not a drunk, or a criminal. Yet I feel like a second-class citizen. Why? Because I smoke and will stop when and if I want to, not because a bunch of do-gooders think I should.

I have another letter to my local paper, written by Diane Kwasniak of Scotland, Ontario. She states:

> I would like to state my opinions on tobacco advertising and the tobacco issue.
>
> There are two sides to every coin. Has it ever been proven that smoking causes cancer or any other illness? No, it has not.
>
> Informed, fair-minded scientists admit that the mechanism of cancer is still unknown. Does Health and Welfare Canada agree with the findings of the International Cancer Conference? Information obtained concurred that over 90 per cent of smokers never develop lung cancer. As well, it was found by a consensus of scientists that a relationship between health and passive smoking cannot yet be determined. How can medical science be exact enough to state that 30,000 deaths each year are smoking-related? It is very obvious to me that scientific opinions differ on this question.
>
> More importantly, one might ask why persons and institutions that the public expects to receive unbiased judgments from have so readily accepted such claims.
>
> Radical groups have done their job well, both politically and through the media. In my opinion, 'the scare tactics' being used by these groups are ridiculous.
>
> Has complete social change come about as suggested by Mr. Epp or is it being forced upon us? I think it is being forced upon us. The majority of Canadians are non-smokers. That does not mean that they do not accept what smokers claim, the right to choose to smoke with respect for others. Let us use good judgment and common sense in the tobacco issue.
>
> What of tobacco farmers and related businesses who are being deliberately and gradually legislated out of business? All tobacco farmers have taken the direct impact of government legislation.
>
> The pressures forced upon them have been devastating to many. Will they receive fair compensation for their losses?
>
> Remember, tobacco is only one on a long list of suspected cancer—causing agents. Should it be singled out? Will red meat be next?
>
> Now, the big question. Is tobacco a legal product or an illegal product? Tobacco is a legal product and therefore must be treated as such. Do we have the right to advertise legal product or do we not have the right to advertise a legal product? This is one of our basic rights. Let us not now be swayed by those claiming to be working for the good of us all.
>
> Does our government realize that by banning tobacco advertising they are creating a dangerous precedent?
>
> Radical groups claim this to be a 'major initiative', a first step. Is this what we, the people, actually want? I urge you to give careful thought to this issue. And, finally, I ask each of you, where do we draw the line on these issues and when do we take a stand? I say let it be now.

This Party stands for free trade and I fully support the concept of free trade. Canadians can compete with anybody. However, one cannot compete with all the international advertisers coming into this country through periodicals. Sixty-six per cent of the advertising in the tobacco industry in this country is for foreign products.

We do not see American cigarettes on the stands in the grocery stores of this nation, but Canadian cigarettes like Matinee, Export A and Rothman's. Those products are advertised well, and legally.

If cigarettes become the same price as a result of free trade we will see Marlboro country here. Cigarettes will continue to sell, regardless of the health issue. We will see the total destruction of a purely Canadian industry, aided and abetted by free trade. Do we want to destroy a Canadian industry? That is what will happen with this legislation.

The Fraser forum urges restraint. It discusses the hypocrisy of the taxation and the fact that the Government has no business acting paternalistically.

It goes on to make the same arguments that I have made.

A letter from the International Advertising Agency, which includes members from all over the world, states that this type of Draconian measure to prevent advertising does not happen in free countries.

It was pointed out in committee that 13 small outdoor advertisers will immediately go bankrupt if this legislation is put into effect.

In conclusion, I want to quote from *Hansard* of May 26, 1986, when the Minister said the following in response to a question by the Member for Broadview—Greenwood (Ms. McDonald):

● (1530)

> I am saying to her very directly that if she is an expert in this field at all, and if she has looked at the effect that the banning of advertising has on reducing the number of smokers, then she will know that it is painfully few.

Those were the words of the Minister of Health on May 26, 1986, who said that the effect of a ban on advertising would be practically nil. He was right then. What made him change his mind in one year? I think it is those do-gooders about whom I spoke, a minority group, which exerted pressure without

looking at the economic realities of what we are about to do who caused this action to be taken.

The article by Stan Buda goes on to ask, "What has prompted him to produce a law that is an insidious encroachment of our freedom of thought, belief and opinion . . . ?" He points out the fact, as I have pointed it out, that the number of smokers has dropped. His arguments are the same. He is a man in marketing who knows what this matter is all about. This is an encroachment on everyone's rights, particularly the 7 million smokers. I hope that the committee and the Minister, when he thinks about this matter again, will withdraw this nonsensical Bill.

The Acting Speaker (Mrs. Champagne): Are there questions or comments?

Ms. Copps: Madam Speaker, the Hon. Member has just delivered a very forceful speech on this subject. Can he elaborate on what action he personally is intending to take if in fact the Minister does not share and see his view?

Mr. Stewart: Madam Speaker, that is the simplest question in the world to answer, and I will not make any disparaging remarks. Obviously, the Government has a huge majority. Obviously, if this Bill comes in and is not changed, it will pass. There is nothing that I as one person can do about it. All I can do is to stand on my feet, as I have, to point out the idiocy in terms of economics as opposed to health that this Bill represents. The matter does not deal with just a health question. If it were just a simple question of health, I would not be standing here. What we will be faced with is the economic reality of what will happen in Canada if Bill C-204 and Bill C-51 are passed.

I am saying that this will have an effect not only from the advertising standpoint but from the standpoint of the manufacturer and the farmer. Why are we not out selling one of the greatest tobacco products in the world to China and other countries which sell a great deal of tobacco? Instead, we throw money at the problem. We pay farmers not to grow tobacco on land that is good for nothing else.

If the Bill comes back to the House and members of the committee decide in their wisdom that they will pass this craziness, then there is nothing more I can do about it. I will tell the Hon. Member one thing. I was not about to sit in my place and see an industry destroyed by a lot of do-gooders without trying to instil a little bit of sanity in those who support this measure.

Mr. Marchi: Madam Speaker, I too listened to the passionate words of my colleague. Why does he label these individuals as do-gooders and categorize them as a small minority when he spoke about 7 million smokers as opposed to almost 20 million people who do not smoke? Why does the Hon. Member have to belittle those individuals when he is looking for respect for some of his views? I can understand some of the emotions he has expressed on the floor of the House of Commons since they may rightly or wrongly express the sentiments of a great many Canadians. We will not move the debate ahead if we refer to a portion of Canadian society that objects to smoking for their legitimate reasons as do-gooders and a small minority when they happen to be very conscientious Canadians on the majority side of the issue.

Mr. Stewart: Madam Speaker, if I left that impression perhaps I should not have. The do-gooder expression came from a letter written by a person who referred to these people as do-gooders. I do not think it is really relevant whether or not I agree with that point of view. I respect the position of those who are against smoking, of course. I respect the opinion of the 7 million who smoke. The Hon. Member must remember that the majority of non-smokers are not the ones making the noise. They are not. I am a non-smoker but I am very tolerant of the rights of smokers. But if any smoker does something that is obnoxious to the non-smoker, then I have no sympathy for that person. But Hon. Members will find that most smokers by and large respect the rights of non-smokers.

The fact that there are more people who do not smoke than those who do does not say that those people support this Bill, as my colleague who is sitting to my left will attest to in a moment.

I am not approaching this issue on the basis of medical grounds alone. The fact is that because there has been no proven cause of cancer does not mean that I would stand here saying that smoking is good for one. This is a matter of choice. Drinking is not good for one, nor is the overeating of any amount of sugar. Driving fast on the highway is not good for a person. The 10 per cent of medical doctors who take drugs know full well the repercussions are not doing something that is good for them. But it is their right if that is what they want to do.

When we start infringing on the rights of people in a place like this, then I must ask what we are here for. We are here to protect the rights of Canadians, not to take them away.

Ms. Copps: Madam Speaker, I have two short questions. The first is on the issue of the infringement of rights. Does the Hon. Member believe that we should be allowed to advertise, for example, sexual aids on television and in newspapers? I presume that his freedom of speech argument would allow *carte blanche* to the advertising of sexual aids and anything else.

My second question is this. Specifically, what steps has the Hon. Member taken, and I believe he has taken some constructive steps, with respect to the Minister of Agriculture (Mr. Wise)? For example, the Hon. Member said that the soil in the Simcoe area is not good for any other product but tobacco. I believe that there are alternate crops in the process of being developed. I am not prepared to write off Simcoe area soil as being useless for anything other than tobacco.

Could the Hon. Member enlighten us with respect to what steps he has taken concerning encouraging the Minister of

Agriculture to make cash payments specifically to farmers as well as cash payments in recognition of the financial losses that these farmers will incur as a result of this legislation?

Mr. Stewart: Madam Speaker, tobacco farms are small acreage farms. The farms have a tremendous investment in them. We could not pay them enough money to make up for what their losses will be on those farms. The Hon. Member does not have to take my word for it. She can ask the tobacco farmers. She can ask the Minister. In committee we have been through this matter time and time again. If the truth were known, I think that the Minister does not support this measure. I think that anyway.

As far as tobacco itself and the acreages of farms are concerned, peanuts and other crops have been grown, but they do not work because the acreages are too small. I do not understand why we are not encouraging the export of our great Canadian tobacco and spending the money in that area instead of trying to pay off the tobacco farmer.

What about the thousands of workers in the manufacturing industry? Will they receive compensation? Will the small wholesaler receive compensation? What will be done for each small cornerstore at which a minimum of 50 per cent of their sales depend on tobacco? What will we do for them?

All we are talking about here is one small element of this matter, the farmer. I have read to Hon. Members the figures with respect to what this industry represents. This Bill involves the destruction of an industry. The Hon. Member had better have some amendments to fix this Bill up or else pull it for the good of Canada.

Mr. Althouse: Madam Speaker, could the Hon. Member give us a quick review of the economic effects of the tax increases that have occurred over the last three years? My understanding is that the industry was very nearly devastated by those increased taxes which resulted in a reduction in usage and which created extreme cut-backs to the amount of acreage seeded. The number of people employed both on farms and in the processing and distribution industries were reduced. Did that not have a much more destructive effect than the potential slow decline in the industry that everyone seems to predict will happen with the inception of a ban on advertising? In fact, there have been some people who have concluded that there may in fact be an increase in the short term in consumption until four or five years from now when young people are no longer exposed to cigarette advertising. Only then, if at all, will consumption begin to decline.

• (1540)

Could the Hon. Member perhaps explain to us why he did not seem to be quite so concerned about what was a very great disruption in the tobacco industry caused by high taxation, as compared to the future outlook created by no advertising?

Mr. Stewart: Yes, Madam Speaker, the Hon. Member has put his finger right on it. He is absolutely correct. It is the increase in taxation that has made the tobacco market go down. Purely and simply those taxes have been raised, and smoking has gone down in Canada as much as 17 per cent over the last five years. Although acreage has gone down and there is a decrease in sales, the taxes have gone up. Those taxes have kept the government coffers full while destroying the industry, and that is absolutely true.

It is not the health matters, it is not advertising that has depressed the consumption of tobacco in Canada, it is purely and simply the price. The price is taxation. I absolutely agree with the Hon. Member.

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, I wish to declare my interest with respect to this Bill. I do not smoke. I have never smoked. I am allergic to tobacco, and I hate tobacco smoke. That is my interest, and I am putting it on the table right away.

I must say that I am not one of those virtuous persons who smoked for years and then gave it up. Today there are many people who did smoke and took the bull by the horns and stopped smoking. I congratulate those people. They have shown great wisdom and virtue. I am not one of those.

But I think that I have made it clear that I hate people blowing poison and dirt in my face. I think that I have the right to work and live in a smoke-free environment. Unfortunately, this Bill does not legislate a smoke-free work environment for companies and firms under federal jurisdiction. I would like to see a Bill that would do that. Unfortunately, this Bill does not. If I understood correctly, the Minister will attempt to encourage firms to put in measures which will result in a smoke-free environment, but it is not done by legislation in this Bill.

I respect those people who are addicted to smoking. Even though it is harmful to their health, I suppose that they have a right to smoke. But they have a right to smoke in their own rooms, houses, cars, backyards, and fields. I do not believe that they have a right to smoke in public places where individuals must go to work, or for other types of business or public affairs. They do not have a right to poison the atmosphere that some of us have to breathe when we earn our living.

To me it is simply a question of common courtesy, good manners, and of respect one for the other. If people wish to do something that is harmful to other people, they should do it apart somewhere, where it will not hurt those who do not smoke or do not like smoke. On that point, I must register my disappointment with this Bill. I support the Bill, but I am disappointed that it did not legislate a smoke-free work environment for firms under federal jurisdiction.

With respect to the ban on advertising in the Bill, I have questions in my mind whether this legislation will be successful. I suppose we have to start somewhere, and perhaps this is a start. But when we live in a country that is spread out along the United States border and we are overwhelmed with American magazines, publications, and newspapers which are

filled with tobacco and cigarette advertising, I have a feeling that although we ban advertising of tobacco products in Canada, the young people for whom we are concerned will still be subject to cigarette and tobacco promotions from across the border. When all is said and done, I am not sure how many, or if fewer people will be smoking.

In any event, people say that we have to start somewhere, and I suppose that Canada will be showing a good example by banning advertising. Hopefully, it will have some impact, but that remains to be seen. In my opinion, more progress could have been taken on this important subject more directly than in this manner.

For all of those reasons, Madam Speaker, I believe that this Bill requires much examination in committee. We are prepared to vote in favour of it as soon as possible and have it sent to committee where witnesses representing the different interests can appear and put on the record the facts with respect to health, economics, the agricultural side, be cross-examined and questioned by Members of Parliament, and then perhaps there will be amendments to the Bill. If the Bill is lacking in some respect in dealing with the evil of smoking, perhaps it can be strengthened in order that we end up with less smoking and damage to our health than we have at the present time.

I simply wished to intervene to make clear my position with respect to those things. For years I could never understand how people who would object and be upset if, for example, I dumped all my snow on their walk, but they would sit in a car with me and blow their cigarette smoke in my face. For years there has been a double standard.

I was listening to my hon. friend across the way when he almost suggested, and I do not know if he meant to do so, that to smoke and to promote cigarette smoking was a basic right. We have the right to drive automobiles, but we are not allowed to drive on any side of the street. We are not allowed to endanger the rights or the health of other people. Under certain circumstances, we are allowed to use firearms—too much, in my opinion—but not in a manner that is harmful to other people. We are allowed to do a good many things, but not in a manner that is harmful to other people. Until recently, that has not been so with cigarettes. Until recently, one could enter a committee room in this Parliament and sometimes the chairman could hardly been seen for the smoke that was in the air.

Things are changing. The message is getting through to some people that this is killing them in large numbers; it is distasteful, uncomfortable, and nauseating. Let us pass this Bill, send it to committee, and come out with a better Bill.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I welcome the opportunity this afternoon to speak on second reading of Bill C-51, a Bill the House has been waiting for a long time. The Bill had its first reading quite some time ago. In fact, I have here a press release dated April 22, 1987, in which the Minister announced that he intended to table this Bill in the House of Commons.

Madam Speaker, the purpose of this Bill is to prohibit the advertising of tobacco products. It also proposes to prohibit the use of brand names in advertising by sponsors of events involving sports, cultural or other activities, except in cases where the name of the company and the name of the tobacco product are identical.

In my opinion, we have here an element of unfairness because, for instance, a company whose name happens to be the same as that of its tobacco product will have an advantage over other companies, such as Imasco or Imperial Tobacco which have no products or merchandise bearing their names, and so some companies will have an advantage over others.

I have a problem with this particular point, and I hope that in committee, Government Members and, in fact, Members on both sides of the House will find a mechanism to make this part of the Bill more equitable than it is now.

Another point was raised by the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), namely that tobacco products advertised in American magazines would be coming into the country anyway, so that we would still have tobacco advertising.

I don't know what steps the Government intends to take to ensure this doesn't happen, because after all, Madam Speaker, if it is bad for Canadians to read Canadian advertising that encourages smoking, I believe it would be just as bad for Canadians to read American brochures or magazines containing similar information.

I hope the Government will find a way, such as income tax deductions for advertising placed outside the country or something like that, to discourage Canadian businesses from inserting this kind of advertising in American magazines, when they will no longer be allowed to do so in Canada.

If nothing is done about this, the Canadian periodicals industry will suffer as the U.S. takes up the slack and I think there is a way to strike a balance so that everyone is treated fairly.

This Bill will also prohibit the use of premiums, Madam Speaker, and it's about time. Imagine that tobacco manufacturing companies, cigarette manufaturers mainly, were giving away—I don't know if they are still doing it but they used to—small coupons which people can collect and which entitle them later to order almost anything, such as an electric kettle or whatever—I think as part of a scheme to encourage people to continue smoking. They even offered gifts which appealed to young people. For instance, when a company offered something like a bicycle, if that was not a scheme to encourage young people to smoke, I wonder what it was. I am pleased, therefore, to see this practice banned.

In my opinion, most Canadians, whether they are for or against Bill C-51, are at least in favour of eliminating this sort of premiums.

As most of Hon. Members, Madam Speaker, I received a great many letters on this issue. I have even brought some of them with me here. Many of these letters sent to Members of the House indicate their opposition to Bill C-51.

Madam Speaker, I find it rather strange that all these letters look alike. They were not only similar in appearance, but identical. We could therefore assume that they might have been prepared by some people for the signature of others, and I wonder if these people are not those involved in the tobacco industry through their travelling salesmen who go and sell in all convenience stores and commercial establishments in the various electoral ridings in Canada.

• (1550)

[*English*]

The constituency which I represent has some 42 different communities. I find it more than passing strange that the letters of protest against Bill C-51 were relatively similar if not exactly the same. They were sent by store owners in every part of my constituency. I am led to conclude that such was done in co-operation and at the urging of tobacco industry representatives.

What we are discussing today is not whether or not tobacco farmers, particularly those in Ontario, have a right to survive or a right to continue production. Of course I understand that there is also tobacco production in the Province of Quebec, in an area with which the present occupant of the chair is quite familiar. Obviously tobacco farmers have a right to continue to have profitable farming establishments and to survive. Of course we all want that as Members of the House, but let me indicate that our efforts must be directed in such a way as to find alternate crops for tobacco farmers and to find sufficient financial means to assist those same farming entities in producing something else.

I know it has been stated by others before, but let me ask this, what would be the reaction if someone were to walk into the Chamber today and present the following proposition to us as parliamentarians—they have a great new idea which will produce a product that causes cancer of the lungs and an assortment of other diseases, that creates smoke all over the place and a horrible smell, that ruins clothing and everything else, that pollutes the environment and wastes many resources, and that generally results in considerable health care costs for people who would suffer as a result of consuming the product? Would we accept the marketing of a product with those characteristics?

I think we already know the answer to that question. If someone wanted to introduce such a product, we as parliamentarians would not accept it. Society as a whole would want us to reject a product with those characteristics.

However, it was a number of years ago that tobacco was discovered and, unfortunately, marketed. It is now widely available. We are not discussing whether or not we can place the product on the market. As I said, that is an unfortunate reality, and I say that as a reformed smoker, one who partook in the weed some years ago but gave it up in approximately 1970.

Mr. Blackburn (Brant): How young were you when you started?

Mr. Boudria: Since then I have perhaps smoked once or twice in the mid-1970s. I hear a member of the New Democratic Party asking me just how young I was when I started smoking. I thank the Hon. Member for that inherent compliment, and I accept it.

Mr. Blackburn (Brant): You owe me one.

Mr. Boudria: The Hon. Member is quite correct. I owe him one for that generous remark which indicated how young I still am.

However, that being said, I want to indicate to the House that I support the Bill. I would like it to proceed. I hope that it gets full and thorough consideration at committee, complete with the contributions of parties on both sides of the issue. I hope we will hear from people in the advertising industry and anyone who may be adversely affected. Notwithstanding that, I want to indicate that my purpose in requesting the input of the tobacco industry, the advertising industry and so on is not to change the mind of this House nor its Members as to the benefits of having the legislation, but rather to ensure that the legislation is fair when it is passed. In so doing, not only will it be more equitable but the law will be more beneficial to all Canadians when applied in a just and fair manner.

• (1600)

The tobacco industry started this and assisted many people in this campaign to defeat Bill C-51, an exercise in futility on its part but one on which it spent considerable dollars. The irony is that the dollars spent are, in large measure, tax deductible because they are seen by the authorities as being a legitimate business expense. On the other hand, volunteer organizations have been fighting this Bill with little or no resources of their own other than small contributions which they have received from individual Canadians.

It is sad when indirectly the taxpayers dollars can be used to promote a campaign which is ultimately to the detriment of the lives and health of many Canadians. However, that is another matter which we can discuss at the time we review the Estimates of the Minister of National Revenue (Mr. MacKay) or in some other format, but I wanted to raise that concern of the deductibility of expenses as it pertains to the promotion of a campaign against Bill C-51.

A parallel campaign was started by some groups in Canada in response to one started by the tobacco industry. I want to

congratulate those people, particularly the volunteers who worked very hard in starting that parallel campaign, particularly those affiliated with the Canadian Cancer Society. Last Thursday I received a letter in my office signed by Mr. David Hill of the Canadian Cancer Society in which he informed me that 135 of my constituents died last year as a result of tobacco smoking. That was a statistic which I did not know about before. We all know about the evils of tobacco. But let me tell you, Madam Speaker, more than anything else, hearing that 135 of my constituents had died was enough to convince me, had I not been convinced already, that we must do everything within our power to cut down on the use of tobacco.

There are deficiencies in the Bill. We all know what they are. Others have recited them today. Federally regulated agencies and corporations will not be subject to the smoke free environment provisions even though the federal Government itself is. I am told that Parliament is not bound by the Bill. We should be an example as an institution to other agencies whether or not they are federally regulated in providing within Parliament itself a means to ensure that there is on Parliament Hill a smoke-free environment.

Members of the House will know that I supported the initiative placed before us some time ago by the Hon. Member for Broadview—Greenwood (Ms. McDonald) who brought forth a private Member's Bill on curtailing the use of tobacco in the federally regulated workplace. I want to take this opportunity to congratulate the Hon. Member for Broadview—Greenwood for the fervour and zeal with which she defends the point of view in which she strongly believes. I am not sure that I would always have the kind of fortitude that she has when speaking on the issue and when insisting on having a smoke-free environment in groups and meetings, but I admire her for that. I wish her every success with her own Private Members' Bill.

I do not want to delay this process unduly in the House today. I want to end simply by reminding Canadians that some 35,000 people die every year from the effects of tobacco smoking. It is high time that we as a society came to grips with that. I will not even mention the millions and millions of dollars wasted in health care for a totally preventable disease nor the human suffering and so on that is associated with it.

We should adopt this Bill, perhaps with modifications and improvements at the committee stage. But we must spend more money on educating the Canadian public. One aspect particularly alarms me. Young people have vast knowledge on the evils of smoking, but a large number of them still smoke. Let me mention young women who smoke. Why do I single out young women? It seems to me that the relative percentages of young women smoking are increasing while in every other group those percentages are decreasing proportionately. Given that we know of the effects of smoking on women of child-bearing age as well as all the other facts we have spoken about today, there is a definite concern in that regard. I hope the young women of Canada will seize the opportunity of availing themselves of better information, learning of those evil side effects and hopefully will "butt out", as the expression is, as soon as possible.

It is my hope that there will be a parallel campaign by our Government to discourage young people from smoking. That can only be done with a proper educational program. Hopefully the federal Government can work together with the provinces in order to provide material to schools and provide statistics, some of them gruesome, for instance, that 135 of my constituents died from the effects of smoking, that 35,000 Canadians die every year. What about the countless numbers who are sick as a result? Our young people will be better informed so they at least will not make the same mistakes as others have before them.

[*Translation*]

Having said that, Madam Speaker, I thank you for the opportunity to take part in this debate this afternoon, and I dare hope that without further delay the Parliamentary Committee will make the necessary improvements to this Bill and that the House will pass it shortly, since if is long overdue.

[*English*]

Mr. Kindy: Madam Speaker, what is the Hon. Member's feeling about alcohol? Would he prohibit advertisements of alcohol as well? I understand alcohol is much more dangerous than tobacco. It kills many people and creates many social problems. Would he ban advertisements of alcohol?

Mr. Boudria: Madam Speaker, that is an interesting question. There is no such legislation before the House at the present time. However, if the Member's Government wants to propose such legislation, I will be willing to deal with it and give that my support as well in terms of advertising alcoholic beverages. The Member will know that there are certain restrictions on that right now. I do not know if some of those restrictions are still there, but for instance, there are provisions prohibiting lifestyle advertising. In other words, companies cannot promote the sale of alcoholic beverages by portraying a fast-lane lifestyle, something that had been depicted upon occasion. Alcoholic beverage companies, particularly beer manufacturers, were told to cut that out. There is still too much of it going on, however. The "Spuds MacKenzie, real party animal" advertisements are the kind of advertisements that I find totally disgusting.

• (1610)

The evils and side effects of alcoholism are also very serious, things with which we as a society must contend. Many other things are very serious as well, as some Hon. Members have mentioned. It is not simply a question of, since we are now banning tobacco advertising, should we not ban something else at the same time. That is not the question before us. The question before us is a very serious one and it deals with curtailing the use of tobacco by means of discouraging certain forms of advertising.

Some prohibitions like this already exist in the area of liquor advertising, but this particular legislation will go even further. Later, if the Government wishes to do so, perhaps we could deal with the same provisions for alcohol. There are differences though because the constitutional authority for the advertising and distribution of alcohol, depending on where it is, does not always lie at the federal government level, as the Hon. Member will probably know.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for London—Middlesex (Mr. Clifford)—Via Rail—Service in Windsor-London-Toronto-corridor; the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Trade—Film distribution industry—Film import licensing/Book publishing industry; the Hon. Member for Papineau (Mr. Ouellet)—Trade—Canada-United States trade agreement—Marine transportation industry/Delay alleged in proceeding with legislation/Request that Minister not sign transportation annex to agreement.

GOVERNMENT ORDERS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, be read the second time and referred to a legislative committee.

Mr. Gordon Taylor (Bow River): Madam Speaker, I am a very strong believer in a Member representing the wishes of the majority of his or her constituents to the greatest possible degree. Throughout my legislative life, I have followed that principle.

I cannot follow the thinking of Hon. Members who think that once they are elected, they have more brains than they had before and they suddenly have the ability to tell the people what is good for them. I do not follow that thinking at all.

I was most disturbed when, during a vote taken in the House a few weeks ago, so many Members said that although their constituents wanted them to support the reinstatement of capital punishment, they did not agree. In my view, that is not democratic. Our democracy has been set up in such a way that the Member represents to the greatest possible degree the thinking of the people who sent him or her here. Whether or not I agree with the thinking of my constituents is a matter on which I have to satisfy myself.

If I have taken a definite stand against a certain issue before an election, I do not think my constituents have the right to ask me to go against that view because I was elected on that particular premise. For instance, I am strongly opposed to abortion. Every year in Canada, 50,000 babies are murdered in the womb, and I oppose that. I do not think it is right and I do not think it is moral. When I stood for election, I made it very clear to my people that if elected, I would endeavour to prevent the abortion of human babies, human beings. People who would now ask me to vote in favour of abortion do not have the right to do so because I was elected with their knowledge that I would not support abortion.

I also made it very well known that I would work toward the reinstatement of capital punishment, the execution of those who deliberately plan and kill other human beings. If people ask me to support the abolition of capital punishment, I cannot do so. That is the premise upon which I was elected and that is what I believe.

If I have not made clear to my people my stand on certain items, then I believe it is my duty to represent the thinking of the people who sent me here to the greatest possible degree. That is the policy I will follow in connection with this Bill, even though there are many aspects of it with which I do not agree.

Of all the letters I have received on this Bill, probably three to one are in favour of it. What about the minority? I think their rights should be outlined, but I do not think that I should support the minority as long as the majority of my people want me to support the Bill. Therefore, I would like to deal with the principle of the Bill in that context.

First, Bill C-51 does not stop people from smoking. I believe we must make that clear. Those who argue that people should not smoke should realize that this Bill does not provide for that. The Bill does not stop anyone from smoking nor does it stop anyone from growing tobacco.

What does the Bill do? The Bill prohibits the advertising and promotion of tobacco products. That is the first part of the Bill but I think we must stop there and look at that.

Are we to prohibit the advertising of everything that Members of this House or members of the Government do not like? Let us look at the statistics we have heard. I accept the statistics given by the Minister and other Hon. Members because I have no way to prove otherwise. However, when they tell me that so many thousand people have died from smoking, the immediate thought that comes to my mind is, what did those people do with the rest of their time? Did they drink, did they carouse, did they stay up all hours of the night? Did they

dance from late at night until early morning? Did they drink wine to excess, did they eat to excess?

One lady in my constituency said to me one day: "I hear you are going to stop me from smoking". I said, "No, the Government will not stop you from smoking. The Bill says that there should be no advertising of it". She said: "Everything I like is either fattening, immoral or illegal". I said "Well, that is too bad. You must like the wrong things".

She said "I like Boston cream pie. Is that wrong?" I said "No, but if you eat Boston cream pie four or five times a day, that is wrong, but that is up to you to decide. If you want to ruin your body with sugar, fats and sweets, that is your business".

She said: "I like banana splits". Well, I like banana splits too but I do not eat them very often. I eat them perhaps once a month or once every five months because I have to make the House of Commons hockey team and I would never make it if I had banana splits every day.

How many of those people who died from smoking used drugs? I find it amazing when I hear all the talk against tobacco and then find that those who talk against tobacco—I am not talking about Members of the House, I do not know whether or not they use drugs although I hope not—are great marijuana supporters or supporters of drugs that are even heavier and worse than marijuana.

How many of those who died from smoking did heavy work? Some of the coal miners in my constituency who smoked died because they were so anxious to be the top loaders in their mines that they worked in the smoke. They loaded coal in the smoke and they got smoke in their lungs. They got what is called in the mining industry black lung, and many of them died from black lung. They got it not because they smoke, but because they worked in the smoke created by the dynamite used in the mine.

• (1620)

I wish those who produce these statistics would tell me something about the other habits of the people who died from smoking. I accept the figures, but I cannot help but wonder if they also drank to excess. Did they overeat? Did they use drugs? Did they carouse to all hours of the day and night? These things have an effect on health, too.

I do not think we want to argue the point that smoking is good for you. I would not argue that for anyone, anywhere. I do not think it is. However, I have no right to say to my neighbour or friend or the person sitting beside me in an airplane that they have no right to smoke. If they want to smoke, fine. Many people say that people have died because of other people smoking. I take that with a grain of salt. I have been a non-smoker all my life. As I said before, I smoked only one cigarette in my life. That was the same day I kissed a girl for the first time. I never smoked a cigarette after that.

I have lived with smoking. I have been in rooms in schools where three-quarters of the teachers, particularly the women, were smoking. A Member said that more women smoke than men. I went to a drama school in Banff one year, the Banff School of Fine Arts, and out of 30 men and about 60 women, five men smoked and 45 women. As we sat in the room the atmosphere was sometimes full of smoke. I have attended legislative committees, provincially more so than federally, where three-quarters of the people were smoking. I have not died yet from that second-hand smoke. I may not like it, but I do not think it is killing me. It might if I caroused all night or drank or some of these other things too much. It could have an effect. However, I think we over-emphasize second-hand smoke.

The Bill prohibits advertising. It does not say you cannot smoke. I want to say on the record that I strongly support that part of the Bill which deals with labelling. I think every possible opportunity should be taken to let people know what smoking will do to them. Even though Churchill lived to be over 80 and smoked a cigar almost continuously, I do not think we can say that smoking cigars is good for you. I heard one man say his grandfather died from smoking at the age of 96. I do not think we can draw conclusions from that type of example.

We have a responsibility, particularly to the young, to tell people that smoking is dangerous. It is not good for them. They will not be the best athlete they could be. They will not be the best person they can be if they smoke. I am not going to say it is going to affect their brain or they will not do well in school. Many of our scientists and geniuses are smokers. We have to recognize that smoking is one item and only one item affecting a person's health.

I support every possible way of labelling tobacco products to indicate what the danger is. That is the program followed by the U.S. Whenever anyone takes out a cigarette, they see on the package, not in little tiny letters but in large letters, what it might do to their health. I support that because I think it is excellent.

The Bill also deals with monitoring. I do not know just how we are going to monitor this. When I look up the meaning of the word in the dictionary one reference is that it is supposed to give you a warning of the approach of crocodiles. I do not know whether or not that has anything to do with smoking, but I do not know exactly how the monitoring is going to take place. If it means going into our schools and telling boys and girls of the danger to health from excessive smoking, then I am all for it.

I believe the Minister of National Health and Welfare (Mr. Epp) has a responsibility to keep people healthy. I would be most disappointed if our excellent Minister did not take a stand against smoking just as he takes a stand against drinking, certainly excessive drinking, or excessive eating, or excessive carousing. I have not heard him speak of those things, but I know he lives a very exemplary life and I

appreciate that very much. He has a duty to make sure that this legislation tries to keep people healthy.

When we come down to it, I would like to see smoking curtailed. I have never opposed increasing taxes on tobacco products for that very reason. It has had the effect of making many people quit smoking. A young man said to me just a few weeks ago that he smoked until the price became so excessive that he just gave it up. He made himself give it up because he could not afford it. It was not fair to his wife or young child, so he gave it up. That is one way of doing it. However, prohibiting advertising sticks in my gullet. That bothers me. There are so many other factors that lead to death, so many other things that are not good for your health, which we do not prohibit from being advertised.

I think advertising is somewhat of a right. It is not a total right. I remember that in the provincial legislature a few years ago I made a statement that it was wrong for the tobacco companies to show an athlete being cheered by the crowd and then lighting up a cigarette. What stood out most conspicuously was his smoking the cigarette. In the same way I opposed the kind of advertising that shows a great pilot of an aircraft getting off the plane and drinking a glass of beer or whiskey. That is not what made him great. That is wrong advertising.

I do not take a stand for total abolition of advertising. Some advertising is okay. I cannot see anything wrong with a grocery store saying it sells cigarettes and cigars. That is not going to make anyone go in and buy, and I cannot see anything wrong with it. That is part of business. In the same way I do not like people to say you have to advertise in one language. I do not agree with that. Advertising can be in any language that the vendor wants to use if it is legal in that country. I have no objection to people in my constituency advertising in Ukrainian, Russian or Lebanese. That is their right. However, this other type of advertising is questionable because it tries to make people think that you become great because you smoke or drink. That is wrong.

• (1630)

I congratulate the Minister if that is what he has in mind. However, I hope we do not go to the extent of telling small stores that they cannot advertise cigarettes. There are so many other things which are wrong which are allowed to be sold in grocery stores, drug stores, and cornerstores.

We are at second reading stage on this Bill. We are dealing with it in principle, and this is the time to say what we think is right and what we think is wrong with it. From here it will go to a committee. I hope that the committee gives careful thought to everything that is said during this debate. The members of that committee have the authority to change anything in this Bill that they think is not right. I believe that there are some aspects of the advertising of tobacco products that should be corrected.

I believe in the parliamentary system. We can speak for or against legislation and make suggestions. A committee of our peers will decide what is best for Canadians as a whole, what is most in the interests of a healthy and virile Canadian people.

I look forward to having the members of that committee deal with this subject in light of all the facts so that we can be fair to those who smoke as well as to those who do not smoke and so that we do not take away rights which people of this country properly enjoy.

We have prohibited advertising in part many times and that is fine. We should prohibit advertising which makes a hero of those who smoke or drink. However, let us not try to stop the little storekeeper from saying that he sells cigarettes.

Mr. Boudria: Madam Speaker, I listened attentively to the remarks of the Hon. Member. He indicated that he is in favour of labelling tobacco products with information on the ill effects of smoking. I agree with him on that point.

The Member indicated that a number of people have smoked and lived to a ripe old age. He referred to Sir Winston Churchill and another gentleman who was in his 90s when he died after having smoked for many years. We can, of course, easily remember people who live for a very long time. However, using the same logic, we would not remember very well those who died at the age of 40 of the effects of tobacco smoking. There are many people who would have had brilliant careers and whom we would have remembered had they not died prematurely as a result of smoking.

The Member says that he is against lifestyle advertising, which is one expression to describe it. He says that smoking should not be associated with an athlete or other such person. In that same vein, I am quite upset with certain lifestyle advertising which pertains to young women. We do not often see advertisements for cigarettes featuring someone with a bloated face and red eyes who is 150 pounds overweight. Young women in advertisements are always very slim and shapely. This contributes to a belief by some people that smoking helps to keep you slim. There is, therefore, a reluctance by young women to kick the smoking habit based on the erroneous, in my view, belief that it contributes to a more slender figure.

That has nothing to do with athletics or any such thing, but I consider that kind of advertising as offensive as that to which the Hon. Member has referred. The message in that advertising may be even more insidious because it is not up front but it is there. I am sure that the people involved in tobacco advertising are aiming their product at that market. It has obviously crossed their minds that some people would refrain from kicking the habit based on the hypothesis which I just brought forward.

The Member said that an advertisement in front of a store indicating that the store sells cigarettes does not make people buy a product. If it does not make people buy a product, what is its purpose? That is obviously a rhetorical question. We all know that the purpose of advertising is to make people buy a product. Whether the advertising is on the front of a store

indicating that it sells a particular brand or whether arts and culture is subsidized by a particular brand announcing a golf tournament, the ultimate benefit for the tobacco company is an increase in their sales.

I have some difficulty in believing that tobacco companies will continue to fund those organizations, using their names in big letters, with the expectation that no one will buy their product in return. That is a little hard to swallow.

Mr. Taylor: Madam Speaker, of course advertising is done to make products better known and to get more people to buy them. However, it also has another purpose, that is, to tell what is sold in a store.

If I am going to buy cigarettes I do not want to have to go to half a dozen stores to find one that sells them. If you have no intention of buying cigarettes, a sign in a store saying that it sells cigarettes will not encourage you to smoke. In my view, that is not at all the same as picturing someone whom we consider to be a hero, such as an aircraft pilot, smoking a cigarette. In my view that is entirely different. It is suggesting that that man is a pilot because he smokes.

I believe that there is a difference between lifestyle advertising and simply an indication that something is sold in a store. It may well encourage people who want to buy cigarettes to enter the store, but I do not think it will encourage someone who wants to buy a chocolate bar to buy a package of cigarettes instead.

Mr. Boudria: Madam Speaker, I have an observation rather than a question. The Minister's office has sent me a number of brochures relating to the Government's effective campaign for educating our young population through the schools. I want to thank the officials of the Minister's office who kindly sent that material to me in the last minutes.

There should be wider use of this kind of information. In addition to sending it to MPs there should be co-operation with school boards across the country. Rather than receiving one of these on my desk I would like my children and all children to receive this information at school. There is no doubt that my children will have this package of information tonight, but I would like all young people to receive the same kind of encouragement, not only to quit smoking for those who do, but not to start for those who have not yet had the unfortunate experience of partaking in the weed.

• (1640)

Mr. Taylor: Madam Speaker, I fully agree with the Hon. Member. I believe we should begin education at the earliest possible grade.

I recall teaching eleven grades at Churchill school just outside Drumheller. We had a health period three times a week. To my knowledge, not one student in that class smoked. I recall one of my students suggesting a way to show that it may be wrong to smoke. This student suggested that the class be shown a picture of the lungs of a non smoker, then depict what the lungs look like after smoking for a year, and what they look like after 50 years of smoking.

I thought this was an excellent idea and said that I would obtain a picture of the lungs for the class project. I asked this student why he wanted to do this project. He told me that his father had been smoking for 50 years. His father said that it never hurt him, but his mother said that it does affect him. He wanted to show his father what it was doing to his lungs because he wanted him to live for a long time.

The pictures that this student drew were so realistic that I do not believe any youngster in that school ever smoked after seeing them. The majority of students I have met since that time do not smoke and most of them say it is due to the class project which showed the effect of smoking on lungs after 50 years. I believe it is important to provide such education in the school to the greatest possible degree. I believe that is where we will obtain the greatest results.

[*Translation*]

Mr. Gilbert Chartrand (Verdun—Saint-Paul): Madam Speaker, I want to take this opportunity to give you some of my personal impressions on Bill C-51. I think we all tend to applaud virtue and discourage vice. Now is smoking a vice, a way to relax or a habit? I think only the user knows for sure.

I am not so sure I agree with the ban on advertising, and I have my own personal opinion in this respect. When people say that advertising is dangerous for young people, for adults and for anyone who might want to start smoking or who already smokes, I am not so sure people are being realistic, if we look at how young people react. I am thinking of my own experience, in fact, I have been going through this almost daily, every week.

Every time I give my assistant's little boy a ride in my car, all hell breaks loose. I smoke and he doesn't. He rolls down the window, and we have a big argument. Sometimes I get to the point where I stop the car and tell him: I have a right to smoke. If you don't like it, you can get out. And this kid is exposed to all kinds of advertising, in magazines, in newspapers and cigarette commercials. Nowadays, kids are being educated to realize that smoking may be dangerous and that smoking is bad for them. We don't even have to tell them. We don't have to explain. It is part of growing up today, and kids are being taught, and they learn very quickly, that cigarettes may be harmful.

I fail to see why we should make it even more complicated. Tobacco companies and cigarette manufactures know perfectly well that some day, measures will be taken to prevent as many people as possible from smoking, or at least enable non-smokers to live a better life than smokers.

They are prepared to co-operate, and I know about this from Imperial Tobacco. They came to see me and said they had presented a brief to the Minister about ways of controlling their own industry. I looked at their suggestions, and I felt they were very sensible. They were imposing very strict self-

censorship, but instead of that, we get this Bill, and personally, I never heard anyone say that we absolutely needed this legislation to prevent advertising and to prevent people from smoking. As you know, cigarette companies and tobacco companies, whatever they happen to sell, are major participants in regional and local economies. They invest huge sums of money in golf tournaments, cultural events and sports activities. People say that if they advertise, they must want to sell more. However, they know as well as we do, that you can show a non-smoker any cigarette brand you want, but it won't make him want to smoke.

Advertising is specifically targeted at the user. Whether you are using one brand of cigarettes or another, it will try to convince you to switch. Sometimes, the same company which manufactures different brands of cigarettes will push one to compete with another. Personally, I think this is allright. I do not see why we should stop these companies from investing in advertising campaigns to encourage people to try their different brands. I can say that I never smoked a cigarette until I was 29 years old; it was not because of advertising in magazines or on TV—it seems to me that there were no longer any TV ads then—it was not because people forced me, but simply that one day, as an adult, I decided that I wanted to try. I liked it, and I continued.

It is a fact that today, as a consumer, I am interested in advertising; they try to convince us, in a thousand ways—colour of packaging, stronger or weaker cigarettes—that one brand is superior to another. I am affected to a certain extent, but I do not feel bad about it, for as a smoker, I should be tempted to watch the ad and learn more about the product, which is not always the case.

What worries me is the kind of money that will be lost. I am concerned about this Bill because of the money which will be lost and which would have been invested in a great many community projects. For instance, when I was young, I was involved in bicycle competitions. We were in need of funds for cycling which, as a European sport, was not very well known here. We needed funds to travel to places where we could practice our sport. A funny thing is that the government of Quebec asked a cigarette manufacturing company to pay for our travel to Europe to practice our sport without having any trade name on our T-shirt, without being told that we had to promote everywhere that such and such company was sponsoring us and making it possible for us to take part in an event. At the time, there were 16 of us, all under 16 years of age, who benefited not from an advertising campaign, but at least from a service to the community.

I cannot understand why the government insists on imposing such a legislation. It is a fact that in my Verdun—Saint-Paul riding, Imperial Tobacco employees are very nervous. They are worried about losing their jobs if there is a ban on advertising. However, that is not really the problem, because the number of smokers is decreasing. On the other hand, we have to provide enough time for these companies to find a new market and for these workers to find another job instead of scaring them by simply saying that there will be no more advertising or selling of cigarettes and that there is a ban on smoking. In my region, the industry represents 800 people, or three or four people in each family, which means 2,500 people will be directly affected, and this does not include the advertising companies.

What most concerns me is that we might be a bit too drastic in making our decisions. I smoke myself and I am not ashamed of it. At times, I find that the non-smoker is much more bothersome than the smoker because you are treated like a monster if you take out a cigarette in public places. We seem to have virtually lost the right to smoke. There is no need to ban advertising to show us that we are doing something wrong. We have only to look in the eyes of the non-smokers to realize that we are no longer wanted. For my part, I believe that we have to give a chance to the people and the companies. Canada is a free country. These people have rights, and I personally have a lot of difficulty in supporting the Bill because every company is entitled to advertise and have its presence felt on the market, whether it is a tobacco company or some other business. We could say that most people die in their own beds.

Are we going to ban beds? There are a thousand such examples. What I would ask the committee to which this Bill will be referred to do, is not to say that there will be a ban on advertising. Why should we not provide a bit more time for the workers, the advertising companies and the members of the industry to adjust? I believe that people would be much happier if they were not being told that they cannot do such or such a thing, but if they were simply given advice to follow if they want, because if people tell us that smoking will kill us, it remains our own choice. Banning cigarettes or cigarette advertising will not make me change my mind about smoking.

Mr. Kindy: Madam Speaker, I have a few comments to make about the speech of the Hon. Member. I believe that he raised a very important point when he spoke about advertising. We can ask ourselves whether advertising makes people smoke more. There is no advertising for marijuana. There is no advertising for cocaine or heroin, yet a lot of people, especially young people, use these drugs. This seems to show that advertising has no direct relation with consumption. There is perhaps some link, but no direct relationship. I believe that what we need is information. Today, our young people smoke more than before and women smoke more than they used to because of the stress of modern life and emancipation. Women want to be equal to men and young people want to appear older than they are. I think this is why our young people smoke. It is not because someone told them that smoking is popular.

The point I wish to raise concerns the freedom of expression. Would we restrict the freedom of expression by banning advertising? I believe that this is the threat inherent in this Bill. The only thing to do is to ensure freedom of expression. It is essential in a democratic society. What I wonder is whether this Bill does not restrict freedom of expression. A self-respecting democratic society should not be afraid of freedom of expression. For instance, if people drink or eat too much, it

can certainly be as harmful as smoking. We all know that obesity causes certain problems. Overeating causes obesity and obesity causes high blood pressure, which is certainly dangerous. The only answer is to inform the public that all abuses are dangerous.

The same is true for tobacco. If the public is told that abuses are dangerous, we shall realize that most people are reasonable. We can see it right now. Many people do not smoke because they are well-informed. People also watch what they eat because they know that it is dangerous to overeat. They also know that it is bad to drink too much. Everything must be done in moderation. On the other hand, I believe that we are certainly restricting freedom of thought by passing a Bill to ban advertising. And, as I said, freedom of expression is an essential element in a democratic society.

Indeed the Hon. Member for Simcoe South (Mr. Stewart) had raised that point and said that freedom must be respected in a democratic society.

As a physician I would surely have seen the harmful effects of abuses—eating abuses, drinking abuses, or smoking abuses—and what people need is to lead a healthful life, exercise regularly, refrain from eating and smoking too much, sleep normal hours, and all this is bound to have an effect on our health.

Simply saying that advertising will be banned does not mean that abuses will be curbed. As I said before, some people take drugs—as a physician, for example, I saw people who reach for a cigarette when they feel nervous, but if a cigarette is not handy they will take drugs. Is it better to take drugs or to smoke? That is the question I am asking myself.

For this reason I am against the Bill as drafted because it does restrict advertising as well as individual freedom of expression, and I would suggest that what we need is information. Information can only come from one source: education, and that has to begin on school benches, as the Hon. Member for Bow River (Mr. Taylor) put it: School is the source of information. If youngsters are told that too much smoking, eating or drinking is not good for them and that they must have healthy habits, then we will have a healthy society. That is certainly not the kind of thing the state can impose. The state can tell people smoking is harmful, have warnings printed on packages of cigarettes to the effect that it is a health hazard—

The Acting Speaker (Mrs. Champagne): It is my duty to remind the Hon. Member that he sought the floor on questions and comments, not on debate. We have hardly two minutes left. Perhaps he might allow the Hon. Member who spoke before him to have at least one minute to respond to comments?

Mr. Kindy: Thank you, Madam Speaker. As it happens we are talking about freedom of expression and I am trying to make my point by saying that it is so essential to have a debate in a democratic society.

Perhaps I should direct a question to the Hon. Member who spoke and who has a cigarette manufacturing plant in his riding, Macdonald. He told the House that roughly 800 people would be out of a job if the Bill were adopted. Naturally his personal interest is that this Bill does not become law, but he was also very eloquent when he pointed out that people in his riding support his position.

So I wonder whether he will explain to the House why this bill should not become law.

The Acting Speaker (Mrs. Champagne): It being five o'clock, I must seek the unanimous consent of the House to allow the Hon. Member to respond.

Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Chartrand: Thirty seconds simply to say that 800 workers—in fact, they are scared of losing their jobs. But this is really because of a lack of information. If the Government had taken a little more time and had not dished out this harsh Bill, I think it would have had the opportunity to plan and explain to these people that someday, whether they liked it or not, they would have to retrain for something else, because the tobacco industry is losing ground. But it should have given these people time to think things over. That is what the tobacco companies were prepared to do, but they were given no choice. For this reason, they cannot behave as good corporate citizens and must react as companies faced with a serious problem. How are they going to solve it following the adoption of Bill C-51? That is what we will see!

• (1700)

[*English*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

Ms. Copps: Madam Speaker, I rise on a point of order. I was under the impression, when unanimous consent was given to proceed with a response to some of the statements that were made by the Hon. Member for Calgary East (Mr. Kindy), that there would also be ample opportunity for others Members to respond to some of the outrageous comments that he made, allegedly in the name of the medical profession. Given the time—

The Acting Speaker (Mrs. Champagne): The period for questions and comments following the comments of the Hon. Member for Verdun—Saint-Paul (Mr. Chartrand) had expired. Nobody else had risen when the Hon. Member for Calgary East rose to ask a question. I allowed the Hon. Member to continue on.

I thought it would only be normal for the Hon. Member to have an opportunity to answer. The time for questions or

comments is over. We should be going into Private Members' Business. I did ask for the House to give me advice on whether the House was ready for the question. Is there unanimous consent for the question to be put at this time?

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mrs. Champagne): There is not unanimous consent.

It being five o'clock p.m.—the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Madam Speaker, in order to expedite matters, I would be very happy to seek unanimous consent of the House to continue the debate. That was the point that I was making with respect to the Hon. Member for Calgary East. Certainly, he made a few statements with respect to the smoking issue that are absolutely outrageous, wrong, and erroneous. I do not see why we should cut off debate just because the Hon. Member for Calgary East has had his say.

Mr. Lewis: Madam Speaker, I rise on the same point of order.

I wonder if there would be unanimous consent of the House to allow my colleague, the Hon. Member for Hamilton East (Ms. Copps), to make a comment to which there could be a reply, and at that point to not see the clock and allow my colleague to make a comment, which I think is appropriate, and call the question after that comment.

If there would be unanimous consent for that, I think that the wishes of the Hon. Member for Hamilton East and the wishes of the House would be met, that the Bill be sent to committee, because, after all, the committee studying Bill C-204 is considering this matter. It is hearing witnesses who would be appropriate to hear on both Bills.

I think that you might find that there is unanimous consent from the government side for my hon. colleague to make a comment and then to call the vote.

Ms. McDonald: Madam Speaker, I would certainly agree, and I am sure that my Party would agree to a brief comment being made in order that we can get to the vote. I agree that there were preposterous statements made, and we would like to see replies to them. However, it is more important that we get the Bill to committee.

Mr. Boudria: On behalf of our Party, I wish to indicate our consent to what has just been offered by the Deputy Government House Leader, and then to proceed in the manner that has been suggested.

Mr. Kindy: Madam Speaker, I rise on a point of order. I have some difficulty in accepting unanimous consent on this issue as it is past five o'clock. There was ample time during the debate. If there is to be more debate, then I think that we should call it five o'clock and resume the debate tomorrow.

The Acting Speaker (Mrs. Champagne): Before the Hon. Member for Calgary East (Mr. Kindy) rose, there seemed to be unanimous consent to allow the Hon. Member for Hamilton East (Ms. Copps) a short comment and then proceed to the question without seeing the clock, and then giving the normal time for Private Members' Business. Do I still have unanimous consent on that?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): I do not have unanimous consent.

Nevertheless, I will allow the Hon. Member for Hamilton East the possibility to make a comment while the Hon. Member for Verdun—Saint-Paul (Mr. Chartrand) is here, otherwise when we do return if the Hon. Member who has made the speech is not in the House, the possibility of making a comment would then be forfeited.

While the Hon. Member is still in the House, I will allow a short comment from the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Madam Speaker, given that there have been certain statements made in this House in the question and answer period in response to my hon. friend from Verdun which deal with the question of how the medical profession views this whole question, I wonder if the Member could advise us as to whether he is aware of the position that has been taken by the Canadian Medical Association on this issue?

Does he agree with his colleague that, if people are denied the right to smoke, which is not the intention of this Bill, they would turn to drugs? Does he agree with that assessment of the situation?

[*Translation*]

Mr. Chartrand: Madam Speaker, I know about the representatives of the medical profession. These people have done a lot of lobbying and exerted a lot of pressure on me, if not on all Hon. Members. I met them as often as possible, whether in my riding office or here, in Ottawa, where they tried to explain that it was the best and only way to convince people not to smoke. I stick to my position about this just the same. That smokers are bound to take other drugs or do something else is not, I think, at issue here. I never had any discussions concerning this. I do not think that anybody can force people and say: Because you are smoking, you are going to use other types of drugs. Personally, I do not believe it. On the other hand, I believe that this is dangerous, because the medical profession said so. For instance, my father has stopped smoking. He was told that if he continued, he would be dead in three years. It did not stop me from smoking and I continue to smoke even today.

Physicians are qualified to tell us that it is a dangerous habit. They repeat that every day, and they are doing their job. We are doing our job, and I think that Bill C-51 deals with advertising. It does not deal with the medical fact that smoking may be dangerous or not. It deals with advertising through magazines and in public places. I suggest that it is depriving a corporation of the right to advertise which any other industry enjoys.

[*English*]

The Acting Speaker (Mrs. Champagne): It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1710)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

EDUCATION

ADVISABILITY OF ESTABLISHING NATIONAL OBJECTIVES

Hon. J. Robert Howie (York—Sunbury) moved:

That, in the opinion of this House, the government should consider the advisability of establishing, through joint negotiations with the provinces, national objectives in education including, but without limiting the generality of the foregoing, quantitative medium and long-term targets for a reduction in the rate of illiteracy on both a national and a provincial basis;

That the government examine the benefits of establishing a national council on education to promote the jointly negotiated and agreed upon national objectives; and

That within the general framework of a national interest in education, the provinces be free to act as they see fit to meet these national objectives and to achieve the targeted reductions in illiteracy.

He said: Madam Speaker, the purpose of this resolution is to acknowledge, at one and the same time, the constitutional priority of the provinces and the vital responsibilities of the federal Government in the education of our adult population.

The urgent challenges which both levels of government must confront range across the entire spectrum. At one extreme, recent studies have revealed an alarmingly high rate of adult illiteracy, a handicap which condemns its victims to a helpless existence on the margins of Canadian economic life. Both the personal suffering of such individuals and the cost they represent to society demand that Governments act quickly and decisively against the problem.

At the opposite end of the spectrum, our universities have clearly arrived at a crisis in terms of their ability to produce the quality of researchers and research necessary to maintain Canada's competitiveness in the world economy. With or without freer trade with the United States, our ability to match brains with the rest of the industrialized world will ultimately determine whether we can achieve the goals of social justice and humanity which all of us want.

In between these extremes we have a system of public school, community college, and university education which, if not teetering on the brink of collapse, finds it increasingly difficult to meet our many expectations. We expect it to provide students with a bewildering array of advanced technical and social knowledge and skills. We expect it to provide equal access and a reasonable chance of success to members of traditionally disadvantaged groups. We expect it to adapt quickly to changes in the workplace and to respond to new social priorities. We expect it to do these things, however, in a context of increasing class size and deteriorating buildings, equipment, and libraries.

Although the national importance of education has been recognized at least since the end of the Second World War, the history of federal-provincial co-operation is not one in which either level of government should take pride. There is little to be gained at this stage by assessing blame. It must be recognized, however, that there remains a legacy of mutual suspicion which must be overcome if we are to meet the contemporary challenge. We in this federal Parliament have no business lecturing the provinces about their responsibilities or attempting to dictate the form of future co-operation.

However, we can and should commit our Parliament and Government of Canada to principles such as the following: moral and material support for common approaches taken with the provinces, either individually or collectively through the Council of Ministers of Education, to national problems such as adult illiteracy and the access of traditionally disadvantaged groups to post-secondary education; substantially increased support for the research capacity and activity of our universities, provided in a manner which respects the priorities of the institutions and the provinces; and creation, upon consultation and agreement with all provinces, of a permanent mechanism or mechanisms to determine national objectives and ensure the co-ordination of federal and provincial efforts in post-secondary education.

The motion I have presented to the House stresses the issue of illiteracy for a number of reasons. First, in a society as affluent and well educated as ours, the current magnitude of the problem is a national disgrace. Second, since adult illiteracy is not a subject to which either level of government has traditionally paid much attention, there are no jurisdictional jealousies or vested interests. The way is clear for immediate, co-operative action.

However, I would not hide the fact that the intent of the motion is much broader. Successful action on this first front must serve as a model and inspiration for broader initiatives. Participants at the national forum on post-secondary education in Saskatoon achieved a remarkable degree of consensus on the proper goals and priorities of the educational system. Whether the "spirit of Saskatoon" survives the difficult and intricate process of finding the right means depends in large measure on the quality and sincerity of our political leadership. The intent of the motion is for the House to begin showing the way.

In concluding I should like to mention some positive measures which I feel have been taken in the right direction. In October 1986, for the first time in history, illiteracy received mention in the Speech from the Throne. Last year the Solicitor General (Mr. Kelleher) declared war on illiteracy in our prisons, and in the past few months the Secretary of State (Mr. Crombie) has introduced significant new measures, including the establishment of a national literacy secretariat, the appointment of a national literacy council, increased funding of community programs, and an extension of federal-provincial co-operation in literacy initiatives.

The national forum on post-secondary education, which was an excellent success, was held after my motion was introduced, and the subject is now being studied by the Standing Committee on Secretary of State. This necessitates a technical change in my motion, so I move, seconded by the Hon. Member for Carleton—Charlotte (Mr. McCain):

> That the word "government" be deleted in paragraphs 1 and 2 and be replaced by: "Standing Committee on Secretary of State"

I seek unanimous consent of the House to make this change.

The Acting Speaker (Mr. McKinnon): Is there unanimous consent for the Hon. Member for York—Sunbury (Mr. Howie) to move such an amendment?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. McKinnon): There being unanimous consent, debate will continue on the amendment. Does the Hon. Member for York—Sunbury wish to speak to the amendment?

Mr. Howie: No, Mr. Speaker. The amendment was really only a technical one, as I explained. I think you might continue debate with other Hon. Members who are interested.

Mr. Scott (Hamilton—Wentworth): Mr. Speaker, I rise on a point of order. In view of the fact that debate on Bill C-51 went on until 5.10 p.m., I wonder whether this debate could continue until 6.10 p.m. so that we get the extra 10 minutes which was robbed from us at the top of the hour at 5 p.m.

The Acting Speaker (Mrs. Champagne): I reassure the Hon. Member for Hamilton—Wentworth (Mr. Scott) that I have no intention of cutting short the debate. Earlier, when I gave the floor to the Hon. Member for Hamilton East (Ms. Copps), I said that I would not see the clock and that the House would consider Private Members' Business for a full hour.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Madam Speaker, I am very pleased to take part in the debate. I compliment the Hon. Member for York—Sunbury (Mr. Howie) on bringing forward this motion.

It is either feast or famine in the House. For a while there was no talk of education, but suddenly within the past two weeks there has been a great deal of it. I had a Bill debated on Friday, as the Hon. Member for York—Sunbury may know. It seems to me that the Hon. Member's motion complements that nicely. Indeed it supports the general idea that we have national problems in Canada which call for national solutions.

He is quite right that although education is a provincial responsibility—and we all recognize that; nobody would want to take away that responsibility—we have too many serious national problems which can only be addressed by a national consensus.

It is my feeling that in unity there is strength and that, instead of having to go it alone, the provinces can go it co-operatively with their sister provinces, with the Government of Canada, and possibly with other members of the educational constituency—students, teachers, and administrators who are interested in it.

The motion of the Hon. Member focuses particularly on literacy. I think it is commendable because it is a serious blot on the national face. There is no question that illiteracy is a serious problem all across the country ranging from British Columbia to Newfoundland. Illiteracy in the population goes anywhere from just below 20 per cent, as I recall the figures in British Columbia, to a high of over 40 per cent in the Province of Newfoundland. In between, in Ontario and Quebec, we have percentages in the twenties.

• (1720)

Whether illiteracy is 18 per cent or 44 per cent of the population, it is completely unacceptable from a moral point and an economic point of view. I understand there will very soon be a study being done on the question of illiteracy which will show that not only is this a human problem creating a tragic difficulty for individuals but it is costing our country hundreds of millions of dollars. I have not even dealt with the safety aspect of the person who cannot read signs on the job. There are hundreds of thousands of Canadians who cannot participate fully in Canadian life because they cannot read and write and are not functional. It costs businesses hundreds of millions of dollars. I suggest that those businesses have to take a look at this as must the Government.

I feel that the Government has not made the kind of commitment it should. A million dollars to solve the problem of illiteracy is almost an insult. It is little better than that. It will need many more dollars before we can say that we have made an adequate contribution to the problem of illiteracy.

I agree with the Hon. Member for York—Sunbury that these things should be done jointly. But it should not be just a federal and provincial effort. We must go beyond that. The Member went beyond that by suggesting that we need, I think the words he used to describe it are, a national council on education. In part his motion reads:

> That the Government examine the benefits of establishing a national council on education to promote the jointly negotiated and agreed upon national objectives—

He goes beyond the motion of Friday which dealt with post-secondary education. The Canadian Teachers' Federation, for

example, has had for quite some time a policy asking for exactly what the Hon. Member proposes in his motion.

I believe with the Hon. Member that it is time now not to look at things as we always have historically. When the country was put together in 1867 there were certain realities in Canada. It seems to me that we are still living with the structures put in place in 1867, but this is 1987. Perhaps we need a new, fresh vision of what it is to be Canadian and how we can get people to participate in national life fully. I agree with the general thrust of what the Hon. Member is saying. There is in Canada now a national need.

He is quite right in saying that not only is illiteracy a problem but that the problem ranges all the way to post-secondary education. The post-secondary education system in Canada has been described as being in crisis. I do not think that is an understatement. There is the question of underfunding, the question of limited assets, the question of teachers and professors who are leaving for the United States, and the question of professors who are not being replaced. The 40 or 50 year old professor is not being replaced because many people are not entering the field of university teaching. Salaries are low.

In my own Province of Newfoundland if you walk through the tunnels between the buildings at Memorial University you will find drips all the way through from the plant pipes. Normal maintenance has not been done. Our university buildings and facilities are falling into disrepair. This is a serious problem. It cannot be the responsibility of the provinces alone. In the Province of Newfoundland, if I can take that example again, there is not the financial adequacy within the budget to deal with these problems, particularly if federal funding is being cut back. The provinces which this motion and approach would help are the less well off provinces in Canada. Ontario can probably well survive on its own and deal with this problem. It is doing so, as is Quebec. I have to say quite candidly in this Chamber that most of the outstanding initiatives in Canada that have taken place within the recent past have come out of the Province of Quebec.

From a financial point, strategy and policy point of view, Ontario and Quebec are handling their problems, I think, in an imaginative way. That is not true for the provinces not in the same financial position. It seems to me that a co-ordinated co-operative national approach would help. We need a national vision to help the disadvantaged particularly. Whether we are talking about disadvantaged people or disadvantaged regions, we need to band together to create not a federal or provincial body but a national body to deal with the very powerful, important, tragic and imminent national need.

I have a great deal of pleasure in supporting the motion of the Member from York—Sunbury, and I compliment the Hon. Member for bringing it forward. He has mentioned a couple of other things that I have not because of time constraints. He is quite right that there must be adequate funds for research. He mentioned that illiteracy is the most urgent problem and that there should be broader initiatives later on.

I support this motion and I believe my Party as a whole will support it. It is something that should not be dropped. It should be kept very much alive. I hope there will be an opportunity within the House and within the committee of the Secretary of State to examine this fundamental problem from the ground up, ranging from illiteracy to post-secondary education. We cannot put it aside. We must deal with it, and I hope the House will see in its wisdom that that is the case and support the motion of the Hon. Member.

Mr. David Orlikow (Winnipeg North): Madam Speaker, I rise to support the motion of the Hon. Member for York—Sunbury (Mr. Howie). It is very similar to a motion I submitted which has not been called for debate. My motion reads as follows:

> That a special committee of the House should be established to consider Canada's serious and growing illiteracy problem and recommend ways that the Government, in conjunction with the provinces and territories, can join the United Nations attack on illiteracy.

It is frightening, to say the least, that a country as industrially developed as Canada finds that almost a quarter of its people are functionally illiterate. An in-depth series on the problem and the scope of it was reported in a number of articles that appeared in Southam newspapers within the last year describing the dimensions of the problem. A study indicated that 24 per cent of Canadians are functionally illiterate. That are five million people and 13 per cent of these are recent high school graduates. In a study done for the Canadian Association of Adult Education in June 1985, it was reported that in the Provinces of Newfoundland, Prince Edward Island, New Brunswick, and Quebec more than one in four adults have less than a Grade 8 education. Almost 40 per cent of Canadian women and almost 35 per cent of Canadian men with less than a Grade 8 education live in Quebec. One-third of the educationally disadvantaged adults are employed. Seven per cent are unemployed, and the unemployment rate is 15 per cent. Three-fifths are not in the labour force; that is, are not actively seeking work.

• (1730)

This is a problem which has tremendous and profound implications for all Canadians. Like most other countries in the world, we are moving to an era in which education and knowledge are an absolute necessity if our citizens are to find the kind of jobs which will be available. Increasingly, these jobs will call for a much better level of education than most of us have, and particularly for a better education than those who are functionally illiterate have.

One of the problems is that we have never really faced up to asking who are the functionally illiterate. If we did ask that question, we would find that the groups from which the illiterate come vary from province to province and from city to city. In most larger cities, there are new immigrants who came from countries in which the languages spoken were neither

English nor French. In some cities such as Winnipeg or Regina, there are native people who have moved in recent years from the reserves where education was, by any standard that can be set, deficient to say the least. There are people who grew up and lived in rural areas where until very recently the educational standards were very low.

It is good news that the federal Conservative Government has recognized the problem publicly and has allocated $1 million to fight illiteracy. However, looking at the scope of the problem, we realize that the amount allocated is a mere a drop in the bucket. As I see it, it is merely a public relations exercise.

Ian Morrison, the Director of the Canadian Association for Adult Education, has estimated that it would take $100 million to substantially improve literacy in Canada. It is pretty clear that without major efforts on the part of Governments, both federal and provincial, in co-operation with the groups in various parts of Canada which have worked on the problem and learned how to help people who are illiterate, real progress will not be made.

Organizations such as Frontier College, the Regina Public Library and unions in my city such as the International Ladies' Garment Workers' Union, all have programs ongoing. These programs are small but these organizations have learned a great deal about how to begin to cope with the problem. However, $1 million will not do very much. We cannot expect the provinces or the cities to do the job which is required if for no other reason than that they simply do not have the money.

Just last week, there was a small article in the *Toronto Star* reporting that school districts in Toronto and North York are having tremendous problems. There has been a tremendous influx of immigrant students who need education in English as a second language. These school boards do not have the financial ability to deal with those problems.

We need a new approach, we need a serious approach. Some months ago, the Solicitor General (Mr. Kelleher) announced a program to help those in penitentiaries who are illiterate to get an education. I welcome that program, but I ask why it is restricted only to people who are in penitentiaries.

The Department of Employment and Immigration under the former Liberal Government and under the present Government has cut back on programs which can be described as adult basic education. Those are the programs which could help a great many illiterate people. However, the Departments have not been very sympathetic to this idea. They have been cutting back on those programs because no quick results are shown. People do not get jobs if they only have this basic educational training funded by the Department of Employment and Immigration. The Department wants to show that people who participate in its programs move quickly into jobs.

The reality is that people who are functionally illiterate are almost always either unemployed or have low-paying unskilled jobs from which they will never be able to move. It is clear that a major effort must be made in this regard.

It is true that this federal Government, like the former Liberal Government, takes the attitude that education under our Constitution is a provincial responsibility and therefore the federal Government very frequently refuses to get involved and to put up money. People who are illiterate are doomed to failure in the future. That failure will be felt by those people first but it will be felt by all Canadians as well.

We in Canada have one of the worst records of any of the industrialized countries in the world. It seems to me that we need a decision made by the federal Government to co-operate with the provinces and the voluntary agencies which have experience in this area to assess the dimensions of the problem and calculate the costs of improving the situation. There has been no real improvement in the situation in the last 25 years. The percentage of the functionally illiterate has hovered at between 20 per cent and 25 per cent and is not getting lower despite all the supposed efforts made by the federal Government, by the provinces and by the voluntary agencies. All of these efforts together have been less than successful.

We need a commitment from the federal Government to co-operate with the provinces in calculating the methods that can be used to reduce the number of functionally illiterate and the costs of this. The federal Government must agree to participate in the battle. That means that it must participate in the funding of a major effort.

While I welcome this resolution, I am not too hopeful that the federal Government, given its concentration on the need to control or reduce the deficit, is likely to do what is necessary. To the extent that this resolution helps highlight the dimensions of the problem, I support it.

Mr. Fred McCain (Carleton—Charlotte): Madam Speaker, whether or not this should be a political issue is a question which I do not wish to discuss. I do not believe that the first two speakers approached the political aspects in any way and I do not think we should do so in this debate.

Perhaps if the Government of Canada has made mistakes throughout Confederation, it may very well be that we have made too many political decisions without considering the practicality of them. I believe this is one decision that should now be and should stay above the rank of politics or its consideration as a political matter.

We do have a federal provincial confederation system of government. That system has delineated certain responsibilities to certain levels of government. I believe that if the federal Government has a level of responsibility, it is in influence and not in participation or interference. That is our responsibility.

• (1740)

I want to speak on this subject from the perspective of my experience as a student and teacher. I believe that if we are to exert influence, it may be along the lines of putting more

emphasis on the three r's, reading, 'riting and 'rithmetic. Arithmetic, of course, is not a matter of literacy but it is very important.

When we speak about the incapacity of the illiterate, that incapacity is a handicap as real as a physical handicap in today's world. It has always been a handicap, but today it is a major handicap. I believe we have to come back to a much greater emphasis in our schools on reading and writing to the point that the first objective of education is competence in those two areas.

Over the years we have overlooked this as we accepted the representations of many people who had what they thought were compassionate ideas for teaching. Some of those ideas were that we should perhaps not have examinations or competition, but we should allow students to learn at the rate at which they wish to learn rather than at the rate at which they are capable of learning. I believe that some of the standards we have established for advancement from grade to grade have been such that students find themselves in a very handicapped position. We have ignored reading and writing to that point.

Not very long ago I talked to a student who graduated from high school at the honours level only to find that she had taken courses which in no way prepared her for college. Yet college had been her declared goal for years. The practice of her school was to emphasize subjects other than those which provide a broad base of information and knowledge to put you in a position to be competent in college. That is where we have to provide some leadership and influence. However, we should not take action which will interfere in any way with a sphere of provincial jurisdiction as important as this one is.

I had the experience of becoming a teacher at the same high school I attended. By that time a curriculum was in place different from that which I experienced as a student. When I was a student I had to write essays, create stories and write letters, which were in turn examined and graded by the teacher. When I became a parent no such practice was followed with my children.

I have employed people in my office who graduated from high school or business college and could not spell. I mean they could not spell in a very rudimentary way. Yet they had graduated and become secretaries.

When I began teaching in Grade 9 I found that I now had a student body which could not read or understand high school textbooks because there had been a major change in the vocabulary requirement in the first eight grades of school.

If we have a responsibility here it is to provide leadership. We must restore to the school system competence in reading and writing as a necessary basis for promotion from class to class. Let us not have poor spellers coming out of high school and business colleges seeking employment. No, they are not illiterate but the education system has obviously been negligent in extending to those students the skills so necessary for the occupation they have chosen.

I understand that the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) was a teacher. I do not know what experience he might have had but he spoke as one with a sincere interest in education, as have other speakers.

I congratulate the Hon. Member for York—Sunbury (Mr. Howie) for putting this motion before the House and I congratulate those who have participated in the debate. I hope that we give this subject consideration which is completely unprejudiced and unpolitical.

If this motion goes to committee we will not be pestered by special interest groups. Our consideration will be dedicated to the best interests of all Canadians with respect to our education system. Let us hope that we elevate that system to the point that when one leaves high school one can listen to media commentary or read *The Globe and Mail* or *The Telegraph-Journal* with understanding and comprehension.

There are degrees of illiteracy. There are those who cannot read or write at all. However, the degree of literacy we must achieve is that which will allow the young people of this nation to move into whatever career they choose with the ability to use their skills in the best possible way. Without that capability, those people are handicapped. It must be costing us not millions but billions in lost productivity.

The best educated people in the world today, presumably, are the Japanese and they are leading the way. It used to be that the United States had the highest number of high school graduates, college graduates and technical school graduates. I do not believe that applies any longer. Therefore, let us step up the level of advice from Government so there will no longer be illiterates and our graduate students at whatever level will be more competent in developing both our society and their own future than they are today.

[*Translation*]

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, first, I would like to say that I really appreciate the Private Member's motion introduced by the hon. Member for York—Sunbury (Mr. Howie). I believe that it is very important. It is unacceptable that we should have such a high rate of illiteracy in our society.

[*English*]

I would like to tell the Hon. Member for York—Sunbury (Mr. Howie) as well as the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) that the level of illiteracy in our society is totally unacceptable. The figures run from one in five to one in four, so you can imagine what the total effect must be on the social, economic, political and moral interests of all Canadians. This is a national disgrace and needs very serious attention.

• (1750)

I appreciate the suggestion made by the Member to move for a national council on education to promote jointly negotiated and agreed upon national objectives. However, it will take a great deal of time to arrive at such a federal-provincial initiative. We must consider some creative and innovative solutions in the interim. Notwithstanding the fact that I totally support any initiative, we need some other mechanisms until we are able to address this problem fully.

As a director of youth protection in the Province of Quebec I noted with a great deal of sadness the discomfort, embarrassment, and unwillingness of parents to acknowledge their illiteracy. They could not read contracts which were written for their children who had performed criminal acts and were in the first stage of becoming non-productive members of our society. These parents were incapable of understanding the contents of written contracts. These people love their children and want to help them, yet are unable to do so in acute situations. What must happen on a daily basis when they want to lend a hand in the general education of their children?

The level of illiteracy is a reflection of the level of immigration to this country and the fact that we have not done a good job of integration with new immigrants who are the backbone of the building of this country. If we want new immigrants to become well established and able to make the contributions which they need to make to society we must make a commitment from the first day that they come to this land.

The first commitment is to ensure that every man, woman, and child who comes here is at least able to read, write and know the fundamentals of our language in order that they can do their banking and shopping and understand a contract with a landlord. It is absolutely crucial from a social perspective that these people be able to understand our society. If they become ill they must be able to follow medical instructions and read labels on medication. The implications are very serious because these people are incapacitated and handicapped. If we looked at it in that way we would be able to move in a number of areas other than only through the Department of Immigration.

I am not trying to politicize this debate, but I believe that the $1 million which the Secretary of State (Mr. Crombie) has seen fit to allocate right now is only a small drop in the bucket. I tend to agree with the Adult Education Association of Canada that we need hundreds of millions of dollars.

I would like to suggest one creative stop-gap measure which has been researched and has proven very effective. It is with relation to open captioning on television. That little square box in our home has a very important impact on our lives. Everyone who watches this box can learn effectively. By watching the lettering at the bottom of the screen people learn by associating the word with the image.

The hearing impaired have complained that less than 50 per cent of the programs which they would like to watch are close-captioned and that their rights are abridged under the Constitution. They believe they should be able to watch all programs. I suggest that, as a start, all news programs should be close captioned because we become good citizens by understanding what is going on in our society. By running open captioning we could render a service to the hearing impaired and the illiterate at the same time. We would be accomplishing at least one step toward the multitude of action plans which will be required. We need creative, innovative, and imaginative ideas.

People are ashamed and embarrassed to acknowledge that they have been in this wonderful county for many years but have not been able to master either English or French. They may not be illiterate in their own language, but in Canada they are illiterate with regard to the economic, social, and political impact on their lives and on our country.

I make that suggestion as one window of opportunity on the national objective. I believe that we should look more closely at the handling of immigrants and their integration into our society. I refer not only to the working men and women and their children, but also to the husband or wife who chooses to work at home. That is very important.

I am sure that no Member of this House is proud of the fact that some 20 to 25 per cent of our society is in those circumstances. This is a cumulative problem and we must begin now to push the project ahead. I congratulate the Hon. Member on the project and let us accomplish some other things at the same time.

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, as Chairperson of the House of Commons Standing Committee on the Secretary of State I am extremely pleased at the prospect of our committee taking on the subject matter of the motion of the Hon. Member for York—Sunbury (Mr. Howie). I would like to congratulate the Hon. Member for raising issues which affect literally millions of Canadians from all walks of life, all age groups, and all sectors of our society. I hope that within the next few minutes there will be unanimous consent to refer this matter to the Standing Committee on Secretary of State.

It is very clear that the Government fully supports the spirit of the motion. Through the Department of the Secretary of State, and especially the Minister, the Hon. Member for Rosedale (Mr. Crombie), the Government has worked hard to put education issues on the national agenda. I want to pay tribute at this time to the Secretary of State who showed imagination and courage in mounting the national forum in post-secondary education in Saskatoon. I will have a few more words to say about that in a moment.

[*Translation*]

I am glad to see that the motion recognizes the constitutional jurisdiction of the provinces for education. We all know that the educational system comes under provincial jurisdiction,

and all federal initiatives in this area must take this fact into account.

Members of this House are well aware that federal contributions are mostly for post-secondary education. Leaving aside the urgent problem of illiteracy, the Government has given priority to many problems which require an immediate attention.

• (1800)

[*English*]

These concerns were discussed, as I was saying earlier, at the historic three-day national forum on post-secondary education held in Saskatoon from October 25 to October 27. It was historic because that was the first time that the federal and provincial Governments have co-sponsored such a national educational event. It was historic because it brought together not only both federal and provincial Governments, but academics and people from all walks of life who care about higher education.

The forum provided a chance for the first truly national exploration of the challenges and opportunities of higher education in Canada. A gathering of more than 600 people represented the richness and diversity not only of Canada's colleges and universities, but also of Canadian society itself.

[*Translation*]

One of the major objectives of the Forum was to achieve a new national consensus on the importance of post-secondary education in Canada. The participants agreed that one of the major issues in that area was access for people of all ages and all cultural and linguistic groups.

Among the other concerns raised during the Forum to which the Government is giving its full attention, I would mention assistance to students through the Canadian Student Loans Program, the new incentive provisions for foreign students and university research.

The Secretary of State has asked for a full review of the Canadian Student Loans Program. This includes the creation of an ongoing intergovernmental advisory committee for student assistance and of a public advisory group, which will provide guidance on the future of federal programs in that area.

[*English*]

In addition, the Government has made known that it intends to make it easier and fairer for students to repay their loans, to improve assistance offered to part-time students, and to respond to the needs of the working poor, single parents and others with special needs.

In terms of increased accessibility, foreign students must also be included. Institutions as well as federal and provincial Governments recognize such students as assets and an investment in international good will. The Government has therefore recently announced the creation of 1,000 new scholarships for foreign students from developing countries, bringing the total to 7,000, no imposition of a student visa fee, and an easing of the rules about foreign students working in Canada.

[*Translation*]

Madam Speaker, university research is another area where the Government has already shown a strong political will. Several weeks ago, the Government injected an additional $11 million into this year's budget for university research subsidy councils, as well as an additional $7 million for microelectronics research in universities.

Federal Government support to these councils now amounts to $600 million a year. The Government also developed recently a matching subsidy policy to promote Canadian private sector support.

However, a tragic problem still remains, that of illiteracy. Those who can neither read nor write sufficiently to accomplish the basic exchanges of daily life are truly disadvantaged in many ways. Innumerable communications means are closed to them and they are subject to constant humiliations.

• (1805)

[*English*]

The Secretary of State, who has been designated as the lead Minister responsible for the federal Government's literacy initiatives, issued a statement on September 8 to mark World Literacy Day. In his statement he outlined various initiatives which the federal Government is taking to give effect to the commitment made in the Throne Speech concerning literacy. The Minister emphasized a partnership approach with the provinces and with groups in the public and private sectors which are involved with this crucial problem.

I see that we are approaching the end of Private Members' Hour, Madam Speaker. In view of the sense in the Chamber on the part of all Parties that the motion of the Hon. Member for York—Sunbury be referred to the Standing Committee on Secretary of State, which committee I have the honour to chair, I request that the question now be put.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Amendment (Mr. Howie) agreed to.

The Acting Speaker (Mrs. Champagne): Shall the main motion as amended carry?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Motion as amended agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

Mr. Thacker: Madam Speaker, I note that the Hon. Member for London—Middlesex (Mr. Clifford) is out of the Chamber temporarily. Perhaps we could proceed to the next question on the adjournment debate and deal with the Hon. Member's question at the end of the late show.

TRADE—FILM DISTRIBUTION INDUSTRY—FILM IMPORT LICENSING/BOOK PUBLISHING INDUSTRY

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I am rising to continue discussion on a question regarding film distribution and free trade which I raised in the House a short while ago. Members of the House may recall that there was a task force on film distribution. We have a situation in which most Canadians, when they go to the cinema, watch American films. Some 97 per cent of the profit of film distribution goes outside the country to the United States and is reinvested in film production. Canadian films are not being shown. The money from film distribution that you and I pay when we go to the movies is not going into Canadian film producing, hiring Canadian writers, directors, actors, and technical people, but is going to the United States, to Hollywood, and providing jobs there.

• (1810)

Those facts have been known for a very long time, and as a result of this the Liberal Government preceding this Government was afraid to do anything about this. This Government had a task force on the subject, and the Raymond-Roth report came out a couple of years ago recommending a system of Canadian ownership of film distribution.

The Government was not quite prepared to go as far as Canadian ownership in film distribution. It preferred to think that the task force had not even recommended that. However, it did agree to bring in a Bill on film distribution that would make it a little easier for Canadians to get into the industry and have more control over film distribution in Canada. Mainly this would be done by a system of licences for film importing.

A Bill to that effect has been prepared. It is in the Department of Communications. I have seen a copy of it. It has been circulated, not properly, but it is around. We know that the work has been done, a Bill has been drafted, yet it has not been introduced. Why not? It so happens that in discussions on free trade this is a very touchy matter.

The President of the United States is a former actor, and he has been defending his friends in the film industry who would like to continue to milk Canadians of all their profits from film distribution and have them go to Hollywood instead of Toronto, Vancouver, Montreal, Winnipeg, or any other places that produce films.

We would like to see more production in Canada. But it seems that film distribution has been a sacrificial lamb for the free trade discussions. If the Government had kept its word on culture and free trade, there would be no section on culture in the free trade agreement at all. In fact, there is a section, it is not a very long section, but there is one. It seems that the Bill on film distribution has been sacrificed to get some accommodation from the Americans on free trade and culture.

I remind you, Madam Speaker, that culture was on the bargaining table, and there were give-aways; there were give-aways in periodical publications, and there were assurances that Canada would not take further so-called protectionist measures to add to the list of trade irritants. What seems to be protectionism for the United States is for us absolutely vital in order to have independent cultural industries at all, because we do not have the same market size as the Americans do to appeal to. We must have our own particular measures to ensure that our industries are fostered, and Canadian artistic and creative people get jobs in Canada.

It is with some dismay that I learned that the Minister is still saying that the Bill will come in. In documents that have come out from the United States there have been comments that, in the free trade arrangements and the negotiations, the Canadians agreed to solve the problem of Jack Valenti of the American majors. His problem is that he wishes to keep that 97 per cent of profits from Canada and keep us down to 3 per cent, instead of having us increase and coming more and more to manage our own Canadian film industry, and have the money from movie-goers go to provide more jobs for Canadian creative people.

If the free trade agreement had excluded culture completely, we would not have had this in the synopsis. The United States recognizes the importance to Canada of maintaining its cultural identity. However, at the same time the United States wants to ensure that Canadian cultural policies do not constitute a discriminatory and unnecessary barrier to U.S. trade. They call it discrimination. Our promoting Canadian culture to them is discrimination, and Canada agreed to that. Recognizing Canadian sensitivities, the United States has agreed that certain cultural areas are not subject to specific provisions of the agreement. However, others are. Printing is, and we have seen measures in book publishing to have printing done in Canada, for example, in the case of Ontario, where books cannot be bought for school boards that are not authored and printed in Canada. This kind of arrangement

would now be illegal under the free trade agreement. It would certainly mean a loss of jobs in the printing industry.

• (1815)

The agreement continues:

> For its part, Canada has agreed that cultural measures it takes will not impair the benefits the United States would otherwise expect from the provisions of the agreement.

There is a provision for compensation if Canada should do that. In short, Canada has agreed, in the cultural negotiations as part of the free trade agreement, to give up certain rights in cultural areas and that if the Government takes action in the future—and we would want it to take action—we would have to expect retaliation. In other words, we would be agreeing in advance that the United States had a case for retaliation against us, which is unacceptable. I have raised the matter before, and I will continue to raise it.

We want to see whether the Government, in good faith, is sticking to its guns on film distribution. It should bring in a Bill without delay and should make very clear to the Americans that culture is not something to be bargained away, that compensation is not appropriate, that indeed printing is a cultural industry like many other cultural industries, and that we want to safeguard our culture in Canada by using all methods at our disposal.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, as the Minister indicated in the House, the Government has stated all along that our cultural industries would be protected in any trade deal. From the outset the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Miss Carney) have said that our cultural industries would be exempt from the agreement, and indeed we have done just that.

As well, the Minister told the House on October 5 that the Government had indicated that it was prepared to create a separate market for film distribution rights and to ensure that Canadian independent distributors would have access to those rights. This intention still stands and has not been altered as part of the trade agreement. There is nothing in the free trade deal which prevents us from meeting this objective.

The Government has shown strong commitment to foster comprehensively the development of a healthy Canadian film industry, and we will continue to do so.

One problem facing our distribution sector has always been the lack of a distinct national market. The policy the Minister proposed last February will ensure that Canada is treated as a separate market.

Another problem has been the lack of adequate financing. We are very aware of the critical role distributors play in a healthy, well-balanced film industry, and we want to ensure that Canadian distributors have access to a fair share of the Canadian film market so that they can rechannel funds back into the film industry.

The Government is examining additional measures which will be of benefit to the Canadian distribution sector, and we are doing so by consulting with the film industry.

Also the Hon. Member raised a question with regard to the Baie Comeau policy on foreign investment in the publishing industry. I must repeat to the Hon. Member that cultural industries are excluded from the investment chapter of the trade agreement. Therefore, the Baie Comeau policy remains in effect.

The Minister said in the House on October 5 that not only has the Government succeeded in maintaining the application of the Baie Comeau policy to indirect acquisitions, but we have also negotiated an agreement on indirect acquisitions in the cultural industries generally. To quote from the agreement, it reads:

> Canada undertakes that in the event that it requires the divestiture to Canadians of a U.S. controlled business in a cultural industry, as part of the review of an indirect acquisition of such a business, Canada will offer to purchase the business at fair, open market value as determined by an independent, impartial assessment.

The Canadian Government will then resell these industries to a Canadian purchaser. That is a big step forward.

On September 26, 1985 the Prime Minister said the following when the Government formally undertook the free trade initiative:

> Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character—these are the essence of Canada. They are not at issue in these negotiations.

Canada has scored a great victory in its trade agreement with the United States which will be of benefit to the entire country. We have done so without undermining our cultural identity. In fact, we have protected our cultural policies and programs in the free trade agreement, and the Hon. Member should indeed be congratulating us.

• (1820)

[*Translation*]

TRADE—CANADA-UNITED STATES TRADE AGREEMENT—MARINE TRANSPORTATION INDUSTRY/DELAY ALLEGED IN PROCEEDING WITH LEGISLATION/REQUEST THAT MINISTER NOT SIGN TRANSPORTATION ANNEX TO AGREEMENT

Hon. André Ouellet (Papineau): Madam Speaker, I should recall that when reserving the right to review the provisions of the Canada-United States Free-Trade Agreement, on the matter of Marine transportation the United States Senate caught the Canadian Minister of Transport (Mr. Crosbie) with his pants down.

Indeed, on September 23, 1987, the Standing Committee on Regulations approved an amendment to the fast review rule requiring that the American Senate should approve or reject the agreement without any amendments. This means the US Senate now be empowered to amend the provisions of the agreement dealing with marine transportation. Given the

current situation the 56 US Senators and 233 Congressmen who have signed resolutions requesting that any provisions that might harm US shipping be deleted from the Canada-US Agreement, expect to convince the American administration that it should delete the provisions concerning marine transportation, for fear of seeing the whole agreement fall flat.

Judging by the second draft schedule received last week, the Reagan administration is taking that threat very seriously, much more so than our Canadian Minister of Transport who last Friday had to recognize he was powerless. Indeed, the last transportation draft provisions show Canadian shipping would be excluded from any new maritime transportation program such as the US Government supplies and goods preference.

The Canadian marine industry had planned to challenge the US merchant marine legislation, the 1920 *Jones Act*, a bill that has been there, not for 200 years as the Minister of Transport indicated Friday but since 1920, and that applies to all components of the American maritime industry. Now Canadian shipping companies are disappointed that the free trade agreement did not result as they had hoped in the drafting of a North American Jones Act which, according to Mr. Fred Pitre, Vice President of Canada Steamship Lines, would have combined the open character and flexibility of the Canada Shipping Act with the national security safeguards contained in the Jones Act.

Speaking on behalf of the Dominion Marine Association, its Chairman Mr. Norman Hall is asking that short of an overall free trade agreement on shipping, Canadian negotiators should at least look at the matter of discriminatory investment rules in the United States. At the present time an Americam shipping company can invest up to 100 per cent in a Canadian company and use a foreign-built vessel to transport goods from one port to another in Canada. Conversely a Canadian investor can acquire only 25 per cent of an American shipping company and must use nothing but ships built in the United States. Competition therefore is unfair and definitely not favourable to Canada's economy. So much for a flagrant disparity which will be set in concrete under the Reagan-Mulroney agreement.

On the other hand Canadian shipyards and their employees have every interest to ensure that Canadian shipping services be given the same protection as the American merchant marine under the *Jones Act*. Shipbuilding and Ship Repairing Association President Clarke is afraid that any softening of the protection provisions might give foreign-built vessels access to Canada, and he wants Canadian legislation to provide the same protection as the American law. Finally, the labour unions—Seafarers International Union and Merchant Service Guild—which represent 5,000-odd Canadian sailors share this point of view.

Both unions are deeply concerned that Canadian shipping activities might come under strong attack from renamed vessels operated by American equipment and crews.

While the American shipping industry was making very strong representations to prevent our merchant marine from gaining access to the American domestic market, the Government introduced Bill C-52 whose purpose was to ensure that shipping operations in Canadian waters would be the exclusive reserve of Canadian vessels.

On the other hand, when we discussed the legislation we emphasized the fact that allowing foreign shipping to become involved in marine transportation within or without Canada's inshore waters, for lack of available Canadian ships, was in fact a dangerous surrendering of marine transportation operation to foreign companies, especially American ones. On the other hand, it was perhaps still more proper to state as we did that the time was ill-chosen for this Conservative Government to introduce amendments to the Shipping Act, and that they should have done that much earlier in their term of office, that is in 1985 or even 1986. A few weeks later, the Minister of Transport indicated our view when he called for the suspension of the Legislative Committee hearings on Bill C-52 until the conclusion of the free trade agreement.

The problem now is very serious. In line with the American shipping companies' suggestions that any new act or any amendment to existing acts should provide national treatment to the other country, Canada should now, if Bill C-52 is passed, once the free trade agreement is ratified, grant national treatment to American shipping companies.

That is the problem we are facing, which means that this Conservative Government's negligence has endangered the possibility of a shipping act reform along the lines of national prerogatives, and is now running the risk of having American companies invade our marine industry because of the delays already incurred.

Last Friday the Minister, in answer to my questions, said the United States had refused to yield on some items. One of those items was marine transportation. In the worst case, the *status quo* would be maintained. But the *status quo* is unacceptable in the circumstances. All this points to the total failure of the Minister of Transport, who in the circumstances is seen as the worst Minister of Transport in Canada's history. He is famous for his jokes, but surely the Canadian transport industry is not laughing: it is shocked at this Minister's incompetence.

• (1825)

[*English*]

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, the Government has been incorrectly accused of selling out the Canadian transportation industry for the sake of a free trade agreement with the United States. Let me assure Hon. Members that this is absolutely not the case.

I find it hard to believe that preserving the status quo can be misconstrued by Hon. Members opposite as a sell-out. We are not giving anything away. We argued for the easing up of restrictions on both sides of the border. We proposed cabotage

in all modes of transport. Because the U.S. would not agree, there will be no roll-backs by either country.

We are anticipating that the agreement will result in a larger volume and a value of goods, services and people travelling in both directions. This should stimulate Canadian firms involved in transborder transport activity.

Canadian transportation firms are already competitive and they will be even more competitive under the new National Transportation Act and the new Motor Vehicle Transport Act. For several years now, Canadian trucking firms have enjoyed access to the U.S. market-place. These firms were quick to capitalize on the opportunity provided by U.S. deregulation and have successfully established themselves in the U.S. market.

In future, American carriers wishing to operate domestically in Canada will still be required to establish a Canadian subsidiary, to employ Canadians, to pay Canadian taxes and so on. It will be easier for them to obtain a licence, that is true, but in every other respect, customs and immigration laws apply as they do in the other way. In short, the same situation which has applied to Canadians in the U.S. market since 1980 will apply.

It is true that each state will be able to continue to regulate trucking within its borders. However, trucking associations which have been critical of the FTA have yet to cite even a single instance of a Canadian trucker being refused entry by a U.S. state. Not one example of this has been brought to our attention, and I would like to see one. I can only conclude from that that the problem is not as bad as they say it is.

Accusations have also been made that Bill C-18 has given American railway companies access to Canadian markets while the free trade agreement did not secure reciprocal access. Competitive line rates provisions of the National Transport Act were instituted to assist Canadian shippers captive to one railway, not to allow U.S. railways to access the Canadian market. These competitive line rates provisions can be suspended if Canadian railways suffer significant economic losses. In summary, the free trade agreement will be good for Canadians and good for the Canadian transportation industry.

• (1830)

VIA RAIL—SERVICE IN WINDSOR-LONDON-TORONTO CORRIDOR

Mr. Terry Clifford (London—Middlesex): Madam Speaker, I certainly appreciate your consideration on this very hectic day.

On May 28, 1987, I asked the Minister of Transport (Mr. Crosbie) how ordinary Canadians could have input on decisions being made by VIA Rail. Both the Minister and VIA Rail agreed that greater consultation between the corporation and the people it serves was needed.

Shortly after, on June 11, a new VIA consultative committee was established and its inaugural meeting was held in London to discuss scheduling, service, marketing, equipment allocation, and other topics of interest to both VIA Rail and the municipalities it serves. The committee felt that VIA had a real problem with on-time performance and the resulting negative public perception of VIA. VIA reacted to those concerns in a positive way which is a good example of how, by working together, good things can be accomplished. Let me give you some examples.

In the first five months of 1986, the over-all average on-time performance of trains through London was 69 per cent. In the same five-month period in 1987 the average was 76 per cent. Then the on-time performance commitment program by VIA was put in place and even greater improvements were made. For May 1 to September 30, 1987, some 75 per cent of the trains travelling from Toronto to Windsor through London were on time. For trains from Toronto through London to Sarnia it was 83 per cent. It is interesting to note that 90 per cent of the trains from Toronto to London were on time. Clearly, the consultative committees and VIA working together produced a good result.

Given that, I wonder why the program was discontinued at the end of October. Perhaps even greater gains could have been realized had this program been maintained by VIA.

Another problem that the committee recognized was frequency of service. Both lines north and south of London have asked for a late train from Toronto. To date neither request has had a positive result. We cannot even get a late night train for weekend travel from Toronto to London and cities beyond. The committee has experienced some frustration there.

A new first-class service, VIA-1, was introduced in October and it has received very positive response in our community, particularly on the morning train. We have also realized very positive passenger trends recently. In southwestern Ontario passenger use is up 5.8 per cent over all this year, and on the Toronto-London-Windsor corridor it is up 11.7 per cent. It is very encouraging to see that VIA is listening to these communities and getting things done.

The most travelled corridor in Canada is the Windsor-Quebec City corridor. The City of London representative asked why the new equipment which VIA was able to get as a result of the actions of the Government would go to unprofitable runs, namely the transcontinental runs, rather than to the most travelled corridor in Canada where the prospects for profit were brightest. Why were we shut out? The London committee was quite concerned about VIA's action in this area.

• (1835)

More LRC equipment is not available because an LRC updating program is in progress. They are fixing locomotives which are relatively new. Some of the locomotives on our run are 30 and 40 years old. The newest ones are all in a major repair program and we are still waiting for the equipment

which we were promised. Therefore, the committee is very disappointed in the equipment allocation to the most travelled run. If we are ever going to make money on trains it will be in this corridor.

We are encouraged to hear from VIA that new state-of-the-art F-40 locomotives built at General Motors Diesel in London, Ontario—which is one of the jewels in London—Middlesex—are hopefully going to be added to this line in 1989. This will, no doubt, improve on-time performance.

The senior citizens of Canada are concerned as well. They have told me that they want to travel by train. They live in London and have a family in Toronto, for instance, or they just want to take in the sights. However, no one wants to confront the stairs at Union Station. The stairs are a worrisome obstacle, not only for older people but for parents with baby carriages and for practically anyone with luggage. I hope VIA Rail will install, with the urging of the consultative committee, an escalator in Union Station to make it a little easier to take the train.

The same problem exists for the disabled. They are finding it difficult to use the trains. More people would take the train if the services existed and were advertised.

The consultative committee is encouraged by the improved marketing through joint tourism promotions and advertising which should benefit both the municipality and VIA Rail. However, before the committee gets too involved with increasing ridership, it should understand that they are losing some of their potential customers. It is very important to advertise.

VIA has done this by designating London as the "National Getaway Centre". VIA's computerized reservation system will contain pertinent information on the events taking place in London as well as on hotels, et cetera. VIA reservation clerks and agents will be able to access this information in the computer. This program will be of great benefit to Canadian and American tourists. The City of London is looking forward to the exposure.

If the committees can continue their work and the Minister monitors their reports, we will be able to work together to get a train system which works. The infamous Mussolini made a train system which worked in his country and surely we can do that in Canada.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, with respect to the question raised by the Hon. Member for London—Middlesex (Mr. Clifford) concerning rail passenger services in southwestern Ontario, I wish to point out first that, as the Minister indicated to the Hon. Member last May, a new consultative committee has been set up by VIA for the London area. It has met and is meeting again this Friday.

I understand that the Hon. Member is part of the committee as well as a member of the North Mainline Route Committee which concerns itself with rail passenger service between Toronto and London through Stratford. If he performs on that committee as he does on the standing committee, I can assure you that he gives the people of that area first-class representation.

I further understand that VIA's fall schedule changes, which are to go into effect on November 29, were the subject of extensive discussions with committee members. As a result of representations from the committees VIA agreed to shift the departure time of the last train on the Toronto-Stratford-London route from 1915 to 1810 to accommodate the needs of most of the users.

A subcommittee of the Northern Mainline Route Committee has been struck to consider marketing, frequency, and further schedule changes. It will report back to the full committee at its next regularly scheduled meeting.

I would like to take this opportunity to comment on the success of new marketing and customer service initiatives that VIA has put in place. A new upgraded VIA-1 first-class service, which was introduced on September 8 throughout the Quebec-Windsor corridor, has met with rave reviews. In mid-August VIA introduced student fares throughout the VIA system after a successful trial.

Because of the renewed commitment to VIA Rail services which the Government announced in May of this year, VIA is able to undertake an extensive program to refurbish VIA's existing equipment which represents a tripling of its budget for such work. This is in addition to the capital investment approved for equipment in terms of the train car modernization program and the acquisition of more new locomotives.

As to the latter, VIA has finished taking delivery for the first order of 30 locomotives at a cost of $75 million. The locomotives were built by General Motors Diesel Division in the city the Hon. Member represents. Contracts for the second order of 26 locomotives are expected to be awarded shortly and GM is one of the firms which will get the contract. VIA is still reviewing its plans for the deployment of the locomotives.

All of these initiatives in respect of equipment, together with the new maintenance facilities, should greatly enhance the reliability and attractiveness of VIA's services.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.42 p.m.

HOUSE OF COMMONS

Tuesday, November 24, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF FIFTH REPORT OF THE CANADIAN GROUP OF THE INTERPARLIAMENTARY ASSOCIATION

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 101 I have the honour to present to the House the Fifth Report of the Canadian Group of the Interparliamentary Union, the report of the official delegation which represented Canada at the Seventy-eighth Interparliamentary Conference in Bangkok, Thailand on October 12 to 17, 1987. The report is tabled in both official languages.

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

* * *

[*Translation*]

STRIKING

PRESENTATION OF FORTY-FOURTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the forty-fourth report of the Striking Committee.

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

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QUESTIONS ON THE ORDER PAPER

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT

Ms. Marion Dewar (Hamilton Mountain) moved:

That this House condemn the government for its signing of a trade agreement with the United States that, amongst other things:

(a) fails to consider the disproportionate effect on women, and especially the loss of jobs in the service sector where women are concentrated;

(b) will give up provincial control over energy resources in a continental energy market; and

(c) fails to allow for adequate consultation with Canadians in all provinces and territories before committing us to profound changes not only in our economy, but our political sovereignty, cultural distinctiveness and generally, our ability to run our own affairs.

She said: Mr. Speaker, it is not with very much pleasure that I rise to speak to this motion this morning. As a matter of fact, it is with lament and concern about what is the future of my country.

When we talk about any type of economic strategy for Canada, we must talk about an economic strategy for women. Sixty per cent of the jobs in textiles, shoes, and leather are held by women. We recognize that this will take massive readjustment.

The whole debate that has taken place on the accord is something that is of great concern because of the direction that it has taken. Often we say that this is a great new way for Canada to open up its doors, but what we are really looking at is a massive change in direction socially, economically, and politically in our country. I do not think that this Government has the mandate to do that without any discussion with the Canadian people.

The whole episode of the hearings yesterday in Vancouver demonstrated that a province as large as British Columbia, with as many resources as Vancouver, was treated as if it did not count. It was calculated that one group received 10 seconds to be heard. That is not the way that we have conducted business in this country. It is not the way that Canadians wish to be heard. We do not like our participation being treated as an insult to our intelligence, that we cannot understand it and are not capable of participating for more than 10 seconds.

• (1110)

One thing at which we must look very seriously is that we have always displayed a great deal of participation when it comes to some kind of new direction. When we talk about participation—and we do not even have the final text in front of us—we know that hundreds of thousands of women's jobs are threatened. At the same time we do not even have time to critique it in detail, because the Government refuses to give us that detail.

It is very interesting that the Macdonald Commission travelled across the country and spent many years and hundreds of thousands of dollars looking in depth at what would be the future economy of the country. It heard repeatedly that the main issue in Canada was employment. It wanted to know that jobs were possible, that employment was possible. The Government chose to ignore it, and the Macdonald Commission came out with a recommendation to go for some kind of an agreement with the United States which would tie us more heavily to the direction the United States was taking. This morning I would like to look particularly this morning at what are the implications of the studies which have been done and, more importantly, the studies which have not been done, on the effects of the whole agreement. We feel very strongly about an agreement in the service sector. I think it is important to recognize that there has never been any kind of free trade agreement in the service sector with any other country.

Mr. McDermid: You are absolutely right.

Ms. Dewar: Of course I am right. When the Economic Council of Canada did its study, it did not take the service sector into account, because it said that there was no way that that would be a component of it.

Mr. McDermid: It has it on its agenda.

Ms. Dewar: Yes, it has it on its agenda because the Government put it on the agenda. We know what are the implications of that.

I am always very interested to hear members of the Government talking about the service sector. They say that hairdressers or schoolteachers are not going to move from one country to another.

Mr. McDermid: Who said that?

Ms. Dewar: I have heard many members of the Conservative Party say that.

Mr. McDermid: Name one.

Ms. Dewar: As a matter of fact, the very same thing was said at the committee last week. Perhaps members of the Government do not understand what is the service sector. It includes data processing, data collection, and banking. Some of the things at which we look in the service sector not only implicate a lot of jobs for women, but they also implicate a lot of jobs and flow of information in Canadian security.

We must recognize that as early as 1976 the Canadian Government was beginning to sense that the free flow of information across borders could be a threat to our sovereignty. We also know that under the Bank Act we have insisted that that information be collected on Canadian grounds. It is very important from a privacy of information point of view, as well as the need of our own economy, to have some kind of dependence. It has been well established that free flow of information increases dependence on another country instead of increasing our interdependence, and there is a big difference in those two approaches.

[*Translation*]

It is very important, when considering the outcome of free trade, that we should review the impact free trade will have on women. We already know that the industries where jobs are most threatened are those which employ mostly women. In such industries as textile, clothing, leathergoods and footwear, where jobs are held mostly by women a massive job loss is to be expected.

According to a study carried out in Ontario, this province alone will lose over 100,000 jobs now held by women. But it is quite clear that this phenomenon will not be limited to Ontario. In the province of Quebec, the textile industry is a major employer of women. By signing the free trade agreement now before the House, the Conservative Government is depriving these women of their means of existence and permanently reducing their standard of living.

These women will not be easily retrained and returned to the labour market. Most of the women working in manufacturing industries are older women. What will the Conservative Government say to these Canadian women who, unfortunately, do not have the flexibility expected of them? Does the Government seriously think that these women, having worked for many years in a plant and acquired only the skills connected with their jobs, will gladly accept to lose their jobs as a show of support for this free trade deal!

What will the Government say to all the immigrant women working in industries which are being threatened by the Reagan-Mulroney Agreement? These women are often at a disavantage because of linguistic problems which will have a negative effect on their retraining. Because of their generally lower level of education they will not have access to many fields of activity in the labour market. These women have families to support; they cannot afford to remain unemployed for very long. Up against such insurmontable odds how will they be able to get into a retraining program?

This Government must consider the retraining issue as irrelevant, because it has failed to include in the agreement any guarantees for women who are likely to lose their jobs. We are still waiting for retraining programs which are supposed to help the Canadian men and women who will be the losers as a result of the Reagan-Mulroney Agreement. How long will these women have to wait before they can again support their families?

[*English*]

It really is quite a shock when they talk about readjustment programs and when I have heard Mr. Lipsey say that of course there will be higher paid jobs and ask why women are worried about lower paid ones.

Single parents are looking at the future implications on their families. Some are using all their energies today to survive. They recognize that with just some signatures and a lot of fanfare suddenly their ability to earn a living, to feed their children, and to live in their communities with some dignity, is gone. That is the kind of thing the Government is doing to the people of Canada.

More than that, we are talking about something which is very ethical—the ethics of participation in terms of allowing the people of Canada to know what is their future. It is all very well for members of the Government to say that there has never been a free trade agreement in the service industry. However, they have not bothered to study it. Nor have they bothered to say what are the implications for the people in that industry.

The flow of information going from Canada to the United States is higher than that flowing from the United States into Canada. We also know that American corporations made a decision last year to do all their production scheduling and evaluations out of their American headquarters. We also know that in one little office in Brantford the jobs were reduced from 23 to 5. That is the implication for company after company. Those are the kinds of things which need to be looked at, but government Members do not talk about them.

I am a little tired of hearing about the effects of the free trade agreement on Ontario. I cannot believe that government Members really do not understand what is the Auto Pact. The Auto Pact involves protection for equal partners in an agreement. There is no suggestion that that kind of fairness will take place in the service industry. There is no suggestion that the jobs and lives of women implicated in this regard will have any kind of protection; nor have they bothered to study it. That in itself is unethical and wrong. It really says that they do not count.

If we listen closely to the debate, we hear them saying that the market forces will be the ones to direct it. We all know what the market forces can do and how vulnerable people become in that regard. However, what worries me more than that is that when we talk about market forces and supply and demand, we are really talking about people's lives and their futures as commodities, and that if they do not fit into it we will just dispense with them.

• (1120)

What do we come to, Madam Speaker? We come to the survival of the fittest. It means that competitiveness is the first priority. Then you dispose of any human being who does not fit into that category. It means profit only for multinationals. That is basically what we are talking about, but that is not the character or the direction of the country.

In the 120 years of our history we have said very clearly that there is a potential for us to do something different. We are smaller than our neighbours south of the border. We want to be good friends with them but we want to do things our way with our ethic and value system. Because we want to do it our way with our own ethic and value system, it helps the Americans to be different from us and it helps us to be different from them. With that we are both strengthened.

This new foolish, foolish agreement before us—at least what we have of it because all we have is a "no-review", and we have no detail—is saying that the only way Canadians will survive economically is to tie ourselves firmly and strongly in one direction and that is south of the border.

Just think for a minute or two about data flow, information flow. If that starts to flow back and forth north and south with no regulation, and that seems to be the implication here, it means that data processing and computer people will be setting up their offices in the United States to serve companies in Canada. If that is not foolish, Madam Speaker, I do not know what is.

It seems to me that that kind of thing has not been looked at very closely. We seem to be hearing that that will be dealt with later. We have to think what transfer of information means today and what data flow is all about. It is communication across the country which has been built with a lot of subsidies and a lot of people saying "Yes, we want to build a country". We did it with the railway. We have done it with the airlines. We can do it with information flow with the technology of the 20th and 21st centuries but not if we give it all away which is what can happen with this agreement.

I heard that the Minister of Communications (Miss MacDonald) had spoken to Conservative women a year ago saying that she wanted women to get involved in data processing and the new technology so that in 20 years from now they will be able to contribute as equal partners in the economic society. They will not be able to do that if we lose all our high technology data processing, a threat that is very real.

Before we implement this kind of an agreement, studies better be done. Will we lose control over our own information? We have so often allowed that to happen in the past. We allowed the Americans to go through our waters and we had to put up a Canadian flag to let them know that they belonged to us. Will we be in that kind of a situation when we transfer all our data flow and information north to south instead of east to west?

This morning I said that it was with great concern and lament that I rose to speak. My lament is that we are debating this matter in the House of Commons when Canada is looking at who it is and what its identity is. Abruptly we hear, "You better hurry up, Canada, if you want to retain that identity and you better get involved because the Government will not

let you". The Government will give 10 seconds to people to present briefs. What about the final text, if it ever comes out while the hearings are on? We hear that it is delayed again.

How can any Government of this country treat its citizens with such condescension and such lack of respect? We have a history of saying that people are important, that we respect the dignity of individuals and groups, but we are no longer saying that. We are saying that the only thing important is multinational profits.

When you look at the briefs coming into the committee, Madam Speaker, and you see the kinds of people supporting free trade, it is clear that this Tory Reagan agreement will help the multinationals. There will be no respect for the dignity of the worker, the culture and the social futures of our country.

The things that we care about and that we have been able to build collectively have been very precious to us. When we criticize the agreement we also have to say what are we going to do. Some people have asked whether we are going to stay with the *status quo*. I do not think anyone has said that the *status quo* is what we want. If you look at the great free market, what happens is *ad hoc* short-term business decisions. There is no ability for long-term planning. We have seen what France and Sweden have been able to do. Canada itself can get into some-long term planning with diversification of trade. Canada will never do that if we tie ourselves to only one goal and only one trading partner, that of the U.S.

It seems to me that we are on the edge of some great opportunity. Let us not blow it. Let us go ahead with the kind of vision and future of our country that our 120 years history has given us. Let us not change direction now.

Mr. McDermid: Madam Speaker, I will be taking part in the debate later on and will refute a number of assertions which the Hon. Member has made in her speech. I want to congratulate her and thank her for bringing this motion to the floor of the House of Commons. We are finding that the more the facts are laid on the table, presented and explained to the people, the more they understand and support the agreement. We thank the Hon. Member for Hamilton Mountain (Ms. Dewar) very much for the opportunity given us today in the House of Commons.

In 1945 the average tariff rates were 45 per cent. The average tariff rates today are 9 per cent. There has been a liberalized trade movement going on for quite some time. In that period of time, have we become less Canadian or have we become more Canadian? Have we become a weaker country or have we become more proud of our country and stronger because of that? Has prosperity followed the reduction of tariffs or has poverty set in with the result that our country is going to hell in a hand basket as some of the socialists would have us believe? I ask that of the Hon. Member because the trade agreement is following a pattern that has been going on for years.

Mr. Rodriguez: Not so.

Ms. Mitchell: You don't know your own Bill.

Mr. McDermid: In the last 40 years that these tariffs have been coming down, what is the Member's vision of Canada in that period of time? Why is she so afraid of the future?

Ms. Dewar: Madam Speaker, I thank the Member for the question. It is very important that we clarify the information coming out.

Certainly tariff rates have been reduced. We have had a better country for it and we have had better exchange for it.

Some Hon. Members: Hear, hear!

Mr. Gustafson: You are a free trader.

Ms. Dewar: Therefore, I think we would like to continue doing that instead of what is in this very foolish agreement. We have said that we will allow the countervails to continue and allow the non-tariff barriers to be there. We also say that we want the U.S. to decide with its laws how we will trade with them. That makes us much less Canadian.

We need to start looking at what we do well, plan and take a direction that is positive that can make Canada second to none in the world. I have great confidence in Canada and in Canadian workers. We do not have to give our country away to trade with others. The Hon. Member will recognize that the reduction of the tariffs has been something with which GATT has agreed, as well as the United States and Canada. We know the fishing complaint against Canada was lodged by the United States. The decision against our fish processing came out in the last week and that is something that was caused by the Americans complaining about Canada, because we were able to compete so well.

• (1130)

This agreement has not changed anything. The countervails can still exist. There is no dispute mechanism. There is a phoney five-person board set up to advise—

Mr. McDermid: Be honest.

Ms. Dewar: I am being honest and I am really upset that the Government would even put before the Canadian people the claim that that is a dispute settlement mechanism. There is no dispute settlement mechanism in the agreement. We have really just asked the Americans what they want. We have said, "Uncle Ronnie, I guess what you really want is all our energy, so come and get it. Maybe you would like to buy a little more than you have been able to buy in the past so come on in and buy it all".

Mr. McDermid: Be sensible, Marion. You are being absolutely untruthful.

Ms. Dewar: I am not, I am being very honest. That is not untrue. The Hon. Member would know that if he read the overview I read. I like handing it out to people in my office because the Conservative package is the best propaganda package for people to read. When people read it, they say, "They wouldn't dare do that to us," and I say, "Yes, they did it to you. They are trying very hard to do it to you".

Ms. Copps: Madam Speaker, I would like to address one of the areas of the motion that I believe is a statement in which all Canadians believe. We heard government Members saying that they want a full debate and all kinds of consultation. We know that in fact they are ramming this thing through by travelling only to provincial capitals.

I know the Hon. Member also represents Hamilton and I am sure she would agree with me that in Canada's industrial heartland, in Red Deer and in Estevan, the people deserve to have a say. I would like to see the trade committee come to Hamilton to hear firsthand what happened to the workers at Firestone.

The Hon. Member for Brampton—Georgetown (Mr. McDermid) has been railing and ranting. The fact is that the Prime Minister (Mr. Mulroney) is setting his timetable and the Canadian agenda because he wants to have his picture taken with the President of the United States on January 2.

Does the Hon. Member not think that it is outrageous that the Canadian people who live in places other than capitals of provinces will not have a chance to participate in this debate? I am not referring only to the effect of the trade agreement on women or to the continental energy plan. In particular, if the Government really wants a debate, why is it trying to ram it through before January 2 just so that the Prime Minister can have his picture taken with the President?

Ms. Dewar: Madam Speaker, I would like to thank the Hon. Member for her question. It is so true that the area of the country we represent is a highly industrialized area. If one reads only what the Prime Minister (Mr. Mulroney) and government Members have been saying, one would think that the people there all support the agreement. There have been all sorts of recommendations made to stop this agreement quickly because the workers are feeling—

Mr. McDermid: How about the steelworkers' union?

Ms. Dewar: The steelworkers are saying that they do not want to be a part of this. The Firestone workers know what it is like to have decisions made outside Canada when 1,300 jobs are involved.

Government Members are talking about participation in a major new direction for Canada. However, what is really happening is that government Members are dropping off for a day here and day there waving the Tory flag and saying: "You have just participated, now I will take this down to Washington and plant it there". It seems as though government Members are terrified to hear from the Canadian people because they know that our roots are deep, our culture is strong and we are sick and tired of getting sold out.

I hear that the committee even has to travel on an inefficient aeroplane. The Government does not think it is even worth it to give committee members decent transportation. Government Members want to say that the committee flew across the country, listened to certain groups for 10 seconds and that is the end of it. That makes a real farce of citizen participation. It makes a real farce of them saying that they have any sense of what is happening and of how Canadians feel.

Mr. St. Germain: Madam Speaker, the Hon. Member for Hamilton Mountain (Ms. Dewar) began her speech by speaking of the Macdonald Commission. She praised the Macdonald Commission and said that it advocated jobs for Canadians. That is correct, it did advocate jobs for Canadians, but it also advocated very strongly a free trade initiative with the Americans.

Donald Macdonald who headed the commission is one of the greatest proponents and supporters of this initiative. He knows what is going on in Canada. He went across Canada and studied the situation and established the needs of Canadians.

That remark of the Hon. Member is in itself contradictory. The Hon. Member comes from the central part of Canada. We westerners have faced unfair tariffs because we have not had an agreement that would deal with things like the shakes and shingles situation. Those very Members with whom the Hon. Member is sitting waved goodbye when we ran into the problem of an unfair tariff on shakes and shingles. It was NDP and Liberal Members who said that we could not resolve the problem.

When the agreement was signed, the Minister for International Trade (Miss Carney) dealt with this very issue in a way that is satisfactory to the industry. If an agreement had been in place to deal with this situation, there would not have been that unfair tariff on shakes and shingles. This has been clearly stated by the industry.

Would the Hon. Member tear up the agreement if she was put into a position by her Party to do so?

Ms. Dewar: Madam Speaker, I thank the Hon. Member for his question. Obviously he does not know that the countervail on shakes and shingles still exists. Countervails can be put against any other industry as well. This agreement does not protect us from that.

I did not compliment the Macdonald Commission. I stated for a fact that the Macdonald Commission spent $10 million travelling across the country looking at the economy and consistently heard that the first priority was jobs. It commissioned 72 research papers and not one of those papers dealt with the service industry.

The Hon. Member should do his homework if he wants to ask those kinds of questions. This issue is too deep for us to be

superficial about it. I think it is important that we get a sense of it.

Mr. McDermid: Would you tear it up?

Ms. Dewar: No, we have not seen it. Could I tear up the air? The final—

The Acting Speaker (Mrs. Champagne): I must interrupt the Hon. Member. The time for questions and comments has now expired. Resuming debate with the Hon. Minister of State for Privatization (Mrs. McDougall).

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Madam Speaker, in keeping with this debate, I am also the Minister responsible for the status of women.

Let me begin by saying that I am very interested in the fact that the Hon. Member made a 20-minute speech and did not refer to women very much. She spoke a lot about consultation. Let us just put this to bed. There was no consultation on the Auto Pact, there was no consultation on the Tokyo Round, there was no consultation on the Kennedy Round whatsoever. The Macdonald Commission did a lot of work on free trade which is part of—

Ms. Mitchell: What are women saying about it?

Mrs. McDougall: I will get to that because it is really important. I will talk about women and I will talk about opportunities for all Canadian men and women. This Party and the women of Canada believe in opportunity. That is something in which the NDP does not believe.

This agreement is designed to prepare Canada for the next century, to ensure that our industries can grow from their Canadian base, to encourage new investment in world-scale Canadian enterprise, including Canadian investment as well as foreign, to create a framework for co-operative relations between Canada and our most important trading partner and to set up a bilateral precedent for further multilateral trade negotiations. That is good for women.

[*Translation*]

Recognition of the fact that trade between Canada and the U.S. should be governed by a set of regulations, not by politics, is the cornerstone of this Agreement. A joint Canada-U.S. committee that will act as a compulsory court of appeal in settling trade disputes, and a commitment to negotiating new trade legislation over the next five years should provide adequate assurances for investors and business people in both countries until the end of this century and throughout the next.

Although the Agreement acknowledges a certain form of economic interdependance, it respects our social and political differences. From the outset, the Prime Minister (Mr. Mulroney) defined a set of important principles as guidelines for the agreement. Our political sovereignty, our network of social programs, our efforts to deal with regional disparity, our distinct cultural identity and our specific linguistic character, which together make up the very essence of this country, would not be negotiable.

Those commitments were made by the Prime Minister before the talks started, and they were met. The conclusions of the Agreement show that despite the unfounded fears of some of its opponents who maintained that free trade would be a threat to institutions and programs that help define our Canadian identity, none of these programs was ever on the table for discussion or changes prior to reaching an agreement on free trade.

• (1140)

[*English*]

Since the agreement was signed the Opposition has subjected Canadians to all sorts of conflicting myths concerning what the agreement is all about. It is only 11:40 a.m. and we have heard all sorts of that this morning. We have been hearing alarmist talk about the devastating impact on ordinary Canadians, women in particular. That is absolute nonsense and I am going to set the record straight.

Some Hon. Members: Hear, hear!

Mrs. McDougall: Canada is a trading nation, has been since before it was founded, and fully 80 per cent of all our exports go to our neighbour to the south. Part of this growth in trade with the Americans took place while the Party opposite was trying to expand our multilateral trade. With not much success, I might add. We are continuing to pursue that option.

Hundreds of thousands of women's jobs directly or indirectly depend upon our access to the U.S. market. Secure and permanent access will mean increased opportunity for economic growth in Canada and additional jobs. That is what we talk about. Jobs for Canadian women as well as men. Our productivity will rise because of increased economies of scale since we will have unimpeded access to a market of 270 million people. Wages should also rise under that scenario. It has always happened when there has been an expansion of trading opportunities, and women will benefit from increased earnings.

Let me go into one particular myth coming from the Province of Ontario. That Government released a study entitled "The Free Trade Agreement and Women". A day before that study was released one of the Toronto dailies ran a front-page story saying that the Ontario report predicted 100,000 women would lose their jobs because of free trade. That is pretty scary stuff, I agree. It is also incorrect. One should take the time to look at what that report says and how the conclusion was reached. We have examined it pretty closely and the study does not support the conclusion. Remember when you took high school geometry and you had to have a conclusion. This report goes from hypothesis to conclusion with nothing in between.

The report did not say that 100,000 women would lose their jobs because of free trade. It said 100,000 women were

employed in Ontario manufacturing industries which are sensitive to a reduction in tariff barriers. The study focuses on footwear, textiles and clothing because they have high tariff protection. Right! What it does not say is that tariffs are not being dropped against low-wage countries which are the main source of import competition for Canadian firms. That is very important because our competition comes from offshore suppliers rather than the U.S.

It does not state, *vis-à-vis* the U.S., that Canadian producers have been holding their own, expanding sales in the U.S., and are looking for more opportunities to do so. It does not say that the Ontario study was based on a one-time rather than phased-in removal of tariff barriers.

[*Translation*]

No mention is made of the fact that another report, prepared at that time for the Canadian Advisory Council on the Status of Women by Katie Macmillan of the C.D. Howe Institute, reached conclusions that were the exact opposite: Female workers, especially in the services industries, will see a major increase in job opportunities as result of free trade—the kinds of manufacturing jobs that are threatened by free trade are those that have been known for some time as offering the lowest salaries, difficult working conditions and very limited career opportunities.

[*English*]

The Ontario study also does not say that the textile industry, those who make the investment and employ these people, is very confident in its ability to compete given the phase-in period.

Let me just say that women tend to feel disadvantaged in labour markets. Not just in Canada but in most places. They are very concerned with possible adjustments arising from free trade. However, there are two kinds of adjustment. Let us deal with the first, because our Government takes women and their concerns very seriously and we have a record second to none in that respect.

Unlike the former Government, which did put labour adjustment in the Auto Pact and there is no question about that, although it had nothing else, we already have programs in place to help workers make the necessary adjustment, whether it be through language training, skills upgrading, or whatever. There is a transitional period of 10 years in many industries to allow businesses and workers to make the necessary adjustment.

The second kind of adjustment is opportunity, and that is a major outcome of free trade and something the NDP never mentions. Most women who may be affected will likely move to equivalent or better jobs in those industries which will be expanding because of free trade. Free trade will provide new opportunities for women rather than locking them into low-paying work ghettos.

Some Hon. Members: Hear, hear!

Mrs. McDougall: The Opposition never thought these jobs were so great before. They used to talk about the same kind of thing, the low-paying job ghettos. I am concerned that trying to preserve the *status quo* in certain industries will merely preserve those low-paying work ghetto jobs. It is short-sighted and serves to shield women from the potential benefits of economic growth by burying them in occupations where their incomes will continue to lag behind those of men. The best thing that can happen to women is prosperity, growth and opportunity. What they are talking about over there is not my idea of equality and progress.

Many critics of the agreement have failed to recognize that there will be strong growth in the service sector. The Hon. Member gave us her whole misery piece on the service sector. Let me just tell her what some people in the service industry are saying. These are not big multinational corporations, these are local Canadian businesses. Chris Gee, President of the Canadian Association of Management Consultant said, "I'm very, very excited. With our world class expertise and our Canadian structures, I think it can have a blockbuster impact on our clients and our profession."

Sandra Besserer, Vice-President—that is a woman, by the way—of the Machinery and Equipment Manufacturers Association of Canada said, "Our members were complaining—" these are her words, not mine, "—like hell about the problem of service people crossing the border." That will be corrected with free trade.

[*Translation*]

Raymond Lafontaine, President of LGS, a computer and office automation consulting firm, said: "The Agreement in principle on free trade is a positive one. It will make it easier for Canadians in the services industry to work in United States . . .

[*English*]

Forget about all us politicians in the little hothouse we run here in Ottawa. Canadian men and women out there doing the work see this as the key to the future of their industry and their employees, many of whom are women.

The service sector has been the most rapidly-growing sector in the Canadian economy, creating eight of 10 new jobs over the past 10 years. This sector will continue to create opportunity for the employment of women in a wide range of jobs demanding a variety of skills. Many women are now employed not only in the retail and personal services industry but also in telecommunications, health, computer services, and financial services.

• (1150)

In 1986 Canada's service sector accounted for 76 per cent of all employment. That is a phenomenal increase. At the end of World War II it was 40 per cent. This is an exciting opportunity for Canada and Canadians because all indicators point to the continued growth of this sector in Canada as in other

developed and developing countries. However, Canada has a good lead.

Services growth, particularly commercial, tradable services, are expected to outpace growth in the goods-producing sector. A free trade agreement is expected to accentuate the service sector growth thus increasing job opportunities, particularly for women who make up more than half the labour force in that industry.

[*Translation*]

Flexible working conditions in teaching, retail sales and the health industry are particularly attractive to women who are re-entering the labour marker or who are trying to strike the right balance between a career and their family commitments.

The number of women on the labour market has increased 42 percent between 1976 and 1984, while most of the new jobs created were in the service sector. Women now make up 43 percent of Canada's labour force. Their labour market entry rate is one of the highest in the world, and there is every indication this trend will continue.

[*English*]

The average salary for women in the services industry is higher than it is in the manufacturing industry. Therefore, those jobs will be good for women. Do not forget either that women now own one-third of Canada's small businesses. They could not do that under an NDP government. This figure represents a 100 per cent increase over the past 10 years. Not only are the numbers increasing, but the success rate of women, as could only be expected, is almost twice that of men.

Simply put, women are half the talent and half the human resources of this country. It makes economic sense for them to be able to utilize their economic capacity and to have choices and opportunities. When women do not receive a fair return on their labour they do not participate equally in all sectors of society and all of us, men as well as women, are losers. There is no room for that in the Canada which we envisage for the future.

Yes, we do need training to take advantage of those opportunities. We need education and training systems and we are providing them to expand the occupation and career options of women. The Canadian Job Strategy is the first program which provides non-traditional help and skill enhancement to ensure that women have not only keyboard skills for the service industry but have accounting and management training so that they can turn those keyboard skills into something else. There are, of course, women in low paying jobs. The Government will ensure, as it has from the beginning, that they are looked after.

All Canadians, men and women, are ready to face the 1990s and the new century. Every time a key is turned in the door of a new home or in a factory that confidence is shown. Every time a kid passes an exam, goes into a post-graduate course, or takes an apprenticeship course, and every time a young couple gets married, Canada is helped and we become more confident in our future and reflect that confidence. Every time a new family chooses Canada as its home that confidence grows.

As a country our future is what we make it. We want to create the opportunities, co-operation, and regional development that is so important to us as a nation. It makes me so angry that the two opposition Parties always treat women as though they are down-trodden and victims. Women are contributors to this country.

Some Hon. Members: Hear, hear!

Mrs. McDougall: They are participants and contributors and must have an equal opportunity to contribute to our future development as well as to share in our prosperity. It is to Canada's benefit that they succeed. I respect their ability to do so and I will help those who cannot.

Some Hon. Members: Hear, hear!

Mr. Allmand: Madam Speaker, in her remarks the Minister accused the Opposition of putting on the floor in this debate conflicting myths. I believe that is the term she used. I would like her to explain some of the conflicting myths put forward by Ministers and government Members in this debate.

On October 5, in a speech to the Export Association of Canada, the Prime Minister (Mr. Mulroney) said that we would have massive retraining programs because of the job losses resulting from this agreement. The next day in the House the Minister of Employment and Immigration (Mr. Bouchard) said that there would be no new retraining programs as a result of this deal.

The following day the Minister of Employment and Immigration said outside the House that there was a potential loss of 500,000 jobs as a result of this agreement. That was recorded by the press but when he came into the House the next day he refused to explain his remarks made outside the House. As a matter of fact, he said there would be no job losses as a result of this agreement and that we could wait until January 1, 1989 to do anything about it.

In fact, in this debate Ministers have said all kinds of things with regard to job losses and job gains. They have been all over the lot. I would like the Minister to explain that conflicting testimony and evidence put forward to the Canadian people and to this House on this subject. Who is right?

The Minister has dismissed out of hand studies raised by the Opposition. Rather she is asking us to take a leap of faith in favour of this agreement, or to engage in wishful thinking of the jobs that will be created, what impact studies does the Minister have which she can put on the table for everyone to see to show that there will be job increases and in what sectors?

She does not have such a study. No one has produced it so far. The Government is proposing the agreement and the burden is on the Government to bring such a study forward but it has not done so.

Mrs. McDougall: Madam Speaker, the Prime Minister (Mr. Mulroney) said that there would be massive adjustments if necessary, but no one expects there to be a need for massive adjustments. Let us get the facts on the table.

We have in place right now programs such as the Canadian Jobs Strategy which will provide adjustment, regardless of what the source of the need for adjustment may be. In this country there have always been series of economic changes which our economy has absorbed very well. That was shown in the Royal Bank study which came out only this week.

The Hon. Member asks for studies. I quoted from the Katie Macmillan report which talks about women. All the third-party, independent studies which have been done by people in the business community who deal with this kind of thing all the time have all talked about an increase in jobs in Canada as a result of this agreement. That is what we are basing our certainty on.

All the trade agreements which have been signed in modern society have led to an increase in jobs. Countries have ended up better off as a result of trading agreements. Agreements have been reached between groups in Africa, South and Central America, and between New Zealand and Australia. They are better off as a result of trade. I am not saying that they will be perfectly even over time, but if you compare where they started and where they are today you will see that they are better off now.

With regard to the European Economic Community, someone pointed out the other day that they have had more economic problems in the last couple of years than have we. It is partly because this Government has created a good economic environment in Canada. If one considers that agreement back in the 1960s and 1970s, they have done extraordinary well.

• (1200)

It does not mean that free trade is a panacea, but it does mean that there will be opportunities and growth in the future as a result of this agreement. It will be beneficial to people in this country, particularly women.

Mr. Harris: Madam Speaker, will the Minister comment on the current debate in the United States as expressed in the newspaper *U.S.A. Today*? On November 5, that paper devoted a full editorial page to the debate in the United States as to whether there ought to be compulsory unpaid maternity leave granted to companies with 15 employees or more. The great opposition to this comes from the United States Chamber of Commerce, which is the most vocal opponent to the family and medical leave bill being proposed in the United States House of Representatives. The bill would only require firms of 15 or more employees to give new parents up to 18 weeks unpaid leave with the guarantee of a job on return.

The Chamber of Commerce predicted economic catastrophe if the bill is passed. They also expressed their view in this paper that maternity leave is only one of a number of many different alternative types of benefits that could be offered to employees, including pension coverage, dental benefits, flex time, health insurance and so on. They went on to discuss how companies could face competition in the domestic or international field.

I raise this question because we are talking about the Government's suggestion that we should really integrate our economies. In view of the Neanderthal attitudes that exist in the United States with respect to these issues, and our approach in Canada toward legal protection and programs to protect women and other workers, does the Minister of State not recognize that the atmosphere created by this agreement will result in intense pressure on this country against advancing the rights of women in the workplace?

Mrs. McDougall: Madam Speaker, the Hon. Member's statement about integrating our economies absolutely takes my breath away. The fact is that no other trade agreement in the history of the entire universe has integrated economies. Let us get it straight. This is a trade agreement, it is not an economic union or a political union.

Two years ago Members opposite said that our social programs were on the table and would be eliminated. We have an agreement and our social programs are not eliminated. It is certainly not our credibility that is at stake in predicting the future because we made a commitment to our social programs today and our ability to have social programs in the future.

The Opposition seems to frequently overlook the fact that in order to have the type of social and regional programs, in which, I am sure, the Hon. Member has some interest, we need additional prosperity. We must look ahead in order to determine how we will grow, not only in order to afford the kind of programs we have now but the kind of programs we would like to have in the future. That will only occur in a growing Canada that is creating jobs and wealth, and spreading that wealth a little better than we have in the past, which is another major objective of the Government.

This agreement will not only help women in southern Ontario, it will help women across Canada, including those in the Hon. Member's riding in Newfoundland.

Those are the very important considerations for us: First, that we create more jobs; second, that we create more capital; and third, that we invest that capital into more job creation in Canada and the kinds of social programs that this country has come to expect of this Government.

Hon. Warren Allmand (Notre-Dame-de-Grace—Lachine East): Madam Speaker, the resolution before the House asks us to consider three aspects of this free trade agreement, the first being the impact of this particular free trade agreement on jobs, particularly jobs held by women. Second, we are asked to consider the impact of the agreement on our energy resources and our ability to control our own energy resources. Third, the resolution states that the process by which we are

dealing with this free trade agreement fails to allow for adequate consultation with Canadians in all provinces and territories before committing us to profound changes, not only in our economy but in our political sovereignty, cultural distinctiveness and, generally, our ability to run our own affairs.

I want to deal with the third part of the resolution first. In all the 22 years I have spent in this Parliament I have never seen a measure so important as this dealt with in such a summary, cavalier or inadequate way. This free trade agreement will impact not only on every part of our economic life, including resources, agriculture, the Auto Pact, service industries, the food processing industries and so on, but will also impact on our social and political life.

The Hon. Minister who just spoke said that there is nothing in the agreement relating to social programs. That is correct. However, she does not say that because of this agreement there will be increasing pressure to harmonize social programs in Canada with social programs in the United States. Businessmen will say that they will not be able to compete with U.S. industries if we continue to have our unemployment insurance at a higher level than that in the United States. They will say that they are unable to compete with the United States because of our marketing boards, which give a fair deal to Canadian farmers. Canadian businessmen will continue to say that they will not be able to compete if we have a rich medicare program such as we have, and will probably propose user fees and such things.

It is true that social programs are not in the agreement. But the agreement has been set up in such a way that it develops pressure to harmonize and eliminate the social programs we already have.

Let us consider the example we have had in the House in the last couple of months. The pharmaceutical industries in this country were telling us that we either pass Bill C-22 or they would not increase their investment in Canada, do research and development in Canada or increase jobs in Canada. If such industries are trying to apply that pressure now, without the free trade agreement, how much stronger will that pressure be with the free trade deal?

When we propose measures that are in the interests of Canadians socially and politically, they will make the argument that if this has any cost they will not be able to compete with American companies that have free access to Canadian markets. There will be this pressure to harmonize these programs.

Let us consider the process to which I referred at the beginning of my remarks. We are being asked to deal with a measure that will impact on every part of our economic, social and political life. The agreement was signed on October 5 and we are being asked to dispose of it by December 18, when the House adjourns for Christmas. A committee has been set up to hold hearings in only one city of every Canadian province, with only eight witnesses a day.

Yesterday, in Vancouver when the Opposition made a motion to permit additional time to hear individuals who were in the room and wanted to raise their concerns, Government Members voted that down. They only want eight witnesses per day per province on this most important deal, and in only one city. In British Columbia it is just in Vancouver. We are not going into the interior, or to Vancouver Island. In Quebec the committee will just go to Montreal. There will be eight witnesses for all of the Province of Quebec. We are not going to Quebec City, or to Abitibi, to the Gaspé Peninsula or Lac-Saint-Jean where there are very strong interests and concerns about this agreement.

• (1210)

The process is a farce. The committee on unemployment insurance spent more than six months on that legislation. I remember we spent over a year on the proposed changes to the Crow's Nest Agreement. In the committee on freedom of information I spent nearly a year. Although those matters are important, they are not nearly as important as this proposed agreement, yet we are asked to deal with it in this very summary and quick fashion.

It is probably true that Government representatives will say that "before October 5 we had consultations for over a year with various people". Yes, they did that but it was mostly with business and mostly in secret. By the way, Madam Speaker, at that time the discussions were with respect to a free trade agreement in principle. We did not have any specific agreement before us and the negotiations which were carried on were carried on in secret. Perhaps that is necessary, but the fact is that the Canadian public was not involved in the debate.

Government representatives, when they stand up to answer, will probably say that this debate will not end on December 15, that in the new year, as a result of the signing of this agreement, there will be all sorts of legislation that will have to come before Parliament dealing with this matter and we will have a chance to debate that legislation. That is correct, there will be Bills to amend our Customs Tariff Act, our agricultural legislation, our transportation legislation, even the Post Office Act. There will be all kinds of Bills to amend legislation resulting from this free trade agreement, not only at the federal level but at the provincial level. The point is that it will be too late then to turn this whole matter back. I should not say it will be too late, but it will be very, very difficult to turn this around once they sign the agreement on January 2.

There will be Bills in the provincial legislatures and many Bills here in the federal Parliament. I suppose they will be dealt with in various committees, with one committee not quite sure what the other is doing, as is usual around here. One committee comes out with a report sometimes that is contrary to a report coming out of another committee, both prepared in good faith.

The point is that we should have more time to deal with this agreement right now before it is signed by the Prime Minister

(Mr. Mulroney). He is trying to meet a timetable laid down by the American authorities, its fast-track system. He is trying to meet that timetable when the impact of this agreement will be much higher in Canada than in the United States. Some estimates I have read indicate that only 10 per cent of American foreign trade is in Canada. Of our foreign trade, 60 per cent of it is with the United States.

The impact in this country will be much greater than in the United States, yet we will not even have the same amount of time in our Parliament and parliamentary committees to examine this deal as will the American Congress. For example, the American Congress will have 90 days to examine the agreement after the signing by the President and the Prime Minister on January 2. It will have 90 days, until April 1, yet our Government is asking us to complete our examination of this matter by December 15, after two weeks of committee hearings in Ottawa and two weeks of committee hearings on the road, with one day in each province.

We do not even have the legal text. All we have at this time is a 35 page text which is called "Elements of the Agreement". We are told that this 35 page "Elements of Agreement" text will grow to anywhere between 900 to 1,200 pages of legal text. The Government is asking Canadian unions, Canadian businesses, Canadian academics, experts and Parliamentarians, to examine these elements and make a decision without ever seeing the fine print, the legal terminology. That is completely unacceptable. That is not the sort of thing that is usually done in this country. It is not our tradition.

As a member of the Standing Committee on External Affairs and International Trade, in the short time we have dealt with this matter, each day with a new witness, I find that new insights are presented to us with respect to this agreement. Things no one has raised before are being raised by witnesses when they appear before us. That is what happens when we have a good debate. The more one looks at an agreement or a Bill, the more one understands it and sees implications one did not see before. When I read something for the second, third and fourth time, I see things I did not see before. Unfortunately, we are being cut off, not being allowed to give attention to this matter as we should, particularly since we do not have the legal text.

When the Prime Minister tabled these "Elements of Agreement"—35 pages—on October 5, he told us, and it also states right in the accord, that the legal text would be before us in three weeks. It has now been seven weeks and we still do not have the legal text. The Premiers of the provinces are meeting this week. They do not have the legal text either. I guess we will be left with one week or two weeks to look at a 1,200 or 1,000 page legal text and have to come up with a yes or no answer on whether it is a good or bad thing, even though it will touch on every aspect of our lives.

Some of the things being raised in a serious way are how the competition policy of the two countries will impact or be affected by this agreement, including the anti-trust policy and policies relating to monopolistic practices. With this agreement more emphasis is placed on the so-called free market-place, but there are many experts who dispute whether the market is really a free one due to concentration, monopolistic practices, predatory pricing and all of those things. We have one type of competition law in the United States and another type of competition law in Canada, and one wonders whether we will have the ability to amend that competition law to prevent takeovers, concentration and actions by businesses to restrain trade, and not have fair prices. One wonders about all these things which have not been looked at at all.

I spoke about the process because I think the process is terrible. This is a complex, complicated matter. It has raised many concerns with Canadians. We do not have enough time to deal with it in a serious way.

I want to move now to the question of jobs, especially jobs that are held by women. As I tried to point out in my question to the Minister when she was in the House, we have had all kinds of estimates, studies and speculation on the jobs that might be lost or gained as a result of this agreement. The Economic Council first said there was a possible gain of 350,000 jobs, but that study was done before this agreement was made public. It was based on an assumed increase in productivity of 5 per cent per year as well as total access to the American market, including access to defence contracts. In the last few days we have had reports that the estimate of the Economic Council was way out of whack, especially when we look at this particular agreement.

There was a study done by Infometrica, released this week, which said the latest predictions contained in analysis prepared this week contradict previous forecasts of the Economic Council of Canada in a controversial study released in September.

Mr. McDermid: How many jobs does it say will be created now?

Mr. Allmand: It says 110,000, more or less. The point is that there have been studies on all sides of this question. There was a study done by the Department of Regional Industrial Expansion which said that 228,000 jobs could be lost in 17 industries. There was a previous study done by Infometrica which said that 300,000 jobs could be lost. The auto parts industry has said it could lose 20,000 jobs. The wine industry has said it could lose 10,000 jobs. A study done by the City of Montreal said that 100,000 jobs could be lost in Montreal.

The fact is that because of these conflicting studies and no real serious impact study done by the Government, Canadians have very serious concerns. A Canadian who has a job now, and who has had a good job for 20 years, is concerned whether his job is in jeopardy. He is not satisfied by the rhetoric of the Government that there will be all kinds of new jobs. He does not know whether he will be able to adapt to a new job. If he or she is a person of 45 years or 50 years of age, will there be massive retraining programs? Will the individuals have to

move from the place where they lose their job to a place where the new job is located? There is no information on this.

• (1220)

I put it to the Government that it has the burden of proof. If it wishes to sell this deal it should have the studies and the specific information assuring Canadians that those new jobs will be there, what type of jobs there will be, and that there will be retraining and readjustment programs to relocate and readjust those people from the old jobs that they lose into the new jobs that might be there. The Government has not done that, so the concern of Canadians is justifiable.

Women are particularly vulnerable, because a very high percentage work in industries which are principally threatened by this deal, for example, textiles, footwear, clerical industry, service industry, food processing. When I speak about the service industries I mean telecommunications, travel, transportation, and so on, which can be done from the United States rather than Canada with deregulation and privatization.

To a very high degree, women work in those industries which are most threatened. In the textile and clothing industry 80 per cent of the employees are women. That industry is seriously threatened. For the first time in 15 years, last year the wage gap between men and women started to widen. It had been closing for 15 consecutive years, and now it is starting to widen again.

The Minister referred to the great Canadian Jobs Strategy. I wish to point out that, under the Canadian Jobs Strategy, women are unrepresented in the retraining programs right now. They have far from 50 per cent of the seats. They have a very low percentage of the seats.

The Canadian Jobs Strategy has been cut back in funding since 1984. In that year we were spending $2.2 billion on retraining and job creation. As of this year, that has been cut by 32 per cent from $2.2 billion to $1.6 billion. Yet the Government states that that type of program will be adequate if there is a massive loss of jobs as a result of free trade.

The other day the Minister and the Prime Minister pooh-poohed the study from Ontario which reported that 100,000 jobs in Ontario held by women were vulnerable or at risk as a result of this agreement. The report did not state that those jobs would be lost, but that they were at risk. That raises concern. The Minister's answer to that was that they are at risk, but they should have faith and believe in the Government. Why should they believe in the Government? Only 23 per cent of Canadians believe in the Government. The faith of Canadians in the Government has plummeted from 50 per cent in 1984 to 23 per cent across this country. The people do not have faith in the Government. It is up to the Government to put specific measures on the table to show that those jobs will not be lost. But, as I pointed out yesterday, if the jobs are lost the agreement should be changed with respect to food processing.

In the two minutes that I have remaining I wish to state that this debate is like everything else connected to the free trade deal. It is being rushed through without touching on many matters. I am sure that tomorrow I will receive calls asking why I did not deal with the impact of free trade on agriculture, the food industries, cultural industries, national sovereignty, the dispute mechanism, or on the Auto Pact. The reason is that we do not have time because it is being rushed through.

Mr. McDermid: You have the same time as we had.

Mr. Allmand: You had a lot more time. Look back at the record. That is nonsense what you are talking about.

This is the most important economic, social, and political deal affecting Canada since the Second World War. It is being rushed through in an obscene manner.

This agreement gives the United States assured access to Canadian energy resources. I could quote the text, but the wording is contained in the "Elements of Agreement". More or less it will end the ability of any government to have any type of national energy policy in the future.

Mr. McDermid: Wrong.

Mr. Allmand: I know that the Government is quite pleased with the fact that it ended the National Energy Program. I can understand that some people would be opposed to that type of National Energy Program. But this deal will end any type of National Energy Program.

Mr. McDermid: Wrong.

Mr. Allmand: Even the type that Mr. Diefenbaker started back in the 1960s. The other day I attended a meeting with Mr. Lougheed, the former Premier of Alberta. He felt that that was true, but it was worthwhile, because his opinion was that the agreement gave more than it lost for Canada. But it also ends the ability for provinces to have two-price systems in energy; a lower price for the citizens in their own province, and perhaps a lower price to stimulate energy in their province.

In the Province of Quebec the aluminum industry was started with special low priced energy deals. In the future that will not be possible. According to the vague and simplistic wording in the "Elements of Agreement" it will not. We do not know what the legal text will state, but there is enough there now to raise serious concern.

One wonders if we cannot have any type of national energy policy where provinces will be able to sell all their energy south of the border because there is a good deal to be had down there and leave out their neighbours, for example, not sell to Prince Edward Island or to New Brunswick, or wherever—

Mr. McDermid: That is not true.

Mr. Allmand: I have the signal, Madam Speaker.

I wish to state that this is a bad deal for women. It is a bad deal for all Canadians. The process under which it is being handled is unacceptable and a farce.

Mr. McDermid: The Hon. Member and I have been through many consultations and trips. I know his blustering style. Much of what he states is not factually correct. I wish that I had time to go through the points.

One area I wish to concentrate on is our social programs. For some reason, the Hon. Member states that they will become unfair trade practices because of this deal. If our social programs are unfair trade practices, then I ask the Hon. Member why have they not been countervailed already? The agreement with the United States does not change that one iota. So if it is an unfair trade practice after the agreement, why is it not an unfair trade practice before the agreement? Because it is not an unfair trade practice. Those social programs will not be touched.

As a matter of fact, I would submit to the House that with an improved economy our social safety net will improve. But it has to be paid for. It is not like the NDP suggests where, like magic, we pull money out of the sky. People have to pay taxes, and we have to pay for those social programs. If our economy is doing well, we will pay for them. But I cannot understand the Hon. Member's argument that after this agreement our social policies and programs become countervailable, while before they were not. Perhaps the Hon. Member could explain that one to me, please.

Mr. Allmand: I do not think that my hon. friend was listening to me closely. At no time in my speech did I state that our social programs would be considered unfair practices and, therefore, countervailable. I said with this agreement that our social programs will be at risk because there would be pressure to harmonize in Canada. I did not say that they would be considered as unfair trade practices. I said there would be pressure as a result of this agreement to harmonize. I tried to explain it in the following manner.

Since American companies will have free access to the Canadian market, Canadian companies will say that they have to compete with those American firms, they have to pay a higher minimum wage in Canada, and this makes it difficult for them to compete. Check-offs have to be paid for medicare and other social programs, and this makes it difficult to compete. In some provinces there are tougher environmental programs, and this makes it tougher to compete. What I am saying is that even though environmental programs, social programs, and marketing boards are not in the agreement, it is written in such a manner that it puts pressure on Canadian businesses to get rid of those programs in order that they will have the same basic costs as the American competitor who will come into the Canadian market. That is the problem.

Mr. McDermid: Why do they not do that now?

Mr. Allmand: Now we have a certain amount of protection. That is why it is not happening now. Unfortunately the Hon. Parliamentary Secretary has not had the benefit of sitting in on the committee hearings as I have had and of listening to the testimony on both sides. I think it was wrong. I think he should come to the meetings and he would be able to participate more meaningfully in the debate.

• (1230)

Mr. McDermid: Madam Speaker, I have a short supplementary question. I just want the record to be clear that I have been at some of the meetings, albeit not the meetings the Hon. Member was at.

I have a list of a number of people to which I would like to refer. Stan Sager, President of Satexil, a Montreal woollen manufacturer, made the following comments:

> I'm pleased that free trade is being considered, I'm happy but I would like to see an acceleration of the tariff reduction. I don't know if we can survive in this market. I hope that free trade opens opportunities fast enough.

Those were the comments of a textile manufacturer in Montreal.

I could go on to quote Andrew Hughes, Vice-President Finance of Monterey Textiles; Sandy Archibald, Chairman of the Textiles, Footwear and Leather SAGIT; Bernard Cowan, a Toronto-based apparel manufacturer; Gary Steiman of Gemini Fashions, Winnipeg; Louis Eisman, President of Mr. Jax Fashions; Betty Jones, a manufacturer's agent for Canadian designers; and the Canadian Textiles Institute.

Ms. Copps: Table the document.

Mr. McDermid: I could quote a number from the textiles industry who are supporting it.

Ms. Copps: On a point of order, Madam Speaker—

The Acting Speaker (Mrs. Champagne): Order. The Hon. Parliamentary Secretary may want to use this material when he enters into the debate. However, he was recognized on what he himself called "a short supplementary question".

Ms. Copps: Madam Speaker, I rise on a point of order. You will note that the Minister was quoting from a document—

An Hon. Member: He is not a Minister.

Ms. Copps: He is a Parliamentary Secretary; he is just an aspiring Minister. According to the Standing Orders, of course he is required to table the document. I wonder whether Your Honour could make that request of him.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member for Hamilton East (Ms. Copps) knows that the Hon. Member is not a Minister and that he does not have to table the document from which he was quoting.

Mr. Allmand: Madam Speaker, the Hon. Parliamentary Secretary quoted a list of textile companies that are in favour of the agreement.

A number of textile companies are in favour of the agreement. For the most part they are companies dealing with higher cost textile products or specialized textile products. I would say that half the witnesses who appeared before the committee were in favour of the agreement and another half were against it. Perhaps there was an odd number who were neither for nor against it but wanted more information.

I should like to tell the Parliamentary Secretary that, in general, entrepreneurs and employers favour the agreement because they are looking to new markets and they are better able to withstand shocks as a result of the agreement. The people who have less control over their economic lives are the workers, the unemployed, the old people, and so on. They are the people who are coming to the committee and opposing the agreement.

Some Hon. Members: Oh, oh!

Mr. Allmand: We are now hearing from a group of people who did not attend the committee meetings. What I am saying is that on balance employers and businessmen favour the agreement, whereas the employees in those industries are opposed to it.

Mr. Friesen: What about the steelworkers in Hamilton?

Ms. Copps: They are opposed.

Mr. Allmand: We could give examples here and there on both sides. By the way, there is a steel company out west which opposes the agreement. The point is that the Government is rushing it through too quickly, and it gave away too much.

In concluding I want to say that we in this Party favour freer trade with the United States. When we were in power, tariffs were lowered over a 20-year to 30-year period. We are not in favour of an agreement which gives too much to the United States and too little to Canada.

Mr. Friesen: Madam Speaker, the Hon. Member was complaining that there has not been enough parliamentary involvement to this point. I would like to ask him to make a comparison between the amount of parliamentary scrutiny there has been on this agreement and what was done by his Government on the Auto Pact.

Mr. Allmand: Madam Speaker, I came here in 1965 and the Auto Pact was already passed. I cannot really answer his question. I do not know how much parliamentary time was given to it.

All I can tell the Hon. Member is that today there is universal support in the House for the Auto Pact. I do not know of any Party which would like to do away with it, although I think that what the Government is doing will in fact weaken it.

However, let me say that since I have been here—and that is 22 years—I have never seen an important measure of this nature given such short and summary treatment.

The Acting Speaker (Mrs. Champagne): Resuming debate, the Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Madam Speaker—

Mr. McDermid: Wait a minute.

Mr. Friesen: Who is next?

Ms. Copps: He got up and nobody else got up, so that is your problem.

Mr. McDermid: On a point of order—

Mr. Friesen: Quick Draw McGraw.

Ms. Copps: I was up.

Mr. McDermid: Madam Speaker, in the ordinary rotation of speakers I believe it is now the Government's turn to speak. We have heard from one government speaker and from two opposition speakers already. I believe that it is the Government's turn to speak.

Ms. Copps: No way.

Mr. McDermid: I was up on debate at the time Your Honour called for debate.

Ms. Copps: Madam Speaker, I rise on a point of order. As the government Member realizes, when the Chair calls for debate it is whoever stands up who is recognized, and in fact the Hon. Member for Spadina (Mr. Heap) was recognized. Unfortunately, whether or not there may have been an error, the Speaker recognized the Hon. Member for Spadina and the Hon. Member for Spadina should now be heard. I was also standing.

Mr. Heap: Madam Speaker, I rise on a point of order. I actually hesitated because I assumed that somebody from the government side would stand up.

Mr. McDermid: I was on my feet.

Mr. Heap: I looked directly across, and I do not know where the Member's mind was but his body was in his seat. Therefore I stood up and was recognized.

Mr. McDermid: On the same point of order—

The Acting Speaker (Mrs. Champagne): The Chair saw the Hon. Parliamentary to the Minister for International Trade (Mr. McDermid). Nevertheless I made a very normal mistake in thinking that he was still rising on questions or comments and not on debate.

With the permission of the Hon. Member for Spadina, I would like to go back to the normal rotation, if the Hon.

Member for Spadina will allow me. He will be recognized next. I would like to recognize the Hon. Parliamentary Secretary if I have the Hon. Member's approval.

Mr. Heap: Madam Speaker, I understand that the Government is in great difficulty to explain itself and I think that it should be given its full opportunity, so I thank you; let him proceed, please.

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member for forgiving my mistake. In the normal rotation, the Hon. Member for Brampton—Georgetown.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I appreciate that and I want to thank the Hon. Member for Spadina (Mr. Heap). I was on my feet on debate, but I must admit that I have been asking a number of questions today and I can understand that Your Honour thought that I was still asking questions.

I am very pleased to participate in the debate today. Once again I want to thank the Hon. Member for Hamilton Mountain (Ms. Dewar) for bringing this motion forward, because it gives the Government yet another opportunity to present the facts regarding the agreement which has been reached between Canada and the United States that I most genuinely believe will be very good for Canada, for all regions of Canada. It will make us a stronger, more confident, more vibrant country than we are today.

We have heard many scare tactics today. It was kind of interesting to listen to the two opposition Members who spoke today. Neither of them offered an alternative to the *status quo*. They think the *status quo* is fine.

The first point which should be made is that there is no such thing as the *status quo* in trade today. Trade is changing rapidly. Protectionist moods are growing throughout the world. We must seize the opportunity presented to us to negotiate such a very important agreement.

• (1240)

I want to touch on a couple of things and then I will talk about consultation and the type of dialogue that has gone on regarding this agreement over the last number of years. I want to make one thing very clear. The Hon. Member said that the agreement will contain between 1,000 and 1,200 pages, but 800 of those pages are tariff schedules. They are not the text of the agreement *per se*. These tariff schedules must be appended to the agreement. Although it sounds awesome when you hear of an agreement made up of 1,000 to 1,200 pages, one must realize that 800 of those are tariff schedules.

The Hon. Member talked about how his Government consulted, negotiated and passed things. Let me quote him. I think the quote is accurate. "I came to the House in 1965 and the Auto Pact was already passed". The Auto Pact never passed anything. It was negotiated entirely in secret. It was announced that it had been signed and it was a *fait accompli*. There was no motion in the House and no referral to a committee. There was not one thing. There was not one bit of consultation with Canadians on the matter at all.

I might point out that the people who opposed the Auto Pact in 1965, my friends in the New Democratic Party, were extremely vocal at that time, and their arguments used 22 years ago are the same arguments they are using today about the present trade agreement. Today the New Democrats are protecting the Auto Pact with their lives. They were wrong 22 years ago and I believe they are wrong today. Twenty years from now, if they are still around, they will be standing up defending this agreement as one of the most progressive and forward looking agreements that has ever been negotiated on behalf of Canada and Canadians. The New Democrats will be defending this agreement 20 years from now just like they defend the Auto Pact.

The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) talked about his Government reducing tariffs over a number of years from 1945 to 1984. That is correct. Tariffs did come down. They came down from some 40 per cent to 9 per cent over that period of time through GATT negotiations, the Kennedy Round, the Tokyo Round and so on. As the tariffs have dropped, prosperity followed. When trade barriers drop, prosperity follows. We have seen it time and time again; for example, in the European Economic Community. I am not afraid of tariff reductions and I do not think Canadians should be afraid either because prosperity follows.

I want to ask the Hon. Member from Notre-Dame-de-Grâce—Lachine East—although I do not expect an answer—where did the debates take place in the Kennedy Round when the Liberals reduced tariffs and signed the agreements with GATT? Did the Liberals bring those matters to the House, refer them to a standing committee to travel across the country and get opinions from Canadians? Did the Liberals do it with the Kennedy Round and the Tokyo Round? No, Madam Speaker, they did not. This is the first time there has been such extensive consultation on a trade agreement. History will prove me exactly right to this point. I will go through the consultative process that has taken place concerning this trade agreement.

The motion in part reads: "fails to allow for adequate consultation with Canadians". Let us examine the facts. First, the previous Liberal Government put together a Royal Commission on the economy. Its job was to look to the future—not just tomorrow, not just to the next election—and determine what direction Canada should be taking to ensure prosperity, increase job opportunities for our young people and to ensure that we maintain our standard and quality of life. One of the major recommendations of that commission was a free trade agreement with our largest trading partner, the United States. I think everyone in this House will admit that there were very capable and prominent people represented from all walks of life on that commission. They spent a

tremendous amount of time and the taxpayers' dollars consulting with Canadians for three years, I believe. That was the recommendation from that commission.

Following that there was the Special Joint Committee on Canada's External Relations that travelled across the country. I must say it was co-chaired by my hon. friend, the now Minister of State for Finance (Mr. Hockin). Its recommendation at that time was to enter into a comprehensive free trade agreement with the United States. There were dissenting opinions. The NDP did not agree with it, naturally, but the New Democrats do not agree with anything the Government does. The Liberals said that they would like to talk about it and that it might not be a bad idea. The Senate committee looked into this matter and made recommendations. That committee spent time consulting with Canadians recommending that we enter into a free trade agreement. Independent studies from the C. D. Howe Institute, the Economic Council of Canada, the Fraser Institute and so on all recommended that we enter into negotiations.

When we got that kind of input from Canadians over a three year period, our Government decided to look into the matter and enter negotiations. The United States and Canada agreed to enter negotiations under the fast-track provisions of the U.S. trade legislation. That schedule has been known for two and a half years now. So it is no surprise, but the Opposition makes it sound as though it is something new and different.

What did our Government do? We set up an unprecedented program of consultation with the people of Canada. I can assure you, had the Liberals set up a consultation program with the people of Canada on the National Energy Program alone, and had they listened to Canadians, the National Energy Program may never have been created, but the Liberals did not consult Canadians. The NEP was a the brainchild of a few bureaucrats, Mr. Lalonde and a few others, without consultation.

Our Government wanted to make sure that Canadians participated in the trade negotiations. From the beginning we have had a two-way dialogue with business, labour, consumers and the provinces. The core of the consultation system has been the International Trade Advisory Committee which has provided a two-way flow of information between the Government and the private sector.

Under the distinguished chairmanship of a very old friend of mine, Walter Light, former chairman and chief executive officer of Northern Telecom—a large portion of which is in my community—the Government brought together more than 40 leaders from business, labour, consumer groups and academia. ITAC, the International Trade Advisory Committee, concerned itself with broad matters relating to international trade access and marketing. It has made valuable recommendations regarding the free trade association negotiating process. Under the ITAC umbrella we had 15 sectoral advisory groups on international trade, SAGITS. SAGITS represent a broad cross-section of the Canadian economy.

I want to read into the record today, with your permission, Madam Speaker, the sectors represented because it is most important that Canadians understand the consultative process which is being attacked by the New Democratic Party in its motion today. The list includes agriculture, food and beverage, fish and fish products, minerals and metals, energy products and services, chemicals and petrochemicals, forest products, industrial, marine and rail equipment, automotive and aerospace, textiles, footwear and leather, apparel and fur, consumer and household products, communications, computer equipment and services, financial services, general services and arts and cultural industries.

• (1250)

All these sectoral advisory committees were selected in close co-operation and consultation with the various national trade groups, provincial Governments and labour. Both the ITAC and SAGITs provided invaluable support to the trade negotiation team. They were used as a sounding board as the negotiations took place. The negotiating team asked what certain negotiations would do to certain industries, what it could do and if the industries could compete. This process went on throughout and the SAGITs were kept informed while informing the Canadian Government.

As a matter of fact, 150 meetings of the SAGITs and their working groups were held over the last 18 months. We asked for advice, we got it and we listened to it.

Over and above the formal SAGIT consultations, there have been dozens of briefings and consultations by officials from the trade negotiations office with all segments of the private sector and with individuals interested in the negotiations.

Apart from consultations with the private sector, the Government undertook to work closely and co-operatively with the provinces. First Ministers were briefed and consulted regularly as the negotiations progressed. They received briefings with slide presentations on every detail of the agreement.

Typifying the co-operative spirit which this Government has fostered through the Meech Lake Accord and other federal-provincial co-operative endeavours, First Ministers were kept fully apprised of what was going on, both at First Ministers' meetings and through a detailed network of contacts at the senior official level.

In fact, since the negotiations began, there have been eight First Ministers' meetings at which the free trade agreement was the single agenda item, two First Ministers' conferences at which free trade was extensively discussed, 19 full-day meetings of the senior officials' forum, the continuing committee on trade negotiations and scores of working-group meetings on every subject of the free trade agreement.

No previous Government has involved the provinces so extensively in such a comprehensive process of consultation and information sharing. Even Premier Peterson has admitted

publicly many times that he greatly appreciates the consultative process this Government has put into place, not only on this subject but on all other subjects for which federal-provincial co-operation is so very important to ensuring that Canada continues to grow and prosper.

It is not just the private sector and the First Ministers who have debated this issue. We have had a number of debates in the House on free trade. I believe this is the fifth or sixth debate we have had on this matter. Of course, on March 16 there was a major debate on a motion and since then a number of opposition Party motions have been brought before the House. We have had a very thorough and, I believe, a very extensive debate on this matter.

Opposition Parties have a number of allotted days left. They can bring this issue forward each time. As a matter of fact, I welcome the opportunity to discuss this subject on the floor of the House of Commons as often as opposition Members wish. We really appreciate the opportunity to put the facts about the negotiations on the table.

Hon. Members have spoken of the standing committee which has held extensive hearings. It has worked very hard in Ottawa. Its work schedule is probably three times harder than that of a normal standing committee which is holding hearings. It has worked tremendously hard over more than two weeks, not only being briefed but listening to all kinds of representations from people from all walks of life. I think that representation has been very fair. It has not leaned toward the supporters of the agreement or toward those who oppose the agreement.

Committee members are now crossing Canada. They are going from one coast to the other meeting those who are interested in appearing before the committee to let their feelings be known. A committee on a free trade agreement has never before done this in the history of Canada.

For Hon. Members opposite, particularly those from the former governing Party, the Grits, to criticize us for our consultative process and to criticize the committee's timing is something I find to be absolutely amazing and somewhat hypocritical.

I am very excited about this agreement. I am excited about the opportunities it will provide. I am travelling around the country making speeches and holding question and answer periods. Last night I was in Brockville. On Sunday I was in Whitby, and I will be speaking to the textile association and the Canadian Automobile Association tomorrow. The more the people understand and learn about free trade and the more I talk to them about it, the more excited they get.

What I find to be the most fun is that it is the young people who are grabbing this opportunity and telling us how much they look forward to it. The other night on television I saw a young man who is going to university here in Ottawa, but is from Windsor. He took offence to the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) saying that he could not compete with the Americans. He said: "You are telling me that I cannot compete with those fellows across the border in Detroit? I am a lot better than they are, I can compete with them, no problem at all". Those are the ones who are excited, are grabbing this opportunity and are running with it.

Looking at the attitudes of some of the provinces toward this agreement, I am saddened that the premier of my province is opposing this agreement. The philosophy of the Liberal Party in Ontario was made obvious when Monte Kwinter said what is good for Ontario is good for Canada. That disappointed me because past Premiers of the Province of Ontario like Frost, Robarts and Davis had the attitude that what is good for Canada is good for Ontario. That was their philosophy. However, the David Peterson Government of Ontario says that what is good for Ontario is good for the rest of the country. That is not the way confederation works. That is not the way I want to see confederation working.

This agreement with the United States will offer untold opportunities. On Friday, we debated the fisheries and talked about the opportunities it will give to the fisheries. I see that my hon. friend from Egmont is here today. He brought that particular motion forward, and again I thank him for doing so. It allowed us to put the facts on the table. I plead with members of both opposition Parties to keep bringing these motions forward when oppositions days come along. We love debating them. We love putting the facts about the trade agreement before the House.

I could cite this agreement chapter and verse, as I am sure Hon. Members could appreciate, but with the limited time available to me I must stop now. I do wish to encourage opposition Members to maintain their tenacity and to continue to bring these motions forward so that we can discuss the facts and so that the Canadian public can be well and properly advised. The fearmongering of the New Democratic Party and the Liberal Party will be found not to be based on fact, and this will be proven here and around Canada in the days to come.

[*Translation*]

Mrs. Duplessis: Excellent speech! Excellent!

The Acting Speaker (Mrs. Champagne): The period for questions and comments following the speech by the parliamentary secretary will be provided after Oral Question Period.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

INDIAN AFFAIRS

LUBICON LAKE INDIAN BAND—RECOGNITION OF STRUGGLE FOR SOCIAL JUSTICE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Interreligious Foundation for Community Organization in the United States is an ecumenical foundation committed exclusively to the support of community organizing. For 20 years its members have been fighting for peace and justice. In that time they have contributed over $15 million to politically progressive organizing projects in the U.S., Africa, the Caribbean and Central America. In early December their twentieth anniversary program will be held in New York City. Among those participating are Mr. Ramsey Clark, former U.S. Attorney-General; Bishop Desmond Tutu, Reverend Jessie Jackson, and Mr. Harry Belafonte.

At their awards banquet to honour 10 of the most outstanding organizations in the struggle for social justice the honourees will include the U.S. Farm Labor Organizing Committee, the National Union of South African Mine Workers, the Nicaragua Baptist Convention, and, Sir, the Lubicon Lake Indian Band from northern Alberta. The unresolved land claim of the Lubicon Band is one of the great shames of this country and will continue to attract the attention of the world until the Government of Canada and the Government of Alberta make a fair settlement of this claim a priority.

* * *

THE ECONOMY

INCREASE IN AVERAGE FAMILY INCOME

Mr. Jack Scowen (Mackenzie): Mr. Speaker, once again there is good economic news for the Mulroney Government from Statistics Canada. The rate of family income has risen and poverty has declined for the second year in a row. Some 525,000 Canadians have risen above the poverty line. Since 1984 we have seen a substantial drop in the number of Canadians living under the poverty line. Average family income increased in real terms in 1986 for the second consecutive year. After adjustment for inflation, we are $471 or 1.9 per cent higher than in 1985, and 4.2 per cent higher than 1984.

When the Minister of Finance (Mr. Wilson) brought out his economic statement, the Opposition cried that over 100,000 Canadians would be out of work. Instead, more than 1 million Canadians now have jobs who did not have them before, and over 525,000 are better paid and above the poverty line.

The free trade agreement will further reduce the number of Canadians living below the poverty line by increasing the number of jobs, increasing real incomes, and reducing consumer prices.

* * *

TRANSPORTATION INDUSTRY

CLOSURE OF ROUTE CANADA TRUCKING TERMINALS

Mr. Les Benjamin (Regina West): Mr. Speaker, last year the federal Government, through CN, sold Route Canada, formally known as CN Express, to private interests in Toronto. Federal guarantees of former employees' wages, pensions and severance pay recently expired.

On November 5 Route Canada suddenly announced it was closing its terminals in Sydney and Stellarton, Nova Scotia, and Bathurst, New Brunswick. The employees in those terminals, who have worked most of their lives for CN, are eligible only for the legal minimum in severance pay despite anywhere from 15 to 46 years' seniority with that Crown corporation.

Families in these three hard-hit communities are paying the price of the Prime Minister's privatization policy. The Prime Minister (Mr. Mulroney) should pay the price if he thinks privatization is such a good idea for Canada. Fair compensation from the federal Government is the least Route Canada's employees deserve after the sudden and unjustified shut-down of these terminals.

The increasing number of lay-offs in the trucking industry clearly shows that privatization and deregulation are costing us jobs now. More jobs will be lost in the trucking industry if the unpopular Tory Government has its way and forces our Prime Minister's and Ronald Reagan's trade scam through Parliament.

* * *

SPORTS

McGILL REDMEN'S VANIER CUP VICTORY—TRIBUTE TO PLAYERS AND COACH

Hon. Bob Layton (Lachine): Mr. Speaker, McGill University has earned a reputation for academic excellence not only across Canada and North America but right around the world. Its graduates have assumed leadership roles and responsibility in all spheres of endeavour. It continues to attract students simply for the opportunity to learn and develop.

However, this week the McGill undergraduates and graduates are celebrating the excellence and team-work of their athletes. Last Saturday's victory in Toronto in the Vanier Cup game, emblematic of the championship of Canada, for the first time ever by a university in Quebec, demonstrated that a total commitment by players and coaches with the will to win

assures success. My congratulations go to Michael Soles, Bryan Fuller, Coach Baillie, "the Crazy Dogs", and all their team-mates for a great achievement and for adding athletic excellence to McGill's great traditions.

"What's the matter with old McGill?", we all used to chant. Nothing, Mr. Speaker, nothing!

* * *

• (1405)

FISHERIES

BRITISH COLUMBIA HERRING FISHERY—SEINE LICENCE FEES

Mr. George Henderson (Egmont): Mr. Speaker, the roe herring fishery in British Columbia needs some leadership from the Minister of Fisheries and Oceans (Mr. Siddon). At present there are approximately 250 seine licences and over 1,300 gillnet licences in this fishery. In recent years the fishery has become a nightmare for many fishermen.

It is generally recognized that fish companies now own a considerable number of seine licences and the companies have advertised in newspapers to purchase or lease other licences held by people who no longer want to use them. The annual fee for a seine licence is $2,000. Bona fide fishermen who want to fish are forced into a bidding war for these licences. Last year a seine licence was priced at $50,000 and upwards. Some boat owners have leased several seine licences, in effect slashing the number of jobs in the fishery.

The United Fishermen and Allied Workers Union estimates that 400 jobs were lost last year and that up to 300 jobs may be lost this year. In March of this year the Minister said, as reported in the *Vancouver Sun*: "Those who benefit should be those who are directly involved in the industry, not the people who sit in a chair somewhere".

The Minister has now sat in his chair for nearly a year and the patience of concerned fishermen is running out. I urge the Minister to take corrective measures now.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT PERFORMANCE

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, thanks to the sound economic policies introduced by this Government and a renewed confidence in our Canadian economy, poverty has gone down in this country for the second consecutive year, while the average family income has increased. In 1986, the number of Canadians living below the poverty line dropped by 262,000, while the average family income rose by $741. In 1986, 3,689,000 Canadians were living below the poverty line, which is 525,000 less than in 1984.

Family income increased in 1986 for the second consecutive year. After inflation, family income increased by $741, nearly 2 percent more than in 1985. The average family income increased by more than $ 636 in 1986, 4.2 percent more than in 1984.

In Quebec, we know that the percentage of families and single persons living below the poverty line dropped substantially.

Mr. Speaker, in concluding I would like to say I am confident that the steps taken by our Government to promote free trade with the United States will help reduce poverty in this country even further, by creating more jobs, increasing income and reducing the price of consumer goods.

* * *

[*English*]

PETRO-CANADA

FUTURE OF PORT MOODY REFINERY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, Petro-Canada proposes to stop the initial processing of crude oil which has been done with great efficiency at its five-star refinery in Port Moody, British Columbia. There are only two refineries in North America which have the safety and efficiency to get the five-star rating and Port Moody is one of them.

Mr. St. Germain: Hear, hear!

Mr. Waddell: My hon. friend will be happy to know that.

Edmonton will ship a tailored special stream of naptha distillate fractions of crude oil via the transmountain pipeline to Port Moody. This will mean the shutting down of part of the Port Moody refinery and the loss of jobs and money to the local community. It could be the beginning of the end of Petro-Canada's refineries in Port Moody and Fort St. John, British Columbia.

I remind you, Mr. Speaker, that the recent tornado in Edmonton came within a block of refinery row. A natural or man-made disaster could have disastrous effects on the Lower Mainland of British Columbia if Petro-Canada concentrates all its refining in Edmonton. That would hurt our economy.

I therefore ask Petro-Canada to reconsider its decision with respect to the Port Moody refinery. If it cannot do that, can it at least give the workers and people of Port Moody a commitment that Petro-Canada will not close the refinery and will treat the workers fairly as it has in the past?

S. O. 21

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—GOVERNMENT'S COMMITMENT

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, as a Progressive Conservative Member representing northern Ontario I am disturbed and disgusted by the criticism I heard in the House yesterday from the opposition benches of the FEDNOR. My colleagues and myself in the northern Ontario caucus have worked hard to put together an economic program which will meet the challenges of the resource-based economy; a program which would allow for the special needs of the region, a program which would allow local input, a program which would draw from the strengths of the communities and individuals of northern Ontario.

I am proud to say that we have delivered an economic program. The Government recognizes northern Ontario as a unique region of the country with unique needs of each and every individual. Northern Ontario Members are proud of the Government's performance and commitment to northern Ontario.

The opposition Members who criticize should consider their own record. Who has helped the region of northern Ontario more than have we? The socialist Leader of the New Democratic Party (Mr. Broadbent) said that they did not believe in flow-through shares which would benefit the resource industries of northern Ontario.

As for the Liberal Members, not once in the over 16 years of their Governments have they assisted the region of northern Ontario.

I repeat that I am shocked and dismayed by the criticism by the Opposition of FEDNOR, a program which will allow northern Ontarians the opportunities they deserve.

* * *

[*Translation*]

CANADA POST CORPORATION

OPPOSITION TO NEW PLAN

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Mrs. Marguerite Rondeau of Joseph-Renaud Boulevard in Ville d'Anjou recently got a postcard telling her where to go to pick up a registered letter. When she got there, there was no sign indicating there was a post office, and much to her surprise, when she entered the store—it was a convenience store—she found a young man who was weighing bananas, and when she showed him her card, the young man handed her the registered letter. Mrs. Rondeau was understandably surprised that her registered letter was in the same location as the bananas!

It has come to a pretty pass, Mr. Speaker, when we start mixing mail with bananas.

Many more Canadians are going through the same experience at premises that are not even identified as post offices. Even business people are starting to cancel their contracts with Canada Post because it does not pay. Customers are so upset about poor service that the Post Office is losing customers instead of getting more.

Mr. Speaker, every day I am asked: Why doesn't the Minister responsible for Canada Post scrap this poorly designed plan that fails to serve Canadians?

* * *

• (1410)

[*English*]

WESTERN GRAIN STABILIZATION ACT

SIZE OF PAYMENT TO SASKATCHEWAN FARMERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the Western Grain Stabilization Program assists producers when net income from grain and oilseed seeds falls below the average of the past five years. The Act was amended in February, 1985, to allow for interim payments so that farmers could have cash in their hands prior to spring seeding. A record interim payment of $705 million was made in April of this year.

Last Friday, the Minister of State for Grains and Oilseeds (Mr. Mayer) announced a further final payment of $693 million under the WGSA for 1986-87. This brings the total WGSA benefit paid out to $1.4 billion, including $759 million to Saskatchewan, the largest pay-out ever issued and 63 per cent higher than last year.

As the Saskatchewan Wheat Pool President, Garf Stevenson, said: "It is a very substantial payment and it is very much needed. The payment demonstrates the commitment by the Government to support agriculture".

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—AGRICULTURAL INDUSTRY

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Government's trade deal with the United States continues to unravel. Yesterday the Government of Ontario stated that it will not agree to the terms negotiated for its wine industry.

On Sunday the General Council of the Quebec Liberal Party refused to approve the agricultural terms of the deal. The council members know that the deal is so unpopular with rural Quebecers that supporting it is like "throwing oil on a fire".

Similarly, western Canadian farmers know full well that their marketing boards and supply management systems are at risk as processed food is imported, bypassing locally grown chickens, turkeys and eggs, for example.

They also see no stop to the continued U.S. drive for bigger shares in the international grain market despite this costing ever more in grain subsidies and ill will from countries such as Canada, which have much lower subsidy programs.

Does the Government really believe that statements such as "marketing boards remain in place' will mollify farmers as they see their markets swept away by heavily subsidized U.S. production? Guess again. Farmers do not like what they have been handed by the Government and they are making their objections heard.

* * *

SHIPBUILDING

AWARDING OF FRIGATE CONSTRUCTION CONTRACT

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, the Saint John Shipyard has assembled a world class naval construction team that is in place and producing first-class frigates. The yard's performance record is highly commendable. These two components alone are reason enough for the next six frigates to be built in Saint John, New Brunswick.

I am calling upon my colleagues in Cabinet to recognize the potential in high tech development and long term job creation that the awarding of the next six frigates would mean to the economy of Saint John, of New Brunswick, and of the Maritime Provinces.

Today in Saint John is the foundation of economic renewal for which all Maritimers are looking. The Government of Canada must recognize that another six frigates to the region will mean enduring skill diversification, economic prosperity, and affirming the renewal that the Government is committed to achieving.

I strongly urge the Government to award the frigate contract to a yard that is showing the world it can excel in frigate construction. If the key considerations in federal government contracting are cost, schedule, performance and industrial benefits, then the Saint John yard is the proper choice.

S. O. 21

• (1415)

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—GRAIN PRICES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Prime Minister's (Mr. Mulroney) free trade deal is a fraud, a deceit and a sham. According to the Canadian Wheat Board, the Americans are depressing grain prices and robbing Canada of its international grain sales. During the negotiating process, the United States adopted its controversial Farm Bill specifically designed to lower grain prices. Since then the prices of agricultural commodities have been in a free fall.

After the Prime Minister's preliminary trade deal was signed, the U.S. still utilized its Export Enhancement Program on at least three separate occasions with Russia, China, and Algeria. If that was not enough, we now learn that the United States is at it again, this time auctioning off 22 million tonnes of wheat to be sold at rock-bottom prices, creating further damage to Canadian agriculture.

It should be quite obvious to the Prime Minister and to the Minister for International Trade (Miss Carney) that this trade deal is not worth the paper it is written on. The Minister for International Trade would have been better off forgetting about eating chicken that day because the deal is awful.

* * *

[*Translation*]

POLITICAL PARTIES

SOCIALISTS' NEW FUND-RAISING SYSTEM

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the socialists have decided to resort to a new financing system: they will hold a draw for tickets, but the tickerts will be free. I am not surprised. Who would spend money for the socialists except for labour unions, and it is not even their money, it is the money of the workers.

For this draw, the socialists will mail householders. I can hardly wait to see who will pay for the stamps, Mr. Speaker. The idea behind the draw is to urge people to write to the socialists because this adds names to their mailing lists, at least in Canada, because in Quebec things are different.

They will not have their small lottery in Quebec because they have not had time to understand the law in Quebec. This is why they have no roots in Quebec. As to other Canadians, if you want to go and see your distant cousins in Australia or New Zealand, do not hesitate, fill in the forms the socialists will be mailing to you. This way you will have an opportunity to dance along with other minor fringe socialists who can afford to live in this capitalist system which has the money to support you.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—SOCIAL PROGRAMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. Throughout the trade discussions, the Prime Minister insisted that medicare and social programs were not on the table. However, that is not what Canadians are saying. Last week we heard from the National Anti-Poverty Organization which says that existing and future social programs are threatened by this deal. Yesterday we heard the president of the British Columbia Business Council, a supporter of the deal, saying medicare could be eroded. How could the Prime Minister sign a deal which even his own supporters say could threaten medicare?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the answer to the Hon. Member's question, of course, is that the Prime Minister did no such thing. There is nothing in the free trade agreement that involves social programs, as we have consistently told this House. I think what are being expressed are the fears which are being aroused by the Opposition by claiming something is in the free trade agreement which is not.

[*Translation*]

QUERY WHY SOCIAL PROGRAM GUARANTEE NOT WRITTEN INTO CANADA-UNITED STATES AGREEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, although the Minister has given some explanations on this matter to the Canadian people, she has failed to mention any written safeguards to guarantee the future of Medicare, the Old Age Security pensions, as well as our social and daycare programs. Why did the Prime Minister sign an agreement which does not give any assurances in writing that these programs will not be included in any future agreement between Canada and the United States? Why did the government not get written guarantees in this agreement to protect these programs?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the answer is the same as I gave to the first question. Social programs are not in the free trade agreement in any way at all. It is only because of the Opposition's attempts to confuse Canadians by insisting that social programs are in the agreement that people are being misled.

• (1420)

The allegations are coming from the Opposition. The allegations are wrong, and the Opposition will have to account to Canadians for their fearmongering.

FUTURE OF SOCIAL PROGRAMS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like an answer from the Prime Minister if he feels—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Hamilton East has the floor.

Ms. Copps: I believe that the health care of Canadians is an issue that should be of concern to the Prime Minister.

I wish to ask the Prime Minister specifically why there is absolutely nothing in these very glossy blue documents that are being sent out by his Party to guarantee the future of medicare in this country, the future of child care, the future of pregnancy leave, and the future of pay equity.

Why were senior citizens' pensions not protected by a specific written guarantee that they would never be subject to U.S. anti-dumping or U.S. countervail in the future?

Why did the Government not get written guarantees to help Canadians?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the reason that those programs are not in the free trade agreement is that the Prime Minister stated from day one that social programs would not be involved in any way in discussions over free trade.

Some Hon. Members: Hear, hear!

Mr. Caccia: That is not what the Medical Association is saying.

Miss Carney: In terms of the social concerns, may I point out that today the new statistics from Stats Canada show that there has been a further drop in the number of Canadians living below the poverty line. Since the Government came to power half a million Canadians have now been moved off the poverty line rolls, and the numbers in the senior citizen category are the lowest percentage ever on record.

That is the social performance of this Government.

SALES OF UNITED STATES SUBSIDIZED WHEAT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Prime Minister. It concerns a group in our society who have increasing numbers on the poverty line, and I am speaking of the farmers of Canada.

For the third time since the Prime Minister's trade deal was signed on October 4, Canadians have witnessed actions by the United States Government designed to steal our customers and to lower wheat prices in Canada.

According to the Wheat Board, the United States is now in the process of auctioning at a loss, subsidized by the taxpayers of the United States, some 22 million tonnes of wheat. What

specific action has the Prime Minister taken, or does he intend to take in order to protest this breach of his own trade deal?

Is this not proof that his trade deal is not worth the paper that it is written on?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Hon. Member should know that this is not a new program. It is something that the United States has been doing on an ongoing basis for the past two and a half years. It is one that we do not approve of, and one that we object to very strongly. All Members should know that this morning our Ambassador in Washington registered those objections with the U.S. Secretary of Agriculture.

If he is interested, the Hon. Member should also know that last week the European Community released approximately 1 million tonnes of intervention wheat for sale to the Soviet Union. We object strongly to that. We think that the subsidy associated with that sale was something like $200 a tonne. We do not like it, and we are doing everything we can to protest, to let both the Europeans and the Americans know that we think it is counter-productive.

Mr. Boudria: Mr. Speaker, that is most reassuring, and the farmers will be quite pleased. That will bring them a lot more money today or tomorrow.

[*Translation*]

QUERY WHY GOVERNMENT DOES NOT TERMINATE AGREEMENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I should like to address again the Prime Minister to whom I directed my previous question. Considering that, as stated on page 36 of the Agreement, the Parties must be careful not to undermine the spirit of the Free Trade Agreement in the period prior to its entry into force; that the Americans have demonstrated on many occasions their unwillingness to respect the preliminary agreement, why should we believe that they intend to respect the final agreement and why does the Prime Minister not put an end to this farce as soon as possible by tearing up this agreement?

• (1425)

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, possibly the Hon. Member would care to refer to the "Elements of the Agreement" and point out that it is the first time, in any trade agreement, that the two parties have agreed between themselves that there shall be no export subsidies in this area. That is a very important move forward in advancing agricultural trade reform.

REQUEST THAT DEADLINE FOR SIGNING BE EXTENDED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister for International Trade. It has now been confirmed that the Canadian and American officials will not meet for one final time, presumably, until November 30, to get conclusive wording on the agreement.

Considering that this virtually guarantees that the committees of the House and the House itself will not have adequate time to consider this important document, which the Prime Minister has described as being the most significant deal in the history of the planet, if not the universe, will the Minister undertake to do the serious work that ought to be done in the circumstances and appeal directly to the United States for a minimum two-month extension in the deadline?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the negotiators have broken to honour the American Thanksgiving weekend. They will be back for the final cleaning up of the few remaining details at the beginning of the week, and we expect the report to be released shortly.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sure the Americans have a lot to be thankful for from this Government under the circumstances. No one is questioning the appropriateness of the Americans having their Thanksgiving and that being a reason for the delay of the wording; that is totally understandable. However, what the people of Canada want—what British Columbians demonstrated for yesterday and what people in other provinces want—is the opportunity to study the agreement seriously. That is what ought to be done.

In that context I want to ask a question of the Minister. Given the importance that she has attached to this, and that the whole Government has attached to it, why is it unreasonable to ask for a minimum two-month extension so that the committee can do its job, so that Members of Parliament can do their job, and so that Canadians can understand what is involved?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, we feel that there is ample time in the parliamentary process to continue the kind of debate that was started in the Macdonald Commission, with a $20 million, two-year discussion of the issue; in the Senate commissions; in consultation with the SAGITs; in all the consultative mechanisms which have been established and which will take place in the future.

May I add that Canadians have a lot to be thankful for from this Government, including the best performing economy in the entire western world.

If we do not get the benefits of a free trade agreement, it will be no thanks to those people on the other side of the House.

REQUEST FOR RELEASE OF AGREED PORTIONS OF TEXT

Hon. Edward Broadbent (Oshawa): The Minister is her usual charming self. Mr. Speaker, we understand that something like 80 per cent to 90 per cent of the wording has been agreed upon, and that the Premiers will be meeting

elsewhere in Canada this week and would like to have a look at what has been prepared. Will the Government at least show them the courtesy of taking the wording, which has been agreed upon on both sides, to that meeting so that they can have a look at it, and release it simultaneously to the committee so that other Canadians can at least have a look at what has been agreed upon? Will she do that?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Prime Minister has been scrupulous in bringing all information before the First Ministers. Through seven or eight meetings for seven or eight hours a time he has presented state of the art reports on these negotiations, and he will be doing that at this First Ministers' meeting.

If I could just comment on the personal remark made by the Leader of the New Democratic Party, I can say that charm isn't everything, and I cite as evidence the Leader of the New Democratic Party.

Some Hon. Members: Oh, oh!

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NORTHERN ONTARIO DEVELOPMENT AGENCY

FILLING OF ADVISORY BOARD VACANCIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for my hon. friend, the Deputy Prime Minister. It arises out of an answer given in the House yesterday concerning the Northern Ontario Regional Development Program called FEDNOR.

According to the Minister's reply yesterday, there are still four more appointments to be made to the FEDNOR advisory board.

• (1430)

An Hon. Member: None of your friends will make it.

Mr. Penner: None of my friends will make it, says the Hon. Member. That is what I want to ask about exactly, Mr. Speaker.

Mr. Blackburn (Brant): Friends in high places.

Some Hon. Members: Oh, oh!

Mr. Penner: I want to know whether among those four remaining positions there will be representatives on the board from the native community of northern Ontario, from organized labour and, if I may be so bold, will there be anybody at all from the constituency of Cochrane—Superior?

When the Minister answers, will he tell the House in order to be considered for one of these appointments is it absolutely necessary to be a card carrying PC? If that is so, it will be a very short list.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, that question was answered yesterday by the Minister of Regional Industrial Expansion. He said:

> In filling the last four vacancies, we will ensure that we complete that composition so that it truly reflects the social, ethnic and cultural realities of northern Ontario.

Mr. Penner: Mr. Speaker, if that question had been answered yesterday, I would not have asked it again today. We did not get an answer yesterday. The answer we got was very vague and uncertain and that is why I ask the question again today.

PROGRAM APPLICANTS—POLITICAL AFFILIATION QUERY

Mr. Keith Penner (Cochrane—Superior): Let me ask another question on the same theme, Mr. Speaker. Many people who are considering applying for this regional development program are asking the question: is it necessary that they belong to the Progressive Conservative Party in order to be considered by an advisory board made up almost exclusively of Tories?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I guess for anyone who cares to look at the facts he or she will see what the Hon. Member's preoccupation is. He talks about native economic development. In the Ontario region we have approved 49 projects worth $60 million. That was done under this Government under the Native Economic Development Program.

If the Member cares to check with those who have applied, he will find that none of them were asked about their political affiliation.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—COMMITTEE HEARINGS IN VANCOUVER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister for International Trade who will know that hearings were held in Vancouver yesterday for a province representing three million people. By definition the people on Vancouver Island were shut out of the hearings. The people of northern British Columbia, central British Columbia, the Kootenay region and, indeed, the upper Fraser Valley were all shut out.

As a Member representing British Columbia, does the Minister feel that in a province of three million people, very diverse in its economy, that hearing a handful of representatives in one city is doing justice to the process of democracy?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I understand that there was an all-Party agreement on the representation of the people who appeared before the committee. I am told that they agreed to divide the time available evenly between the Government and the opposition Parties. Should the Member find this arrangement unsatisfactory, presumably he should take it up with his own people who did the organizing.

COMMITTEE HEARINGS IN ALBERTA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I have a supplementary question. We want the Minister to know that this process is a sham and we opposed it from the very beginning. Each day as it progresses we are more convinced of that being the case.

My supplementary question is with regard to the hearings today in the Province of Alberta. At noon today we found out that a number of groups, including three women's groups, were told that they were not able to make presentations, that their views on the free trade deal would not be heard during the hearings in Alberta.

Considering the fact that the Government of Canada felt it was appropriate to take up to four weeks to hold hearings on the changes to the Crow rate, does the Minister not feel that on an important trade deal, which the Prime Minister has said is the most important trade deal in Canadian history, the Government should continue to take more than two weeks to hold hearings?

Hon. Pat Carney (Minister for International Trade): I am really surprised, Mr. Speaker, that the Hon. Member would consider four weeks as too much time to devote to the Crow rate when it was so important to the interests of western Canada. I just fail to understand why the Member does not understand the importance of this process to Canadians in general.

I have already said that there has been a lot of opportunity for Canadians to participate. There will be a lot of opportunity for Canadians to participate. The actual program that has been evolved for the committee hearings was arranged in consultation and in agreement with his own Party.

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FISHERIES

NEWFOUNDLAND INSHORE FISHERY—TASK FORCE REPORT—REQUEST FOR PRODUCTION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Task Force on Ground Fish for the Newfoundland Inshore Fishery, otherwise known as TGNIF, has presented its report to the Minister of Fisheries. It covers the cod stock in 2J3KL which is all the northern cod stock all along the coast of Newfoundland and the coastline of Labrador, a portion of which stock a consortium from the Prime Minister's riding stretching right down into northern New Brunswick wants, along with the Government of France.

Everybody wants to know what is in this report. Since the Deputy Ministers are meeting on the twenty-seventh of this month and the Atlantic Ground Fish Advisory Committee is meeting on the thirtieth of this month to make decisions based on this report, where is the report? Why is it so late? When will a copy be given to the Government of Newfoundland?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Member will be very pleased to know that on or about November 19, I believe it was, the Minister of Fisheries had presented to him a summary of the findings of that report from Dr. Alverson, chairman of the task force, and two of the other four members attended on the Minister of Fisheries to give him a summary. There are well over 100 pages of technical writing. It is being translated into French on an *aussitôt que possible* basis. For the Hon. Member's benefit I will translate. It means on "as fast as possible basis". I do not think the Hon. Member is as fluent as I am.

Some Hon. Members: Oh, oh!

Mr. Broadbent: In which language?

Some Hon. Members: Oh, oh!

Mr. Crosbie: I do not think he is fluent at all, Mr. Speaker.

Dr. Alverson is going to present a summary of the task group's findings to a special meeting of the AGAC—one certainly has to know one's initials to be in this business—on November 30.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I believe the Deputy Ministers are meeting and they will be given a verbal report. I believe that the Minister of Fisheries himself will probably bump into the Minister of Fisheries from Newfoundland during the First Ministers' Conference, and during that bumping occasion he will advise the Minister of Fisheries for Newfoundland in substance what is in the report. But the hon. gentleman will have to wait a few more days because, as I say, *aussitôt que possible*.

Mr. Baker: Mr. Speaker, where is the Minister of Fisheries when this Government deserves to be fried?

TRANSLATION OF REPORT—PROTECTION OF COD STOCK

Mr. George Baker (Gander—Twillingate): Mr. Speaker, TGNIF does not just mean the Task Force on Ground Fish for the Newfoundland Inshore Fishery—

An Hon. Member: What does it mean?

Mr. Baker: It also stands for "Thank God it is not in French".

Some Hon. Members: Oh, oh!

Mr. Baker: Now they can stall it some more to cook up a translation, but they cannot cook up the facts.

Will the Minister verify that in this report it says that there should be no further catching effort of northern cod stock and that, furthermore, the projections of the scientists that have been used in setting the quotas were overly optimistic, over estimated and, in most cases, erroneous? Will the Minister now say "no" to these people who want to exploit the northern cod further, and "yes" to the inshore fishermen who have known all along that this stock needs to be protected?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, certainly Marlon Brando will not be missed while the hon. gentleman is around.

Some Hon. Members: Oh, oh!

Mr. Crosbie: My response to the Member's statement about Translation is *incroyable*. It is incredible.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It is incredible that any Member of this House today, particularly a Member of the Liberal Party, would say "Thank God it is not in French".

I say on this side of the House that we are not going to present any report to any province or to this Parliament, or to any Member of Parliament, that is not in both official languages.

Some Hon. Members: Hear, hear!

Mr. Ouellet: He is talking about the French from France.

Mr. Crosbie: We say thank God, *merci mon Dieu*, it will be in both languages, English and French.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FREE TRADE

POSSIBILITY FOR QUEBECERS TO EXPRESS THEMSELVES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Prime Minister. Does he really believe that by allowing the Standing Committee on External Affairs and International Trade to hear eight witnesses six and a half million Quebec men and women, from Rouyn-Noranda, Rimouski, and the Saguenay will have ample opportunity to voice their views on the most important trade deal in the history of the world? Is he not making a mockery of the democratic process?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Quebec men and women are already voicing their views on the free trade issue thanks to the Parliamentary Commissions set up by the Quebec and Federal Government, and they will continue to do so. The Hon. Member is certainly aware that Quebecers, from Mr. Bourassa to Mr. Parizeau, have made it known that they are in favour of free trade as an indispensable tool for the future development of Quebec. If my Hon. friend wants to be heard, either in Ontario or in Quebec, he will have every opportunity to do so before. The proper Parliamentary Committee of the Quebec Government or that of the Federal Government.

• (1440)

[*English*]

TIME SPENT ON CONSIDERATION OF AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I think even the Prime Minister would agree that having the Premiers and Members of Parliament talk about what is supposed to be the greatest trade deal in the history of the world is quite different—

Some Hon. Members: Hear, hear!

Mr. McCurdy: If it is so great, history will tell. If it is so great, why fear the ordinary people? Does the Prime Minister want to have it recorded in the history books that the Canadian people and their representatives were allowed to spend less time than the average family spends determining whether or not to buy a car or even a pair of Guccis?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, may I point out that the time allocated for committee hearings, in conjunction with consultations that have gone on, including the many First Ministers' conferences, is infinitely more time than was ever made available by the previous Government for trade treaties such as the Auto Pact.

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CAPE BRETON DEVELOPMENT CORPORATION

INDUSTRIAL DEVELOPMENT DIVISION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the Minister of Regional Industrial Development, I turn to the Prime Minister. The Government of Canada has recently terminated funding for the Richmond County Development Corporation in Nova Scotia, and now in industrial Cape Breton a decision is pending on the future of the industrial development division of the Cape Breton Development Corporation.

Will the Prime Minister end the uncertainty and anguish and give a clear and unequivocal undertaking to the people of Cape Breton that the mandate of the industrial development division of Devco will be enlarged and not reduced, and that

sufficient monies will be put in place to implement needed and useful programs so that area of Canada will have an economic base upon which to grow and thrive?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, in the absence of the Minister I will take notice of the very specific question the Hon. Member has asked and I shall arrange for an answer to his question. I would like to point out, however, that in Cape Breton in the last three years there has been a drop in unemployment of a full 5 points. That means that many jobs have been created there.

The measures taken including the Cape Breton development plan, tax measures, and the Atlantic Opportunities Agency are all initiatives that have benefited the Cape Breton area immensely. I am sure the Hon. Member will acknowledge that.

QUERY CONCERNING CONSULTATIONS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister of Regional Industrial Development has said publicly that a decision will be made before the end of January on the future of the industrial development division. One would assume that a consultation process would have been put in place. Will the Minister now place on the record the names of the individuals that Minister has consulted, the names of the groups he has consulted and the names of the groups and organizations he intends to consult in the future?

Will he also tell us whether any private sector consulting firm has been retained in order to do an assessment of the industrial development division of Devco? In essence, the people of Cape Breton wish to know who the sources of information are and the kinds of information that are going to the Minister on a vital part of their economy, namely, the industrial development division of Devco.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I take note of the many, many questions the Hon. Member has asked. We shall provide him with an answer as soon as the Minister returns.

* * *

IMMIGRATION

NICARAGUA—POSSIBLE ADMISSION OF MEMBERS OF CONTRA FORCES

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of State for Immigration. In view of the recent announcements, and considering the possibility of accepting Contras from Central America as refugees in Canada as part of the peace settlement in Central America, will the Government make a clear distinction between those Nicaraguans who simply oppose their Government on the one hand and, on the other hand, those who virtually have war criminal records? Will the Government ensure that the latter are not admitted to Canada?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, the comment made by my hon. colleague, the Secretary of State for External Affairs, was purely hypothetical and in no way committed the Government. I would like to give the Hon. Member the assurance that our policy with regard to refugees is quite clear. We have never admitted terrorists or persons guilty of war crimes, and that policy will not change.

[*English*]

APPLICATION OF IMMIGRATION GUIDELINES

Mr. Dan Heap (Spadina): Mr. Speaker, I thank the Hon. Parliamentary Secretary for her reply—

Some Hon. Members: Order.

Mr. Heap: I beg your pardon, Mr. Speaker. I thank the Hon. Minister of State for her reply, but I would like to ask a further question.

In view of the fact that events are moving very quickly in Central America and that what is hypothetical may shortly become actual, will the Minister assure the House that before decisions are made to bring any of the Contras to Canada, the Minister will report to the House the guidelines and methods the Minister and the Immigration Commission will use to ensure that no former Contras who have committed war crimes such as the willful murder of non-combatant men, women and children, will be brought to Canada?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I may add for the benefit of the Hon. Member that the Secretary of State for External Affairs will certainly be advising Canadians when he returns about any arrangements that could be made in this kind of situation.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

CANADA-UNITED STATES TRADE AGREEMENT—REFUSAL OF SASKATCHEWAN GOVERNMENT'S ADVERTISEMENT

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Minister of Communications. I would like to know what is being done about the decision of the CBC to refuse to run ads sponsored by the Saskatchewan Government regarding free trade. Will the CBC ban all statements about free trade on all CBC stations in Canada in order to be fair?

Miss Flora MacDonald (Minister of Communications): Mr. Speaker, the advertising standards of the CBC are determined by its board of directors, including the rules governing controversial broadcasting and controversial advertising. In fact those rules do not permit advertisers to buy time for the broadcast of controversial material.

I would explain that controversial advertising is defined as "a matter of public interest about which there is significant difference of opinion and which is or is likely to be the subject of public debate". I am informed that the ads in question were reviewed according to CBC's controversial advertising policy and they were found to be unacceptable.

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EXTERNAL AFFAIRS

NICARAGUA—MINISTER'S VISIT—UNITED STATES SUPPORT FOR CONTRA FORCES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Prime Minister. Yesterday in Nicaragua our foreign Minister visited a Canadian aid project which has been attacked by the U.S. backed Contras three times in recent years, which attacks resulted in 11 deaths. However, the Minister failed once again to ask the American Government to stop funding military attacks on civilian aid projects. When will the Government publicly state its opposition to this ill-conceived American policy, or is it afraid it might upset the U.S. and thereby lose the free trade agreement?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I believe that on his visit to Central America, the Secretary of State for External Affairs gave a clear demonstration of the Canadian Government's policy which is to try and find a way to bring peace to this region. I am convinced that the Secretary of State will do everything in his power to try and contribute to this peace operation.

• (1450)

[*English*]

AMOUNT OF CANADIAN AID TO HONDURAS AND NICARAGUA

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the Minister did not answer my question but I will try another one.

Yesterday the Minister announced a $1 million aid program for Nicaragua. We are told that on Thursday he will announce an $18 million aid program for Honduras. Since Canada is already giving more to Honduras and that country is dragging its feet on the peace plan, why did Canada not give at least the same amount to Nicaragua which has greater need due to the Contra war and the American blockade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am afraid that I do not have readily available the exact amount that the Canadian Government has provided to Nicaragua. That country is one of the largest recipients of Canadian aid in that area. It is something in the neighbourhood of $40 million over the last number of years. Some $4.5 million over and above that has gone to Nicaragua via NGOs. However, I would be happy to provide my hon. friend with specific information on such an important question.

Regarding the initiatives of the Secretary of State for External Affairs, I am sure my hon. friend will agree that this is an extremely difficult area and extremely complex climate. The Minister, because of his promotion of an increased aid policy over a number of years and a clear assertion that we espouse an approach to Central America different from some of our allies, and the very helpful initiatives he is taking in Central America this very day, I think deserves the congratulations of all Members of the House of Commons.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

OLYMPIC GAMES

TELEVISING OF CALGARY WINTER GAMES IN FRENCH

Mr. Léo Duguay (Saint-Boniface): Mr. Speaker, my question is directed to the Minister of Communications. The Minister is aware that I have been trying for a long time to get the Winter Games televised in French on the same basis as they will be in English. Could the Minister inform the House whether she has been able to conclude an agreement and so correct a situation that is unacceptable to Francophones outside Quebec?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, in addition to measures we have already taken, I am happy to inform you that the French network of the CBC will broadcast coverage of the opening and closing ceremonies, as well as a daily one-hour summary. This was made possible thanks to the financial assistance of the CBC, the Olympic Committee and the Department of Communications, and the co-operation of TVA, CANCOM and CRTC.

I would like to give special thanks to all members of the Joint Committee on Official Languages for their suggestions in this regard.

[*English*]

STATUS OF WOMEN

COURT CHALLENGE TO LANGUAGE TRAINING POLICY

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister responsible for the status of women. This weekend 35 organizations endorsed a court challenge to the federal Government's discriminatory language policy. That challenge is based on the fact that many immigrant women are denied language training and this in turn increases their isolation and confines them to low-paying jobs that do not require communication skills.

In view of this court challenge, will the Minister see that the eligibility criteria are changed so that the language training necessary for women and their full integration into the economy is available, and thereby save us all these expensive legal costs?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, the language program is designed to help new immigrants regardless of gender. Under the Canadian Jobs Strategy over $60 million is provided for labour training for those wishing to enter the labour force. Some 85 per cent of that was used by new immigrants in 1986 and 1987. Over the past five years we have provided language training for more than 90,000 new arrivals in the labour market.

The Secretary of State provides funding for language training for citizenship purposes. Immigrant non-working spouses not destined for the labour force can take advantage of these programs.

MINISTER'S POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I think this House deserves more respect than just having the Minister read an answer. There is a court challenge to the discrimination against women in language training. Is the Minister willing or not to allow these people to become part of our daily workforce?

Hon. Gerry Weiner (Minister of State (Immigration)): Mr. Speaker, quite simply, the language training under the Canadian Jobs Strategy is intended for those being prepared for the labour market. Employment and Immigration Canada has implemented a program called Settlement Language Training which has been very helpful to those not being prepared for the labour market, and we will continue that program across Canada again this year.

EXTERNAL AFFAIRS

INDIA—IMPRISONMENT OF CANADIAN CITIZEN WITHOUT BEING CHARGED

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Secretary of State for External Affairs. A Canadian citizen, Mr. Balkar Singh, has been imprisoned in India for the last month although he has not been charged with any offence. Will the Minister tell the House what steps the Government is taking to ensure that Mr. Singh is either released, if there is no evidence against him, or given a fair and quick trial?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, our High Commission in New Delhi did advise us that Indian foreign affairs representatives had confirmed that Mr. Singh has been arrested and is being kept in jail. Of course we—I mean departmental officials—have so advised the family members and they are being kept aware of the latest developments.

Our High Commissioner told us today that consular access has been authorized and that probably tomorrow a High Commission agent will be allowed to see Mr. Singh in jail.

I can assure my colleague that I will be pleased to keep her informed of new developments as we receive more information from our High Commission.

[*English*]

REQUEST THAT FAMILY BE INFORMED OF DEVELOPMENTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I thank the Minister for that answer. May I also ask her if she will ensure that Mr. Singh's family is kept fully informed of developments? He has a wife and three young children in Toronto who were expecting him back from a visit to a sick relative.

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I should like to reassure my colleague and tell her that so far the family has been made aware of new developments by agents of the Department of External Affairs, and I personally will see to it that the agents continue to bring any new development to the attention of the family.

* * *

[*English*]

WESTERN GRAIN STABILIZATION ACT

FUND IN DEFICIT—REQUEST FOR AMENDMENTS TO LEGISLATION

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is directed to the Minister of State for Grains and Oilseeds, whose announcement last Friday of the

$693 million final payment under the Western Grain Stabilization Program was well received. The problem is that the fund is now something in the order of $1.5 billion in deficit. It is obvious that the present levies will not even pay the interest on that amount.

What are the Minister's plans relative to a possible increase in levies? Is he considering amending the legislation in order to allow those 15 per cent of producers who are not in the plan to get in? Is he also considering any extension of the plan to cover crops other than those presently covered?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, yes, we are considering amendments to the legislation to encourage producers who are not now members to join. We are also looking at amendments to include some of the smaller crops, pulse crops, especially those not now part of the plan.

We are looking at two or three ways to get additional funding for the plan. We will be considering raising the levy. We will be considering the possibility of a government write-down. We will also be looking to the provinces to see if they are interested in participating in fulfilling their responsibility under the Constitution which names agriculture as a joint responsibility.

* * *

• (1500)

AGRICULTURE

WORLD WHEAT PRICES—CANADIAN POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is also for the Minister of State for Grains and Oilseeds. He has already been asked a question with regard to the offering to the market by the United States Government of their surplus wheat through auction. The Wheat Board has been warning that this will have a negative effect on the price of wheat in particular.

Can the Minister tell us what impact these sales will have on world wheat prices? Can he give us figures on what will happen to wheat prices?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I cannot. That is a very difficult question. The Hon. Member is a farmer and should know that all kinds of factors go into determining international wheat prices and that they are very difficult to predict. I think it is safe to say, however, that any effect it does have will be a negative effect on the market.

That is unfortunate because there is a reduction of over-all stocks of wheat in the world. We believe, that without the foolishness which is going on between the European Community and the Americans, there would be a chance for at least the start of a recovery in over-all international wheat prices.

INTERNATIONAL TALKS—CANADIAN POSITION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, since the Mulroney-Reagan bilateral agreement has failed to stop this kind of action by the United States, what action is the Government proposing in talks with international groups to eliminate these practices? What sort of penalties is the Government proposing in these cases?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, the Minister for International Trade will be attending a GATT meeting on the weekend. We intend to let both the Europeans and the Americans know, in very strong words, of our displeasure with this. In the meantime the federal Government is very strongly supporting sales by the Canadian Wheat Board and other sales agencies. The Minister for International Trade will be pursuing some issues internationally.

With the leadership of the Prime Minister the Government has provided a record amount of financial assistance to Canadian grain and oilseeds producers during a very difficult time. An indication of that is the record final payment under the Western Grain Stabilization Act which was announced last week. I am sure that the Member and his neighbours, who are farmers, are very well pleased with the size of that payment.

Mr. Speaker: This will be the last question in Question Period. The Hon. Member for Papineau.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON CANADIAN MARINE TRANSPORTATION INDUSTRY

Hon. André Ouellet (Papineau): Mr. Speaker, I have a question for the Minister of Transport who told me on Friday that he was disappointed that he could not persuade the U.S. to agree to change the protective provisions of the Jones Act. He said that the Government would not sign the transportation annex if it will undermine Canada's ability to protect and advance Canada's interests.

Can the Minister tell me if the negotiations are completed with regard to the maritime issue? If that is the case, what advances in Canada's interest does he foresee being contained in the transportation annex?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, as the House knows, the Canada-U.S. free trade agreement is not yet complete and ready for signature. That includes, of course, any annex there might be on transportation matters. If transportation matters are included they will certainly be in the interests of Canada.

As I have already explained to the House, the issue of air transportation will not be included. It will be dealt with through bilateral agreements.

We attempted to persuade the Americans to change their protective cabotage approach in their own coasting trade. They would not do that. We would not change our position on culture. We would not change our position on farm marketing agreements. We would not change our position on regional development subsidization, and the Americans would not change their position on cabotage under the Jones Act. That is the position.

REQUEST FOR SPEEDY PASSAGE OF BILL C-52

Hon. André Ouellet (Papineau): Mr. Speaker, the Minister is repeating what he said the other day.

Mr. Crosbie: Your question is the same.

Mr. Ouellet: The Minister indicated clearly that we have no advantage because the airline industry has been excluded. Therefore, we will not win anything in this area. He is now telling us that we will get no advantage in the marine sector either because he has not done his job properly.

Since the final transportation annex will contain a section reserved for exceptions and exemptions, can the Minister assure the House that Canada's coasting trade, as laid out in Bill C-52, will in fact be exempted? Can he at least try to ensure this? If he cannot ensure this, is he now prepared to move quickly with Bill C-52 and have the proper amendments made immediately to protect this sector of our economy before the trade deal is signed with the Americans?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Hon. Member and so many of his Party get up every day and ask the same questions and then are amazed when they get the same answers. They get the same answers because the answers we give are the correct and solidly factual answers. Therefore, as long as he continues to ask me the same question I will continue to give him *la même chose*.

Bill C-52 has received second reading and has been referred to a legislative committee. We will certainly proceed with that Bill. That Bill contains further protection, if any is needed, for the Canadian coasting trade. We certainly intend to proceed with it.

[*Translation*]

The Acting Speaker (Mrs. Champagne): On a point of order, the Minister of State for Small Businesses and Tourism and Minister of State for Indian Affairs and Northern Development (Mr. Valcourt).

Mr. Valcourt: Madam Speaker, I provided some information during question period and I would not want to mislead the House.

When referring to the native people economic development program for the Ontario region, I quoted the wrong figures. In fact, under this program in the Ontario region, 67 projects have been approved for a total value of $22,268,006.

The Acting Speaker (Mrs. Champagne): I thank the Minister for his correction to *Hansard*.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT

The House resumed consideration of the motion of Mrs. Dewar:

> That this House condemn the government for its signing of a trade agreement with the United States that, amongst other things:
>
> (a) fails to consider the disproportionate effect on women, and especially the loss of jobs in the service sector where women are concentrated;
>
> (b) will give up provincial control over energy resources in a continental energy market; and
>
> (c) fails to allow for adequate consultation with Canadians in all provinces and territories before committing us to profound changes not only in our economy, but our political sovereignty, cultural distinctiveness and generally, our ability to run our own affairs.

The Acting Speaker (Mrs. Champagne): When the House took recess at one o'clock the Hon. Member for Brampton—Georgetown (Mr. McDermid) had completed his remarks.

[*English*]

I will now recognize Members who wish to question the Hon. Member for Brampton—Georgetown (Mr. McDermid) or comment on his speech.

Mr. Caldwell: Madam Speaker, I have a question for the Hon. Parliamentary Secretary. The Liberal Party seems to have something against supply management marketing boards and sides with the processors who say that they will not be able to exist under the free trade agreement. Could the Hon. Member explain why they should not worry about that under this agreement? Why do the Liberals wish to protect the processors rather than the farmers of Canada?

Mr. McDermid: Mr. Speaker, a commitment was made by the Prime Minister (Mr. Mulroney), the Minister for International Trade (Miss Carney), and the Minister of Agriculture (Mr. Wise) at the outset of these negotiations that the marketing systems and their underpinnings which were in place in this country would not be in jeopardy in the free trade agreement. That is another commitment made by the Prime Minister which has been kept. Our supply management system remains intact.

We have helped the processors in this agreement as well by removing tariffs on products exported to the United States so that they can expand their production here. We are continually working with the food processors under their sectoral advisory committee which I discussed in my speech. We will continue to work very closely with them. There is a move toward one-price

wheat with compensation for the farmers. When that is accomplished it will also help our food processors.

Everyone wins under this agreement. I met with a milk producer the other night who asked me what good the milk marketing board and his quota for milk are when milk can flow freely across the border from the United States. I explained to him that that cannot happen. The quota systems and other underpinnings of the supply management system are still in place. As a matter of fact, under the agreement we have reserved the right, if it is the desire of the industries, to establish new marketing programs.

The Acting Speaker (Mrs. Champagne): Order. It is most difficult at this time for the Chair to hear the Hon. Member. I wonder how other Members can hear him. The Hon. Parliamentary Secretary may conclude his remarks.

• (1510)

Mr. Marchi: Do we have to listen?

Mr. McDermid: Madam Speaker, people in the Opposition do not want to hear it anyway because they cannot stand to hear the truth, or the facts.

I have essentially concluded my remarks to the Hon. Member on the supply management question. I simply want to assure him that it is in place in this country.

Mr. Caldwell: I thank the Parliamentary Secretary for clearing up that matter. I am sure the people of Canada feel much better that at least our Party is standing up for the supply management marketing boards and marketing boards in general.

However, I noticed in a newspaper clipping last week that the Hon. Member who proposed this motion was at a meeting where they were talking about the Auto Pact. I am not sure that she completely understands how the Auto Pact will work under the free trade agreement because she did not point out at the meeting that the Canadian content remains at 60 per cent with the big three. She seemed to indicate to the audience that it would be 50 per cent North American for the big three as well. Will the Parliamentary Secretary clarify that?

Mr. McDermid: I thank the Hon. Member for his question because I know he comes from an area that is deeply concerned about the auto industry, as is my community of Brampton.

First, only the big three will belong to the Auto Pact, according to this agreement. Second, we maintain the safeguards which demand that for every car they sell in Canada they must build a car in Canada. Let me point out that at this time they are 186 per cent over that requirement.

The requirement of 60 per cent Canadian content under the Auto Pact remains in place. As a matter of fact, the Canadian content in automobiles being manufactured here under the Auto Pact is at 70 per cent or 71 per cent.

In addition, we have said that if those automobile companies from offshore that are manufacturing either in the United States or Canada want duty-free access across the board between our two countries, they must have 50 per cent North American content in automobiles. That 50 per cent North American requirement pertains to labour and materials. The 60 per cent Canadian content under the Auto Pact not only refers to that, but also to advertising costs and many other things to make up the 60 per cent Canadian content. On the other hand, the foreign auto manufacturers here and in the United States have a true 50 per cent North American content requirement.

Our auto parts manufacturers in Canada can compete and have proven that. They have increased their share of auto parts in North America from 9 per cent to 14 per cent. They will be able to compete even more in the North American market with the duty removed. We believe that will expand jobs in the auto parts industry.

I know that the auto parts companies with whom I have discussed this in my particular community heartily support the agreement and look forward to selling parts, not only to the big three but to those manufacturers from other countries that are assembling and building cars here.

Mr. Caldwell: Madam Speaker, again I thank the Hon. Parliamentary Secretary for that answer. Could he explain why the American parts manufacturers seem to be opposing this deal?

Mr. McDermid: Madam Speaker, it is interesting to observe the various groups in the United States that are opposing the free trade agreement that has been reached between Canada and the United States. One of them is the auto parts manufacturers in the United States who are petitioning Congress not to pass the agreement because they believe Canada got the better of the deal. When I see that, together with the coalition of energy companies in the United States that are opposing the agreement because Canada got the better deal, I know that we are on the right track. I am absolutely positive of that when I see that the AFL and CIO said at their meeting in Miami that Canada got the better of the deal and will oppose the agreement in the United States.

It is interesting to note who is opposing this particular agreement and who is saying that Canada got the better of the deal. I believe we both got a good deal because it is a win-win situation. It will be important for both countries, but especially for Canada where it will create jobs and assure a better way of life in Canada by making stronger, more proud and more efficient Canadians.

Mr. Dan Heap (Spadina): Madam Speaker, I am very pleased to have an opportunity to take part in this debate on some aspects of the arrangement between the Prime Minister (Mr. Mulroney) and the President of the United States, which some people misrepresent as a free trade deal.

The motion by the Hon. Member for Hamilton Mountain (Ms. Dewar) states:

> That this House condemn the Government for its signing of a trade agreement with the United States that, amongst other things:
>
> (a) fails to consider the disproportionate effect on women, and especially the loss of jobs in the service sector where women are concentrated;
>
> (b) will give up provincial control over energy resources in a continental energy market; and
>
> (c) fails to allow for adequate consultation with Canadians in all provinces and territories before committing us to profound changes not only in our economy, but our political sovereignty, cultural distinctiveness and generally, our ability to run our own affairs.

Since it is a very large subject, I wish to comment particularly on two aspects of it which have been referred to earlier today, especially by some Hon. Members opposite.

I represent Spadina, which has a vigorous apparel industry, sometimes referred to as the garment, clothing or fashion industry. I want to comment on some things that have been happening there, as well as on some thoughts that have occurred not only to the trade unionists but also to the manufacturers.

Previously, it appeared that this was one of the sectors that strongly supported what was supposed to be the deal worked out between Canada and the United States. However, I found last week and the week before that now that the facts are beginning to come out, the Government is losing some of its supporters. The most notable one is the very chairman of the Sectoral Advisory Group for International Trade for the garment industry, Mr. Peter Nygard. Mr. Nygard is one of the larger manufacturers of clothing in Canada and understandably chaired that SAGIT. He is furious with the results.

He has been quoted both privately and publicly as saying that when the preliminary trade deal was unveiled last month a provision for quotas on imported fabrics blatantly discriminates against Canadian apparel manufacturers. He makes the point that Canadian manufacturers will get a ceiling of 50 million square yards of cotton and synthetic material in finished apparel going to the United States, and imports of woollen goods will be restricted to six million square yards, about three million garments.

The point is that the Canadian garment industry has been successfully selling about $100 million worth of exports to the United States, based on the expertise worked out in places like Montreal, Toronto, Guelph, Winnipeg and Vancouver.

• (1520)

There are only about 10 effective Canadian textile mills. There are about 250 American textile mills. Many good fabrics come from offshore. The Canadian industry has been able to sell to the United States a combination of imported and North American fabrics with Canadian design and workmanship. The same fabrics are available to the American industry but, nevertheless, Canada has been able to compete successfully. The effect of the free trade deal has been to face Canadian industrialists, the employers, with restrictions.

Mr. Nygard perceives that the Canadian manufacturers will lose 40 per cent to 50 per cent of the $100 million worth of garments now exported to the United States.

Mr. McDermid: Nonsense.

Mr. Heap: I hear the Hon. Member opposite saying it is nonsense. I am not surprised he says that because apparently there was an attempt to muzzle Mr. Nygard. He is reported as saying that he and Mr. Oscar Rajsky of the Forsyth Trading Company were urged by federal officials to back off criticisms of the pact. He said: "We were told it was not in our best interest to go public. They, the feds, held out hope that they could negotiate around a very awkward situation".

Mr. McDermid: Read the quote by Rajsky where he denied that. Be honest.

Mr. Heap: I have what the *Sun* provided. I do not answer for the quality of the *Sun's* reportage. I have the article and it does not quote Reisman.

It is not only Peter Nygard who is very dissatisfied, but Mr. Chris Kuzik the executive director of the Toronto Dress and Sports Wear Manufacturers' Guild, both in private conversation and his brief last week to the Ontario Government, has indicated he is very dissatisfied with the deal between our Prime Minister and the President of the United States.

For example, on page 2 of his brief to the Ontario Government he points out that wages and benefits of the employees within the guild are 40 per cent higher than they are in the southern United States. In the past, as has been pointed out, the main threat of imports to our industry has come from very low wage countries outside North America. This Government followed the pattern of the previous Government in allowing such a large amount of imports that the Canadian share of the market was reduced from about 70 per cent to about 50 per cent in a few years. However, the effect of this deal, according to Mr. Kuzik, would be to reduce the Canadian share further. He agrees with Mr. Nygard that 50 per cent of Canadian production will be affected or restricted by the deal which has been negotiated.

Mr. Kuzik particularly points out that, yes, the SAGIT was consulted. Mr. Nygard and his associates were consulted. They gave their recommendations. But he says:

> Through our SAGIT the industry recommended to the Canadian negotiators that given our relative small size and other difficulties, an asymmetric tariff phase out be negotiated. This calls for: the phase out of tariffs in textiles before apparel; the phase out of U.S. apparel tariffs before Canadian tariffs. This was not accomplished.

This is a very serious problem and what is expected, according to Mr. Kuzik in conversation, is that a good many of the small plants in small towns across the country will lose out as well as some of the new, young and imaginative designers in

Toronto. He is also concerned about problems of labour adjustment. He knows his workers. There are about a dozen thousand workers in the industry and, as usual, about four-fifths of them are women. He points out that they are generally of a higher than average age for industrial work, with limited formal education and usually a lack of proficiency in any of Canada's official languages. The Hon. Member for Hamilton Mountain (Ms. Dewar) referred to the defect in our language training programs as it regards housewives and many others who come in originally as spouses, even if they later enter the labour force.

Mr. Kuzik also adds that unfortunately there does not exist any general retraining capability in Ontario to assist the employees who will be affected. The federal Department of Manpower stopped supporting on-the-job training within companies and industry-wide training or retraining years ago. A major retraining school along Spadina Avenue in Toronto is long overdue. He further points out that in his observation, the adjustment is going to hurt a great many of the workers in the industry, and I quote:

> The reality I deal with is that with a plant closure, most higher wage workers have to take reductions to secure alternative employment. Through personal experiences involving hundreds of workers over many years, trade adjustment means to me lower wages for higher wage unionized workers, the opposite of what economists promise with free trade.

He refers to the training program again:

> In 1982, it was expanded to the Labour Adjustment Program, which last year helped about 5,700 clothing and textile workers generally over the age of 54 having a minimum of 10 years industry service. These workers, mostly women, were permitted to receive the equivalent of U.I.C. benefits until they reached age 65. This was a compassionate program—

He then points out that the program was cancelled August 17, 1986.

This brings me to points which have been made by one of the well known ethical teachers in our country, Bishop Remi De Roo. Several years ago he lead a group of Bishops of the Roman Catholic Church who made an important statement criticizing economic systems that generate unemployment, that is that they were going far beyond the "hand out" philosophy which some people imagined was the Christian approach to unemployment. He makes five specific ethical criticisms, that is, criticisms on the basis of the ethical teaching of the Roman Catholic Church. In conclusion he makes this point:

> In the final analysis, what is required is an intensive national search for alternative economic strategies.

This morning we heard someone call for alternative ideas. That is what Bishop Remi De Roo is proposing. He continues:

> To be certain, the world we live in today has become highly competitive. Yet, the options before us are not simply free trade or increased protectionism or trade wars. As an alternative, I believe we need to mount a more self-reliant, less export dependent economy, with planned and diversified trade initiatives, not only with the United States, but particularly with certain Third World countries who are striving to reorganize their own economies to serve the basic needs of their people.

The point that Bishop De Roo has made repeatedly is that the first concern of our economy and the first concern of the economies of those Third World countries should be to serve the people of the country rather than being, as he calls it, export driven. The submission further states:

> For Canada, this involves a national economic strategy that puts priority on achieving full employment, new investment priorities and incentives, revitalized universal programs, new forms of community ownership of industries, a revitalized public sector, and a progressive tax system.

• (1530)

In the few moments remaining, I wish to mention a few of the particulars which Bishop De Roo raised in his brief to the committee on free trade. One of the points that he has asked for is what he calls the recognition of the proper status of human labour. This applies specifically to the Roman Catholic Church but it is also agreed to by other churches. The submission states:

> The Church's social teachings emphasize the value and dignity in God's plan for Creation—Human labour, therefore, should not be treated as a commodity to be bought and sold in the market place . . . It is through the activity of work that people are able to exercise their creative spirit, utilize their human dignity and participate in the development of their society—human labour and the basic rights of working people should take priority over the maximization of profits and the accumulation of capital.

Bishop De Roo points out that this is the "priority of labour" principle.

What we are getting in the free trade deal is too narrow an emphasis on the operation only of the employers and the salesmen; too narrow an emphasis that tends to underestimate the problems that will be faced by workers in the transitions that may be forced by the trade deal.

Bishop De Roo reminds us that the Minister of Employment and Immigration (Mr. Bouchard) offered the prediction that half a million or more Canadians could lose their jobs. He also points out that in Quebec a study shows that 30,000 people in the textile industry alone are faced with potential job losses. Yet the federal Government's job creation program does not seem to be gearing up to take this into account.

As has been pointed out, not only by workers but also by manufacturers in Spadina, the Canadian Jobs Strategy does not take account of this type of restructuring. Too many of its programs are open only to someone who has been unemployed for six months or more.

The women and men who work in the garment industry are not wealthy enough to take a six-month holiday while they wait for retraining. From the Government's point of view, if they make the mistake of taking a job in between, then they disqualify themselves for the retraining program because they have broken their period of unemployment which the Government wishes them to maintain.

There are also certain industries in Canada which are likely to be extremely vulnerable. It is not only a few out-of-date buggy-whipped industries. For example, the Bishop suggests that forestry, textiles, clothing, leather and shoes, furniture, electrical products, food processing, automobiles, and services such as health care, day care, and services for the elderly are

vulnerable to the changes that will flow from the proposed trade deal.

We have already had some suggestions of these events. The trade deal does not so much convert a situation from absolutely one thing to another, as to speed up certain tendencies. We have already seen tendencies, for example, American corporations taking over services such as child care, hospital services, and applying standards that are very different from the standards that have been built up by Canadians; standards of service and protection of the client whether it be the children in the day care or the patients in the hospitals; standards of services that are seen as a restriction on the profits of those corporations that come in to take over a hospital or a day care system in certain parts of the country.

We know that if we maintain or advance legislation that restricts the profit by protecting the standard of service to the service receiver, we stand in danger of being told that that is an unfair restriction on trade because it prevents the United States, or the American corporations, from making as much profit as they would expect to make in Canadian industry.

Therefore, the Bishop is also very much concerned with the question of social equality. The U.S. corporations generally consider that many of Canada's social programs such as medicare and unemployment insurance are a burden on the industry. In previous negotiations they have called them "unfair subsidies". We can expect that attitude to resurge and grow more aggressive under the free trade deal.

There is also the matter of regional development subsidies to one region. One American Government showed 55 Canadian Government programs, not all federal, which it considered unfair subsidies, which we considered appropriate regional assistance. There is probably only one type of regional assistance which the American corporations would approve of, and that would be the manufacture of military equipment. It may be suggested that the solution for unemployment in many parts of Canada will be to become part of the branch plant system for the American war industry. That is not acceptable to the majority of Canadians.

We also have the problems that have been previously referred to in agriculture, and perhaps it could even threaten the resolution of native land claims.

Those are only a few of the points that have been made both by industrialists in Toronto concerning the industry that they know intimately, and by Bishop Remi De Roo, one of the leading Bishops of the Roman Catholic Church in Canada. I hope that Hon. Members opposite will take warning from the information that those people have brought to us.

Mr. McDermid: Madam Speaker, I can say very seriously that a great deal of what the Hon. Member has stated today is totally unfounded and, in some instances, is totally unfair. I especially wish to mention the Peter Nygard situation.

If the Hon. Member were honest and fair, he would have mentioned that there was an accusation made in that particular newspaper article from which he quoted that people were pressured not to appear before the committee. Mr. Nygard was not available for comment because at the time he was in Barbados. The other gentleman mentioned in that article stated that there was absolutely no pressure from the Government at any time. That is contained in that same article. If the Hon. Member were fair in his presentation, he would have read that quote into *Hansard*.

We must understand why Mr. Nygard is upset with the agreement. The agreement states that garment makers in Canada cannot bring in material from offshore, make it into clothes, and then ship it into the United States. There is a limit as to how much can be brought in from offshore, manufactured into garments, and shipped into the United States.

What we are doing here is helping the Canadian textile companies. If the Hon. Member is saying that what should happen in this agreement is that there should be unfettered access by the textile manufacturing companies around the world to Canada to manufacture clothes and then ship them to the United States duty free, and forget our textile manufacturers in Canada, then let him stand up and say so.

I might also remind the Hon. Member that the same holds true the other way. There are limits on American companies producing garments out of Third World material or fabric coming from other than the United States. It is a *quid pro quo*. The free trade agreement is not designed to be channeling things in from offshore, doing something with them, and then sending them down to the United States. That is not what it is about. I understand Mr. Nygard's concern. He would love to have unfettered availability of fabric from offshore; I understand that.

• (1540)

Once he understands what Mr. Nygard is concerned about, I think the Hon. Member, in all fairness, would have to admit that in the agreement we have protected textile purchasers in Canada and have allowed them to expand their operations, because they can compete very well with American textile operations.

Mr. Boudria: They cannot.

Mr. McDermid: Many people in the textile industry say that they can. The Hon. Member was in the House this morning when I quoted all the people in the textile industry who say that they can compete. In any event, that is one point upon which I would like the Hon. Member to comment.

Also the Hon. Member keeps quoting Bishop Remi De Roo as a great tsar with knowledge of everything. He is the same bishop who said, in 1984 when the Minister of Finance (Mr. Wilson) brought in the economic direction of the Government of Canada, that hundreds of thousands of jobs would be lost.

He was the same one who said that the economic direction of the Government of Canada would lead us to disaster.

As everyone knows, over 1,000 jobs have been created per day since the Progressive Conservative Government was elected in 1984. Well over one million jobs have been created and over 570,000 people have been taken off the poverty roll. We admit that that is still not good enough, and we are working to get more off the poverty roll.

Bishop De Roo was wrong on that one, and Bishop De Roo is wrong on this one as well.

Mr. Heap: Madam Speaker, I wish to comment on the remarks that the Hon. Member made. I was referring to Nygard's statement as recorded in *The Star*. I was also referring to the fact that he had made an earlier public statement in objection to the free trade deal with the United States. I was not referring to the question of whether they were appearing before the committee.

I agree with the Hon. Member that Mr. Rajsky says in his story that his decision not to appear before the committee did not have to do with that pressure. I am referring to previous statements in the general public sector, that are in public knowledge and that were referred to, particularly statements by Mr. Nygard printed in the daily papers.

As to Mr. Nygard's reasons and the possible argument that the Hon. Member has used to set his reasons aside, that is the sort of thing that ought to be brought out for public decision or public examination before things are settled rather than after things are settled and signed. There are many things to be said on that, and it is not reasonable to choose to accommodate certain American industrialists and perhaps certain Canadian industrialists, the much smaller number or the tiny fraction of Canadian industrialists that might benefit, without public examination and consultation.

As for the Hon. Member's dissatisfaction with Bishop Remi De Roo, Bishop De Roo is held in high regard in many parts of Canada. He does not happen to be from central Canada. Perhaps that is why the Hon. Member from Brampton does not like him. He happens to be from the West and in many matters he reflects the point of view of the West.

Mr. McDermid: I didn't say I didn't like him.

Mr. Heap: I am sure the Hon. Member does not dislike him personally. He just dislikes what he knows of him, that is all. It is interesting that it is a voice from the West that the Hon. Member from Brampton is trying to put down in this manner.

Mr. Boudria: Madam Speaker, I want to add a comment to the speech which was made by the Hon. Member for Spadina (Mr. Heap). Earlier today in the House it has been said—and it was not by the Hon. Member for Spadina but I invite him to comment on it—that Canadian textile mills were just as able to compete with mills elsewhere.

I would like to put the following information before the Hon. Member for Spadina. Recently I received a letter from a mill in my constituency which employs 72 people, most of whom are women, and pays an average salary of $11 per hour. They may not be very high wages, but in the case of the textile industry they are relatively high compared with what some other employees are making as salaries working in that industry. All things being equal, the wages are not as low as they are in other textile mills. Nevertheless, the letter is from the Texturon mill, a smaller textile mill, and it reads as follows:

> This letter is written objecting to the planned agreement on free trade with the U.S.A.
>
> You are familiar with our operation on Cameron Street in Hawkesbury at which we produce textured polyester yarn in a modern plant with excellent high-speed equipment. Should total free trade with the U.S.A. be placed in effect, we beyond doubt will have to close our plant in Hawkesbury.
>
> We could not possibly compete with firms in the U.S.A., one of which presently produces in excess of five million pounds weekly. Our production in Hawkesbury is approximately 200,000 pounds weekly.

The situation is that the plant in my riding produces a small amount compared with some very large U.S. plants. Indeed, some U.S. plants have so much excess capacity that by eliminating one coffee break they could probably produce more than the whole plant in my riding could produce in one day.

Does the Hon. Member agree with me when I say that the effect of free trade on situations like the one I have described in my constituency is indeed disastrous, and that it is not quite true to state, as has been stated earlier, that we can compete with textile mills in the United States?

Mr. Heap: Madam Speaker, I thank the Hon. Member for raising a point on the basis of very pertinent fact. I could only say, from the facts he has presented, that I think he has made his case very strongly. I would add that I think the management and owners of Dominion Textiles agree with him in a sense, since over several years they have been shutting down their plants in Canada and opening plants in the southern United States in order to get at the low-wage area in those anti-union states. Therefore it is clear, wherever the ownership of Dominion Textiles is, that they will prefer to shut down Canadian plants and to open American plants.

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Madame Speaker, the Opposition motion on the Free Trade Agreement was negative and reactionary. One of the first defenders of free trade, Sir Wilfrid Laurier—a Liberal—would have added that it was no more and no less, and I quote:

> —then a direct and unworthy appeal to passion and prejudice.

[*English*]

No aspect of the free trade debate better reveals the differences between the Progressive Conservative Party and the Liberal-New Democratic alliance than the debate over the

energy aspects of the free trade agreement. It is in energy that the benefits we have achieved foreshadow the benefits we can expect from the broader trade agreement. It is in energy that I will recall that our record of success and co-operation stands in such stark relief to the bitter failures of previous Liberal-NDP policies. It is in energy policy that our different visions of Canada stand in clear contrast.

[*Translation*]

Since September 1984, we have rectified the previous Government's policies that had such a disastrous impact on the energy sector. We started by deregulating oil exports and went on to revamp the regulations on gas exports, and we are now looking at the changes that should be made in regulations for exporting electric power. Previously, we eliminated a number of arbitrary measures that were giving Canada a reputation for being against investment. And finally, we have improved our access to export markets.

Madam Speaker, did you know that as a result of the Conservative Government's policies, today more Canadians than ever before benefit from a wider range of energy products, thanks to a more competitive market? These same policies have made it possible to weather the ups and downs of oil prices by giving us access to an expanded North American market. We aimed for bigger markets and reinvested the resulting profits in exploration and development instead of leaving our resources untapped.

We have been working together with the provincial governments, making excellent progress in this respect, to analyze and understand the vital role of energy in Canada's economy, the importance of trade and especially the importance of energy security.

Most of these gains were possible as a result of changes in administrative policies and procedures on both sides of the border. The Free Trade Agreement will officially sanction these arrangements and provide additional assurances for exporters and importers, both in Canada and the United States.

The text of the motion before the House today condemns the Government for giving up "provincial control over energy resources in a continental energy market". This allegation, this accusation, unfounded though it is, is just a new way of formulating the same old alarmist clichés the Opposition has been mouthing since the beginning of this debate. I will list them one by one, concluding with the text of the motion itself.

• (1550)

[*English*]

The Opposition has said that we have undermined our sovereignty in reaching a free trade agreement with the United States. This is untrue, Madam Speaker. It also shows a misunderstanding of sovereignty. Sovereignty is the ability of each nation to formulate its own laws and develop its own policies. Entering a free trade agreement involves accepting some constraint on our behaviour. We have both agreed to reduce, and eventually eliminate, tariffs, for example. We have both agreed to refer disputes to binding arbitration where applicable. Without these types of restrictions, an agreement will be meaningless for both our countries. It would not achieve freer trade.

[*Translation*]

In the Free Trade Agreement we have not relinquished our ability to formulate or implement an energy policy that benefits Canadians nor our responsibility for doing so. The provinces will continue to set and collect royalties. We will design tax systems and provide incentives that will ensure resource development that is commensurate with the needs of Canadians. We will continue to set criteria for protecting the environment. We will also go on reviewing proposed takeovers in the downstream sector of the oil and gas industry. Madam Speaker, thanks to the mechanism for settling disputes, we have expanded the framework of our sovereignty by establishing rules to protect both countries from arbitrary actions on the part of either country. Our energy market will be North America, but our energy policy will be Canadian. Yes, we will have an expanded energy market, not a continental energy policy. That is the fundamental distinction the Opposition fails to make in its motion.

[*English*]

Our energy market will be North America, but our energy policies will be Canadian. We will have a broadened energy market but not a continental energy policy. The Opposition seems incapable of making this simple distinction.

On the issue of investment, I am pleased the Opposition has already recognized that a free trade agreement will improve the investment climate in Canada.

Mr. Prud'homme: The Hon. Member is very good in English.

Some Hon. Members: Hear, hear!

Mr. Masse: With the additional assurance of access to U.S. markets, investors from Canada and many other countries will find Canada a more attractive place to do business. This is a necessity in a world where the international flow of investment increasingly ignores international boundaries. However, we have not changed our policy of reviewing proposed acquisitions. We do continue to reject proposals to acquire control of healthy Canadian oil and gas companies. In this way, we have maintained the careful balance we have achieved over the past three years between improving the investment climate and protecting the Canadian character of the upstream oil and gas sector.

[*Translation*]

Madam Speaker, the Opposition claims that the Free Trade Agreement does not provide adequate protection against U.S. restrictive trade laws. That is false. Canada as well as the United States has safeguarded its rights, its ability to take

action against unfair trade practices. The Agreement guarantees appropriate and impartial settlement of disputes, in accordance with the laws of each country, and contains a commitment to harmonize legislation governing bilateral trade over a period of five years. Furthermore, and this is just as important for the energy sector, both parties have agreed on a consultation process to examine regulatory measures that might have an impact on trade in energy products.

The Opposition also claimed that the Agreement was not balanced because it required excessive and unacceptable concessions by Canada and we woud get hardly anything in return. A cursory glance at the Agreement and at what has transpired in the last three years tells us that the opposite is true. Canada is benefiting already and will benefit even more from free trade, especially in the energy sector.

Since September 1984, we have broadly deregulated our energy exports, and we have done so in our own interests, not as a favour to our clients. We deregulated because we learned a lesson from the economic disaster we inherited from the previous Liberal Government. We realized that the energy sector would have to be developed through decisions by the private sector, on a more open and more competitive international market, and not through intervention by a Government that would turn a blind eye to economic reality.

[*English*]

Let us not forget the extent to which Canada's welfare programs depend on our energy exports to the United States. In 1986, despite low prices, they accounted for 11 per cent of all our merchandise exports, putting $9.9 billion in the pockets of Canadians. These exports are at the core of regional economies from coast to coast, whether oil and gas in the West, electricity in British Columbia, Manitoba, Quebec and New Brunswick, or uranium from Saskatchewan and northern Ontario.

The free trade agreement eliminates existing tariff and non-tariff barriers to this trade and will prevent new barriers in the future. For example, our petro-chemical industry is highly competitive by world standards. Its current exports are $1.77 billion a year, of which 57 per cent is exported to the United States. These producers now face tariffs ranging from about 12 per cent to 18 per cent on exports into the U.S., the world's largest petro-chemical market. Under the free trade agreement these tariffs will be phased out and petro-chemical producers have enthusiastically welcomed the agreement. In some other areas, our exports face significant potential threats. It is no secret that many U.S legislators are strong advocates of an oil-import levy of $5 or $10 per barrel. Should the U.S. ever adopt such a levy, Canada will have the right to be excluded from the levy and thus benefit from a huge windfall in higher prices for our oil exports.

[*Translation*]

Madam Speaker, the free trade agreement makes official the changes we had undertaken on this side of the border and in our own interest. In exchange we get guaranteed access to the American market, unfettered by tariff or non-tariff barriers, and a dispute settlement mechanism.

We have agreed not to impose measures unfavourable to our American clients, while they agreed not to be unfair to Canadian suppliers, or vice versa.

Madam Speaker, may I add that American protectionist pressures are also very strong with respect to hydro power. The American coal industry lobby is generously financed by an association called the Ad Hoc Coalition on International Energy Trade. This association is leading an unrelenting campaign against Canadian hydro power exports and fully intends to torpedo the free trade agreement. Perhaps the Leader of the Opposition (Mr. Turner) and the leader of the socialist party (Mr. Broadbent) might be interested in joining the coalition? Be that as it may, the agreement will shelter us from this kind of threats and secure our exports of electricity.

All this seems perfectly logical and reasonable to me. We gain ready access to the American market. For its part, the United States wants to be treated equitably like any good customer who relies on a long-term supplier.

But the distorsions and demagogy of the Opposition show that they simply want to confuse the issue, discredit a reasonable trade deal, and make it sound like a threat against our security and sovereignty, while in fact it is the other way around.

• (1600)

[*English*]

The problem with the Opposition is its view of energy security which remains rooted in the disastrous and discredited National Energy Program which sought independence from world oil markets through oil self-sufficiency by 1990 and with it the ability to pretend that the price of Canada's energy resources could be made in Canada. This proved to be a costly illusion in every way, in lost economic opportunities, in unnecessary divisiveness between regions, and in a tarnished reputation as a trading partner and as a good place to invest.

Energy security under the free trade agreement is an important concern of many Canadians. Let me reassure Canadians that the agreement will not imperil energy security. In fact, it will increase it.

First, let us recall the undertakings entered into under previous Liberal and NDP policies. Even former Liberal Governments showed some recognition that any energy security was an international problem that could not be resolved by retreat from reality. Even former Liberal Governments realized that we had some obligations to our allies and our trading partners.

In 1974, along with 15 other original members of the International Energy Agency, Canada signed the agreement on an international energy program which committed us "to take common, effective measures to meet oil-supply emergency by . . . allocating available oil among their countries on an

equitable basis". This remains an important obligation for Canada. Because we are one of the few IEA countries which is a significant oil producer, our international obligation could actually compel us to increase our oil exports in an emergency. The free trade agreement, by contrast, merely protects the United States' proportional share of our supply so that it would permit a decrease in exports in an emergency.

Let it be absolutely, unequivocally clear that Canada's IEA commitment entered into by a Liberal Government would be far more onerous in an oil emergency than the much more modest commitments in the free trade agreement. The Government remains committed to the international energy program because we recognize that Canada is a trading nation and our energy security is ultimately linked to the economic security of our trading partners.

[*Translation*]

Madam Speaker, let me add another sensible note to this debate. Thanks to the changes already made by this Government, including deregulation, Canadian energy products can now compete for a larger part of the American market. The Free Trade Agreement will make this official without radically changing the existing situation.

The changes related to the Canadian share of the American market with their advantages and disadvantages will take place gradually and occur when the economic conditions allow. We also have to remember that the Opposition has an outdated notion of energy security. It hides behind a rather dark past which goes back to a time when energy security meant Canadian prices for Canadian energy resources. Saying that this "Made in Canada" pricing policy failed miserably would be quite an understatement. The fact is that it cost Canadian taxpayers billions of dollars, alienated Western Canada, resulted in exhaustive bilateral trade regulations and cost billions of dollars in lost opportunities.

What the opposition fails to understand is that our supplies were not threatened in the past and that our markets have never been as well served as they are now. Our production and management capabilities are of international level. What we need is access to the market and this is what the Free Trade Agreement will provide.

[*English*]

It would run counter to everything this Government stands for to bring, with the free trade treaty, prosperity to Canada at the expense of provincial rights. The Prime Minister (Mr. Mulroney) put national reconciliation on our national agenda. This Government is the first to have signed a constitutional agreement with the full support of all provinces. I therefore find amusing the concern of the Hon. Member from the opposition Party that, through the free trade agreement, we could somehow have eroded the power of the provinces under the Constitution. Moreover, this agreement is about trade, not about jurisdictions or constitutional arrangements.

[*Translation*]

I have said many times that the rights and prerogatives of the provinces under the Constitution now are and will remain unchanged by the Free Trade Agreement. You will soon have an opportunity to read for yourself the final text of this Agreement and you will find that the fears of the Opposition are completely unfounded.

To conclude, Madam Speaker, I can say that free trade will not mean that Canada has to give up its energy future. On the contrary, it will assure this future. Every barrel of oil, every cubic foot of gas, every kilowatt-hour of electricity will be sold by the producers at the best price on the market. Whether or not this produces increased profits for Canadians will depend largely on the capability and attitudes of Canadian producers and distributors. I sincerely believe in their talents, their dynamism and their success.

Madam Speaker, contrary to the Opposition parties, the Progressive Conservative Party believes in the Canadian people. While the Liberals and the socialists would like to restrict our liberties and to hide behind the apocalyptic vision of a future market influenced by external contingencies, the Conservative Party puts its confidence in the people of this country.

[*English*]

Mr. Henderson: Madam Speaker, I listened to the Minister's speech with great care—

Mr. Boudria: Although it was hard.

Mr. Henderson: Yes, it was quite difficult to listen to it. However, I do have a couple of questions.

The Minister knows that I come from the Province of Prince Edward Island, the province which has the highest electricity costs in the country. He is well aware of that. He has visited the province on several occasions and has talked to the Prince Edward Island Minister of Energy and, I believe, to the Premier of Prince Edward Island when they were trying to get help from the federal Government to equalize energy costs. He knows what kind of problem that presents to our primary industries which are heavy users of energy. He knows that we rely on the processing industry, the potato plants, the chip plants and fish plants, for job creation. We have a great problem in competing simply because of our high energy costs.

• (1610)

The Minister explained to the House what a great thing this trade deal was because it gives us access to the American energy market. I want to ask the Minister about provincial control over energy and I will use his own province as an example. Hydro Quebec is a provincial Crown corporation. As I understand it, and I would ask the Minister to correct me if I am wrong, our access to the U.S. market for energy is at the going price. What if Quebec wanted to attract a new industry, say a food processor, and the going price of electricity was, to

use a figure, 10 cents a kilowatt; can Quebec subsidize a new industry and charge it a price of, say, 8 cents a kilowatt?

A second question concerns whether my province will be able to buy electricity at the same price as, say, Vermont, Maine or New Hampshire buys it from the Province of Quebec? I realize that the consumer has to pay wheeling charges. They are recoverable from the Americans and equally recoverable from my Province of Prince Edward Island.

What I am asking is if we will be able to get energy from Hydro Quebec, or for that matter from the New Brunswick Power Commission, at 10 cents a kilowatt if that is what they are charging the Americans?

Mr. Masse: Madam Speaker, I want to be very sure whether my colleague is asking me if Quebec or New Brunswick will subsidize electricity rates in Prince Edward Island. Is that the question?

Mr. Henderson: Madam Speaker, what I am saying is that if the state of Maine orders x amount of electricity from Quebec or New Brunswick, is there a provision that Prince Edward Island—or Nova Scotia, for that matter, which has the second highest energy cost in Canada—will be able to enjoy the same kind of deal? Would they be charged the same price?

Mr. Masse: Madam Speaker, it is really clear that the electricity is for sale and it is for sale to everybody. If Hydro Quebec has some surplus or if Prince Edward Island wants a long-term contract with Hydro Quebec, it will have to negotiate with that corporation. If the price is right, Hydro Quebec will be interested in signing a contract with the province. Nothing in the free trade agreement will prevent Canadian utilities from signing contracts with any province. The question is—

Mr. Henderson: Price.

Mr. Masse: Price? The price of electricity is always based on the cost of producing it. That is why you have different prices. The cost depends upon the distance from your market and things like that. You do not have a single price like, say, the price of a barrel of oil which has a so-called international price for a certain number of days or months. Electricity is not at all like that. It is sold either on a long-term contract or as surplus. If it is surplus, then it is a question of market price. The interest of the utility is to have the highest price possible. However, if it is electricity based on a new dam or new Candu reactor or new coal generator, the utilities have no interest in putting that on sale at other than the real price. Otherwise the utilities would be subsidizing someone. The basic rules are not changed in that sense. We should never forget that the electricity market is more complicated than that of gas and oil.

I am very sympathetic to the problems of Prince Edward Island. I would have to have been the Minister of Energy, Mines and Resources for years normally in order to make so many trips to the province. I have been there I do not know how many times in the year and a half I have been the Minister. I met my provincial colleague many times here in Ottawa or in Charlottetown. I have visited different sites in the province with that Minister. I have a real interest in P.E.I. However, the province's problems will not be solved by one single decision in Ottawa. I can assure you that we will pursue our discussions and the actions we have taken. We have already invested millions of dollars in a conservation agreement dealing with alternate energy with his province. The Hon. Member can be sure this question will not slip my mind because it is part of my desire to make sure that the province is very fairly treated.

Ms. Mitchell: Madam Speaker, I would like to ask the Minister a question which applies in particular to the people of Alberta. I was there last weekend and I think there is a growing concern among people looking at this deal in greater detail and its implications down the line. As I understand it, this deal will bring in a continental energy policy to replace a Canadian or Albertan energy policy. It means Albertans will not be able to use their very abundant energy resources to establish a provincial energy reserve. If at some future time they should want or need to favour their own consumers, they will be unable to do so. They will be unable to promote the use of Alberta oil and gas for Alberta industries at reduced prices, for example, in the petrochemical industry. They are really losing flexibility in diversifying their economy which is so important to resource-based economies.

It seems to me that this is not only a continental energy policy that we need to be concerned about, but it is pretty obvious that this is the first step towards Canada losing its sovereignty.

[*Translation*]

Mr. Masse: Madam Speaker, if we want to have a reasoned debate on the free trade issue I believe we would be well advised to define once and for all, in legal terms so recognized on the international scene, just what is a continental energy policy. The day we do that we will then be in a position to know whether or not it is a continetal policy. No matter what he calls it, I would suggest we must define what is meant by a continental energy policy. There is no continental energy policy in the sense that the two governments have a common policy. If we had a continental energy policy we would have a common policy, we would have common tariff rates applicable to third parties, we would have only one tax system, we would have only one environment protection system, and so on and so forth, and this is quite false. Such is not reality. What we do have is access to a larger market. Canada will define its energy policies, just as it has done in the past. Nothing in the agreement throws environmental protection issues in doubt. Nothing in the agreement involves tax matters, regulatory decisions we want to impose, calculations we would seek to impose with respect to our surpluses. Nothing in the agreement puts a question mark on these issues. What the agreement does is to open an additionasl market for energy producers. The agreement provides that both parties agree not to tax exports

or raise that kind of barriers. What the agreement gives Canada is one additional market.

Madam Speaker, I should think that our colleague will admit there is a difference between a continantal market, if you want to put it that way, and a continental policy. It is not a continental policy. It is an additional market which Canadians are opening for themselves.

• (1620)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Fundy—Royal (Mr. Corbett)—Shipbuilding—Frigate construction program—Awarding of contract; the Hon. Member for Papineau (Mr. Ouellet)—Free trade—Request that provisions of agreement dealing with railway transportation be amended/United States subsidiaries operating intraprovincially in Canada; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Financial institutions—Principal Savings and Trust bankruptcy/Reported transfer of funds.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT

The House resumed consideration of the motion of Mrs. Dewar:

> That this House condemn the government for its signing of a trade agreement with the United States that, amongst other things:
>
> (a) fails to consider the disproportionate effect on women, and especially the loss of jobs in the service sector where women are concentrated;
>
> (b) will give up provincial control over energy resources in a continental energy market; and
>
> (c) fails to allow for adequate consultation with Canadians in all provinces and territories before committing us to profound changes not only in our economy, but our political sovereignty, cultural distinctiveness and generally, our ability to run our own affairs.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I am pleased to take part in the debate this afternoon. I would like to tell you that I rejoice over the contents of the free trade agreement, but I cannot do so because the agreement is very bad, not only for the riding of Glengarry—Prescott—Russell, and it is, but also for Canadians generally, and if there were an NDP Member in the House I would commend the Party for its motion, but since none of them is here I will have to wait.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has just taken the floor, he has been speaking for not even thirty seconds and already I see he is making comments about the presence or absence of his colleagues. I am sure he knows he is out of order and I would ask him to abide by the rules of the House.

The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Boudria: Madam Speaker, I would never have named anybody, knowing that it is against the Standing Orders and I respect—

The Acting Speaker (Mrs. Champagne): The Hon. Member will allow me to repeat his own words and say that he has named, the way he said it, all Members one after another. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

Mr. Prud'homme: Madam Speaker, I rise on a point of order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Saint-Denis (Mr. Prud'homme) rises on a point of order.

Mr. Prud'homme: First of all, Madam Speaker, I want to say that I have much respect for the rulings of the Chair, but I would not want a principle or precedent to be set. Precedents are always dangerous in the British parliamentary system. As far as I can remember, Madam Speaker, we are allowed to say: I notice that there is nobody in the House, but that we are not allowed to say: I notice that such and such Hon. Member is not present in the House. But I suggest that our Standing Orders allow us to mention that a group of people, for instance a whole political party as is the case now, is absent from the House. If I emphasize this point, however, it is in case something similar happens in the future with more important subjects. I would not want a precedent to be established today which could be referred to later on, and you would be right to remember the precedent of today. I would not want a precedent to be established without indicating that I do not agree with the fact that we may mention that a whole political group is absent from the House, while we may not mention that such and such Hon. Member is absent from House, something of which you would be perfectly right to remind us.

[*English*]

Mr. Boudria: Madam Speaker, now that we have that settled I would like to continue with my remarks. I want particularly to address one element of the motion that was moved by the New Democratic Party which deals with the effect of the Prime Minister's trade deal on employment opportunities for women.

As I am sure you know, Madam Speaker, my constituency is largely dependent on the textile industry. There are some 3,000 jobs in the textile industry and approximately 500 jobs in the footwear industry in my riding. A good number of those jobs are located around the Town of Hawkesbury, a very beautiful community which I invite you, Madam Speaker, and all other Hon. Members of this House to visit. When you go there you will notice all the textile factories that we have there.

These textile factories are threatened by the Prime Minister and his free trade deal. They are threatened by the agreement before us. Earlier today the Member for Brampton—Georgetown (Mr. McDermid) stated that Canadian textile mills are able to compete with their U.S. counterparts. That is easy to say, especially when it is not your job that is at stake.

However, the reality is that some of the plants in our country are much smaller than American plants. Many American plants are already working under capacity. If they want to increase their production they do not have to build new structures or spend new capital, all they need to do is to add a shift or a portion of a shift, and they can take away a lot of our business.

I would like to read a letter from which I read a few sentences earlier today. This letter is dated November 3, 1987, and is from Texturon Inc., a small factory in my riding. It has 72 employees, most of whom are women, and the salaries paid to workers there are in the order of $11 per hour. For a textile mill it is not bad. It is a lot better than some other textile mills which pay lesser salaries. However, many Canadians earn much higher salaries than that.

The letter is addressed to me and reads:

> This letter is written objecting to the planned agreement on Free Trade with the U.S.A.
>
> You are familiar with our operation on Cameron Street in Hawkesbury at which we produce textured polyester yarn in a modern plant with excellent high speed equipment. Should total Free Trade with the U.S.A. be placed in effect, we beyond doubt will have to close our plant in Hawkesbury. We could not possibly compete with firms in the U.S.A., one of which presently produces in excess of 5,000,000 pounds weekly. Our production in Hawkesbury is approximately 200,000 pounds weekly.
>
> Many firms seemingly are taking the tactic of just going along with this Free Trade approach without seriously considering the consequences. Economists certainly predict a great gain for Canada over the long term but few are thinking about the businesses such as ours which will be forced to close.

The letter continues, saying that they have informed the union and their plant manager of a shutdown in the event that the Prime Minister's trade deal goes through.

This is a tangible example 50 miles from Parliament Hill, almost on our doorstep, of factories that will be shutting down as a result of the Prime Minister's ill-conceived, ill-though-out free trade deal.

In 1983, at a meeting in Sherbrooke, I believe, the person who is now our Prime Minister said to the people of Canada: "Don't talk to me about free trade. That issue was decided in 1911. Free trade is a danger to Canadian sovereignty. You will hear none of it from me at election time or at any other time". Of course, that person is now the Member for Manicouagan, the Right Hon. Prime Minister (Mr. Mulroney). That is what he told Canadians. This conversion by the Prime Minister was provoked by a meeting he had with the President of the United States in Quebec City on March 17, 1985. Things have never been the same since that duet in Quebec City. I do not think the country has recovered.

• (1630)

The Prime Minister tells us that we need this trade deal for two reasons. First, we need a binding dispute settlement mechanism because, in his view, the Americans are using every tool in the book to prevent Canadians from shipping to the United States and selling our products there. He says that we need a binding dispute settlement mechanism so that in the future we will have a tailor-made mechanism to sort out the problem. That sounds good and I almost liked it.

The second reason that we need a free trade deal, according to the Prime Minister, is that we must guarantee our access to the United States. Therefore, we have guaranteed access and a binding dispute settlement mechanism.

The Premier of Ontario, the Hon. David Peterson, employed the services of a law firm, Blake, Cassels and Graydon, to do a study of the Prime Minister's free trade deal, particularly of the dispute settlement mechanism. The law firm studied four criteria of this dispute settlement mechanism and analysed how well it would work. The conclusion was that an application of these four criteria shows that the dispute settlement mechanism contained in the agreement is flawed in ways that are likely to result in a significant denial of Canadian access to the U.S. market.

In other words, according to this law firm's study, it will not work. Since the two main objectives of the Prime Minister have not been met, why do we have a free trade deal? The Prime Minister will have to answer that because we do not know.

[*Translation*]

Madam Speaker, I mentioned a while ago the number of jobs in the textile industry which exist in my riding of Glengarry—Prescott—Russell. As you know, most employees in the textile industry are women. As a matter of fact, between 60 and 65 per cent of the workers employed in this industry are women and, as was mentioned earlier, the wages there are not very high. Some may say: If they are not really good jobs, why do you insist so much on keeping them? Madam Speaker, you are certainly aware that in a riding such as mine, where the unemployment rate can be as high as 10, 11, or even 12 per cent, such as in the Hawkesbury area, a low paying job is better than no job at all. Many of the women in these industries are single mothers and a great number of them hold positions which would make it difficult for them to be retrained for other jobs, if other jobs were available. As I have

already said, there are still many unemployed in the region I represent.

I have here a Statistics Canada study based on the 1981 census. In this study published by the Ontario Women's Directorate, we find that the textile workers have yet another problem. The study mentions the level of education of the workers in the textile industry and in other industries which will be adversely affected by free trade. For instance, 25 per cent of leather and tannery workers did not reach grade 9.35 per cent have between nine and thirteen years of schooling without having graduated from high school and 12.3 per cent have an Ontario grade 13 diploma.

In the textile industry, 14 per cent of the workers have under nine years of schooling. In the clothing industry, 23.1 per cent of the workers did not reach the ninth grade. Free trade will therefore have a special impact on those who work in the clothing industry, and even in the textile industry as a whole. As I have just shown, Madam Speaker, this Free Trade Agreement will have particularly harmful effects on the workers of some of these industries, especially the textile industry.

[*English*]

There is a further problem with the textile industry. A number of the plants are in fact branch plants of U.S. corporations. The removal of tariffs will result in the export of jobs to the United States.

Mr. Gustafson: NDP line.

Mr. Boudria: The Hon. Member can call it what he likes. I say to him that there is a plant in my riding which has been on strike for months now and the management has not met with the representatives of the employees at all. I suspect the reason for that is that it is a branch plant, with a head office located in the southern United States where employees who go on strike are simply replaced by others who fill their jobs. There is a different attitude about labour and management relations in some of the southern states of the United States. Perhaps those are the kind of labour conditions the Hon. Member opposite would like to have in this country. Perhaps that is the policy of his Party, but I do not think much of that kind of proposition. I do not think much of paying people $3 or $4 an hour and not giving them any kind of benefits at all.

• (1640)

There is a further pressure because these plants are located in a country that has a different outlook on social benefits for employees. I am not saying that the benefit package offered to employees in the textile industry in Canada is great, but usually it is better than what is offered to people in similar industries in the United States and elsewhere. The second thing that will happen is that because of competition from the United States, some of our industries will have to further rationalize and change their operations and put more people out of work.

With all this evidence, one would think that the parliamentary committee would be travelling everywhere in this country to find out from the average Canadian just how he or she feels about this. But we will not have the benefit of that kind of process. The Minister for International Trade (Miss Carney) and the Prime Minister (Mr. Mulroney) think that the applause they hear from the cheering trained seals in the background in the Conservative benches means that the people of Canada approve of this trade deal. They do not. The Prime Minister cannot equate the cheering applause of Tory backbenchers with the consent and support of the people of Canada.

The committee travelled out West yesterday but spent only one day in the Province of British Columbia. That is most inadequate. The same committee will be spending one day in Montreal and everyone interested is supposed to participate. The committee will be one day in each province of our country. That is all the time afforded to this deal. There are many, many pieces of legislation brought before this House which have had a more thorough hearing than that. The Prime Minister has called this a momentous deal, the most important trade deal ever signed.

Mr. Gustafson: Hear, hear!

Mr. St. Germain: Hear, hear!

Mr. Boudria: That is the kind of utter nonsense for which we hear applause from the trained seals opposite. Even if I were to believe the Prime Minister for one moment—which, of course, I do not—if it is that great and important, surely it deserves to be viewed by the people of Canada.

[*Translation*]

Madam Speaker, I read today an article in the Ottawa daily newspaper *Le Droit* with the following title: "Our love of Canada will protect us, says Wilson." The Minister of Finance is telling us to have confidence, and that this will save us and bring out the best in our economy and our country.

Madam Speaker, if the Minister of Finance and his Prime Minister (Mr. Mulroney) believe that that is all it takes to succeed in this country, I can tell you that they are neglecting their work and their duties as Ministers of the Crown. It is their duty to protect the interests of the Canadian people. It is the role of the Government. They received a mandate to do so. They were given a very large majority—unfortunately some would say, myself included—in the last elections. They were given the mandate of acting in the best interests of the Canadian people. They did not get a mandate to negociate a Free Trade Agreement. The Prime Minister could have received that mandate if he had so wished. But he did not want such a mandate. He told the Canadian people one year before the elections that he did not even want to hear about it. I quoted his words a short while ago.

As the Prime Minister did not want a mandate to negotiate such an agreement, I suggest that he now has no right to do so.

Two Prime Ministers before him have wanted a Free Trade Agreement, Sir Wilfrid Laurier and Mackenzie King. As I recall, Madam Speaker, both were defeated on this issue. I therefore invite the Prime Minister to also have the courage to go before the Canadian people with his agreement and to say: Here is what I have negotiated, do you want it or not?

For my part, Madam Speaker, I shall conclude by saying that the Canadian people will say no.

[*English*]

Mr. St. Germain: Madam Speaker, what we as politicians say, I am sure, has a high degree of credibility in the country. However, on an issue like this, where opposing views are carried forward as they are, I believe that those who have studied the issue and those who have gone into it in great depth, are much more credible, and I refer to the report of the royal commission which was chaired by the Honourable Donald Macdonald. He says he stands behind the support for the dispute settlement mechanisms which will no longer be subject to arbitrary U.S. actions. Had this procedure been in place, the outcome of softwood lumber would have been completely opposite.

In May of 1986, when the shakes and shingles unfair tariff arose, the Opposition waved goodbye to this side of the House instead of looking for a solution with our largest trading partner. I would like the Hon. Member's comment on the position taken by this known Liberal supporter in the past, and I say "in the past" because I am sure the hon. gentleman, given the arguments made by the Liberal Party at this time, would certainly have to make a reassessment. I would like the Hon. Member's opinion of the position taken by this gentleman after a $20 million study which was commissioned by the Hon. Member's Party. I would like the Hon. Member's comment as to how he can take such an opposing position without giving consideration to Mr. Macdonald's statement? Taking into consideration that the area the Hon. Member represents has not been affected by unfair tariffs such as the tariffs on potash, softwood lumber, shakes and shingles, just to name a few, I would like his reason for taking such an adamant position and, really, what I feel is an irresponsible position.

Mr. Boudria: Madam Speaker, that is barely worth responding to, but let me try. First, the Hon. Member opposite says my riding has not been affected by some of the United States' unfair trade practices of the past. Need I remind the Hon. Member that the unfair countervailing duty placed against Canadian pork products affected the constituency I represent? The U.S. Farm Bill, with some $70 billion worth of subsidies designed to displace Canadian markets, I raised today in Question Period, and there has been a protest sent to the Americans via our Ambassador. That has affected the constituency that I represent. It has depressed the price of corn, for instance, in the province I represent and in the very riding I represent here in the House of Commons. So my riding has been affected by the unfair trade practices of the United States.

It is certainly not true to say that the constituency of Glengarry—Prescott-Russell does not know what it is to have to negotiate with Americans and lose out on the deal because our Government is so weak-kneed. That point is totally wrong and I thought I should bring it to the Hon. Member's attention.

Second, the Hon. Member says that Donald Macdonald is in favour of free trade and therefore I should like it. That is interesting coming from the Hon. Member opposite. I can probably find someone who voted for or supported the Conservative Party, if there is anyone who still admits to doing that, who is against this free trade deal. Does that mean that every Hon. Member opposite should be against it as well? There is probably someone, a New Democrat, perhaps, who likes it. I do not know. I have not tried to find one. Mr. Macdonald is a prominent Canadian, and his position has been well exposed. It is not my fault that he is prominent. There is no equivalent prominent Tory. I will grant you, Madam Speaker, that that is a fact, and I know that. That type of jealousy of the fact that Mr. Macdonald is prominent should not be used by Conservatives across the way in the degree that it is used.

• (1650)

The Hon. Member for Mission—Port Moody (Mr. St. Germain) states that I should not be using something that is not thoroughly researched, because I should respect people who have done research on this issue. Need I remind the House that I have consulted with my electors, and for me that is more important than any other means of researching any material.

I wish to remind the Hon. Member across that he too should talk to the people whom he represents. In so doing, perhaps he would be better informed not about what one group thinks, not about what the corporate elite thinks—as Tories often do—but about what the Canadian people, our constituents, think about the deal and what we should be doing.

If the Hon. Member wishes to use a well informed, reasoned document, I will give him the study by Blake, Cassels & Graydon done for the Premier of the Province of Ontario, a duly elected Premier, elected with a vast majority of support, winning most of the seats in the Province of Ontario and defeating the Conservative candidate who wanted free trade. He was elected on that mandate, and that is a powerful mandate.

I have that study in hand. I have quoted a few sentences from it concluding that the binding disputes settlement mechanism will not work at all. With those facts, surely the Hon. Member across would have to agree with me that there is good reason to question such a bad deal.

[*Translation*]

Mr. Leblanc: Madam Speaker, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) was close to tears earlier when he talked about the women whose jobs were at risk as a result of the U.S. Free Trade Agreement. I feel differently, Madam Speaker. Recently, I had dinner with the President of the Textile Manufacturers Association who told me that he was anxious for the Free Trade Agreement to be signed, because he was convinced that Canadians and Canadian Textile Manufacturers are quite competitive with their American counterparts. The problem is not with the Americans, but with the other countries of the world, and in view of the fact the Agreement is stricly between Canada and the United States, our companies will be in a position to grow and manufacture textile more cheaply. Then, we will be able to take on the huge European market, as well as the Japanese and others. That is right. Canadian businesses will grow and create new jobs for women working in the textile industry.

As far as the garment industry is concerned, Canada has not been competitive for several years. It is competitive with the United States but not with the other countries. It would be completely wrong to think that, following the signing of the Free Trade Agreement with the Americans, the number of jobs will decrease. Quite the contrary! It will increase, because the true competition we face in the textile industry is not with the Americans. Members of the New Democratic Party who made that suggestion this morning were wrong, and so was the Hon. Member who has just spoken. What is most unfortunate is that he is such a good actor, he was almost in tears crying when talking about the possible loss of jobs for women. Imagine that! Madam Speaker, he knows perfectly well that women are not going to lose their jobs. In fact, we are very likely to see that number increase in the textile industry.

Mr. Rossi: Have you met workers employed in the textile industry or any UPA representative?

The Acting Speaker (Mrs. Champagne): A very brief comment. The time has almost run out. The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) has the floor.

Mr. Boudria: Madam Speaker, I will be brief. I have here a document prepared by the Ontario Women's Commission, and I just want to quote a passage attributed to the Economic Council of Canada, and I quote:

[*English*]

The Economic Council of Canada concluded that "proportionately more job gains are received by male workers than by female workers", and that "Women suffer proportionately more from job losses—Greater female share in job losses stems from a larger decline in employment in textile, knitting mills and clothing industries, in which a large number of female workers are employed".

This study was done by a very professional group, and I bring it to the attention of the Hon. Member who asked the question.

[*Translation*]

I may add that I found this a very interesting question, coming from the Hon. Member who, I believe, represents the riding where the headquarters of the *Union des producteurs agricoles du Québec* is located.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I must say that I feel very strongly that this trade deal is perhaps one of the most critical issues facing Canada in this whole century.

When we discussed this inside our own caucus and Party, away from the audiences and the House of Commons, there has been deep depression. We honestly do feel that this is hitting at the very roots of Canadian sovereignty.

If the trade deal is carried to its conclusion, which is certainly what the Government intends to do, it will dramatically change the whole nature of Canada. Many of us conclude that by the year 2000 our economic and cultural ties will be north-south rather than east-west. Certainly, those of us on the West Coast know how strong that pull is already. With no means of protecting our economy, there is no question that this is the way that we will be going.

This deal is so serious that it seems that the Prime Minister (Mr. Mulroney) gave away the country because he was so anxious to reach an agreement and save political face.

Now Canadians and parliamentarians are being asked to agree to a pig in a poke. The public has not had an opportunity to learn about this deal. They have not received the basic facts, much less an idea of the significance of areas that are still pending, and I refer particularly to the seven-year provision for defining subsidies. This is a very ominous area that has many implications. There has been no final written legal text for the committee. The time frame under which we are all being asked to operate is absolutely ridiculous. Of course, now we have those one-day wonders, starting in my Province of British Columbia yesterday, which are a complete farce. In fact, they are an insult to the public and to Canadians who have the right to know about this deal and all its disastrous implications as far as their country and their jobs are concerned.

The Tories want us to trust them. A few minutes ago one of the Members was suggesting that we should leave this to people who have expertise in this area, have an act of faith and trust what the so-called experts are saying. The Prime Minister expects us to take a leap of faith and trust his Tory trade deal with the United States.

I would like to look at the record and remind Canadians once again how trustworthy the Government is, and how much we can bank on the statements made by the Prime Minister. Let me refer to 1983 when the Prime Minister was running for the leadership of the Progressive Conservative Party. At that time he referred to free trade and said, "We would be swamped. We have in many ways a branch plant economy in certain important sectors". He was certainly right. We agree

with him completely in that regard. He went on to say, "All that happened with that kind of concept is that the boys"—and I believe he was right there too—"would be cranking up their plants throughout the United States in bad times and shutting their entire branch plants in Canada. It is bad enough as it it".

• (1700)

Certainly I would be interested in hearing from my colleagues on the other side of the House their reaction to that statement by their Leader in 1983. Apparently he has now changed his opinion and thinks that there is nothing like so-called free trade to save us from a disastrous future.

Why should Canadians, with this kind of record, trust the Prime Minister and his negotiators and his Government in this deal? Why should we be asked to take the deal on blind faith without knowing all the facts or having a final deal and without the public having a chance to assess it?

We must remember that the Prime Minister promised an increase in old age pensions. Of course he tried to deindex them and would have done so if there had not been a massive protest by senior citizens across the country. This is the Prime Minister who said to us several times, "our universality is sacred", and then he deindexed the family allowance. This is the same Prime Minister who promised us fair tax reforms, yet the proposed reforms again benefit the wealthy and do not tax corporations fairly. He also promised us a national child care program, and we have been awaiting one for over two years. There is no question that Canadians have a right to be skeptical about the trade deal with the United States which the Government has been promoting.

Again I should like to summarize what this trade deal means for Canada. First, it was supposed to give Canadians free access to U.S. markets, but the U.S. still retains all its countervail laws—the countervail laws which apply to shakes and shingles, softwood, potash, et cetera. It was supposed to have a very strong dispute settlement mechanism, but the dispute mechanism is just a token appeal body which will uphold U.S. laws including entrenched countervail provisions.

Also it was to bring in a continental energy plan. It was interesting that the Minister of Energy, Mines and Resources (Mr. Masse) did not like me using that term this afternoon. Everything we read in the American press related to this deal, and in the papers which we had before we even got the Canadian documents, indicated that that was what the Americans were calling it. At last they have their continental energy deal. It is worth anything to them to have that deal. Only Mexico was smart enough not to sign that kind of arrangement.

In 1983, the Prime Minister said that we had a branch plant economy at that time. There will be even more control by American parent companies over Canadian industries under this deal. There will also be open and U.S. investment in Canada. It is not difficult to imagine that pretty soon, as certain Canadian businesses or industries are bought up, or as Americans start their own industries in Canada, we will again be the source of raw resources, and that manufacturing and the lucrative labour-intensive parts of these industries will be in the United States.

There will be a loss of jobs. Even the Government had to admit it. In fact, government Members have been very inconsistent about it, which shows just how little study they have done. One Minister has said that there would be a loss of 800,000 jobs. I believe another said that there would be a loss of 600,000 jobs. The original assessment of the Economic Council of Canada projected, if I recall correctly, that some 300,000 jobs would be lost, but it was not even considering the service sector. Now it wants the final documents so that an assessment can be made.

It seems only fair to Canadians that this deal should not be signed until we have that information. Surely Canadians have the right to know what will be the impact on their own jobs. There is no question that jobs will be lost in agriculture and in very sensitive manufacturing industries, particularly those in the West to which I will refer in a minute. Also there will be jobs lost in the service sector where 80 per cent of the jobs are held by women. Of course the Auto Pact and the parts manufacturing industry have been gutted.

If we add the Conservative policies of privatization and deregulation which were a lead-up to this deal, and then add on top of that the free trade deal, it is no wonder that Canadian trade unions are up in arms. The whole question of job security is threatened, particularly jobs at decent rates of pay.

I should like to comment on the implications for western provinces, particularly Alberta and British Columbia. We have really been concerned about the attempts in the House, particularly by the Prime Minister, to stir up a sort of regional racism. We are all committed to Canada. Let us look at the West, particularly the resource provinces of British Columbia and Alberta. I realize that all western provinces are resource provinces, but I am dealing now with these two provinces where there are highly sensitive manufacturing industries. Some Governments have been trying to bring in secondary industry. They always talk about it, but it is difficult to accomplish. However, at this point in time, western manufacturing industries employ about 70,000 people in food processing, metal, machine fabricating, furniture, textile, clothing, printing, and publishing. DRIE's studies show that there will be an extremely negative impact on these industries.

Mr. McDermid: That is the NDP talking.

Ms. Mitchell: What about DRIE? Does that not mean something else to the Hon. Member? Jobs in new industries are also at risk. We know that three out of four western jobs are in the service industries which are beginning to build. We know that these will be hard hit. As well, our growing links with the Pacific Rim will be affected. We are just beginning, in British Columbia and also in Alberta, to enhance greatly

our relationship with the Pacific Rim with a view to establishing a much better trading relationship which is favourable to Canada. There is no question that it will take second place to a continental trade arrangement with the United States.

The trade deal is a threat to the Canadian way of life. The section dealing with seven years to define subsidies worries me especially. We know that the United States has always considered our Canadian social programs as subsidies. Although government Members keep saying that they are not included in the deal, if they are not included, why was it not stated explicitly in the agreement? As far as the seven-year definition of subsidies is concerned, social programs such as medicare, unemployment insurance, child care, and other human services are still very much there. In the view of many it means that regional development programs and cultural programs are on the table.

Mr. McDermid: Just not true.

Ms. Mitchell: There is nothing at all to say that this is not true.

Supposedly Canadian culture was protected, but as experts in the field have said, it is very narrowly defined. I would be interested in what the Minister of Communications (Miss MacDonald) has to say on this matter.

I want to speak particularly about the impact of this deal on British Columbia. Even though the deal fails to reach the key objectives promised by the Prime Minister, B.C. has surrendered jobs in many key industries, our ability to expand and diversify our economy, and our autonomy to develop our own social and economic policies in the future. We particularly need to diversify our economy in the West.

The deal completely fails to resolve existing trade problems for B.C. industries. The export tax on softwood lumber is enshrined by the deal, while U.S. countervail duties on hogs and cedar shakes and shingles remain unscathed. Further, the deal offers no protection against future U.S. countervail duties on B.C. products.

In exchange, our manufacturing, farming, wine making—a new industry which has been making headway in British Columbia—and service sector industries are at great peril. We have surrendered any kind of effective control of U.S. investment in our resources or financial institutions, and we are compelled to share our energy resources with the United States.

Columnist Marjorie Nichols has noted, "What Canada has given away is its industrial future". Canada's chief competitive advantage among industrialized nations is our wealth of accessible energy supplies. Under the trade deal, the U.S. is guaranteed full access to these precious supplies at exactly the same price as they are available to Canadians. B.C.'s most precious asset is sacrificed and so is Alberta's. For what? A deal of so-called free trade that continues to allow U.S. protectionism against B.C. imports.

• (1710)

Former Premier Dave Barrett told reporters recently:

> Complete resource access will leave us forever as hewers of wood and drawers of water. It's really an incredibly bad deal.

Mr. McDermid: Who are you quoting?

Ms. Mitchell: I hear snorts and sniffles across the House. The Member cannot sit and listen for five minutes without nattering. I hope he turns on a replay of the BCTV account of yesterday's hearings in British Columbia. He would have heard many groups saying that the whole process of hearings is a farce. The hearings are by invitation only. The public was not allowed to be heard. The TV cameras were not allowed to be present. There is an anti-free trade coalition comprised of 43 different groups, labour, church groups and community groups which, in effect, were given 20 seconds each to present their views through one presentation.

The shore workers and the workers in the fish plants—and I want to say that many are immigrant workers, many women working under difficult conditions, many from my riding—are very upset. Their spokesman said they were very upset at the GATT ruling which would disallow Canadian processing of raw fish which appears to be threatening some 4,000 jobs. They were upset because they are afraid that the free trade agreement, if signed, will bind Canada to the GATT ruling, a ruling initiated by the United States.

What about fruit and vegetables in British Columbia? The B.C. vegetable producers were given only three and a half minutes, an industry that will be destroyed in British Columbia. Consumers, I know, are sick and tired of having only imported fruit. The Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen), I hope, will show some concern because it will affect some of the people, both growers and consumers, in his riding. There were also some very colourful statements, I might say, from Jack Munro of the IWA about the impact on woodworkers and their industry.

This is a bad deal, Mr. Speaker. There is no question about it. It is a threat to the Canadian way of life. I have mentioned subsidies, regional development and aspects of Canadian culture. We believe there is not enough proof that they are protected.

I would like to mention the impact from an Alberta point of view. I had the opportunity to be in Edmonton over the weekend meeting with people about free trade. I must say it was very educational because I learned a great deal. The Premier of Alberta and the past Premier of Alberta think this is a wonderful deal. As a matter of fact they think only wimps are opposed. I want to let you know, Mr. Speaker, that I joined the wimp protest meeting and I am proud of it. Under this deal the Premier and former Premier feel that Alberta will have nothing but benefits. I would like to ask, as I asked the Minister earlier, if this is a continental energy policy—which it is—

Mr. McDermid: Which it is not.

Ms. Mitchell: Alberta cannot use its abundant energy resources to establish provincial energy reserves if Alberta wanted to favour its own consumers if it wanted or needed to do so. Alberta cannot use Alberta gas at reduced prices for Alberta industries. I am thinking of the petro-chemicals in particular. Alberta will also lose its ability to process resources within the province. Processing resources is important to western provinces. We must diversify. We cannot be dependent only on non-renewable resources or we will have no future for our children.

This deal is definitely a first step toward losing our sovereignty. It prevents economic diversification in western provinces. The Minister of Energy, Mines and Resources, I believe, said that the petro-chemical industry would really benefit because Alberta now has access to U.S. markets. I wonder how the Alberta petro-chemical companies, still subject to the U.S. countervail prices, can compete in the same way. They will not be able to continue to have a favourable price for gas, which has been important to them in the development of secondary industries.

Mr. Lougheed told the parliamentary committee that the deal is not only positive but it is a must for western Canada. I wonder how many Albertans who have studied this agreement would agree. Is it better to sell our resources for a quick buck today or is it better to try to have control over your own future and diversify your economy?

What about the farming sector, Mr. Speaker? Certainly in British Columbia the fruit and vegetable producers are very concerned. The wine industry is very much threatened. I know that in Alberta and British Columbia the red meat industry had great hopes for this deal, yet they did not get the access to the U.S. markets they had hoped for. We find also that the two price system for grain has been eliminated. Incidentally, the western grain transportation which goes through the Port of Vancouver to the U.S. and the two price system, I am told—I am not an expert in this field—mean a loss of some $300 million for farmers. It will be very hard for poultry and dairy farmers to compete.

In summary, this is a bad deal for Canada and for westerners. It fails to open access to key U.S. markets. It makes unwarranted concessions to U.S. demands. It undermines economic plans to diversify resource economies. It gives the U.S. guaranteed access to our resources at market prices. It opens the door for more U.S. takeovers. It leaves the door wide open to economic forces which we will not be able to control. It entrenches U.S. protectionist measures which will be very difficult for any future Government to change. It changes the very nature of Canada. About the only benefit that I can see in this deal is that it protects Canadian beer.

Bishop Remi De Roo said to the committee that this trade deal locks Canada into a multinational theology of the marketplace where people are things and can be discarded. My Leader has said that the Mulroney trade deal is a betrayal of Canadian interests. It goes to the heart of our sovereignty as a nation. I agree with both comments.

Mr. McDermid: Madam Speaker, I enjoyed listening to the Hon. Member. She is singing from the same song that was written for her by Bob White—

Ms. Mitchell: I haven't talked to Bob White for a couple of years.

Mr. McDermid: —and Shirley Carr. It is the same song sheet which the socialists have been singing across our country. I only wish that I had the same 20 minutes to refute everything that she has said. The Hon. Member is putting totally unfounded fear into the people of Canada. There is no basis of fact, none whatsoever, and the Member knows that. I do not know who prepared the cards for her from which she is reading—

Ms. Mitchell: It came from my head. This is my handwriting.

Mr. McDermid: —they are full of inaccuracies.

Let me start with the apparel industry. Everybody is talking about the apparel industry today—

Ms. Mitchell: I did not mention that.

Mr. McDermid: —including the Hon. Member and about womens' jobs. Let us take a look at the facts and at what has happened in the apparel industry. Canadian exports into the United States of textiles—that is what Hon. Members from all opposition Parties are talking about today—have increased from $120 million in 1980 to $377 million in 1987. As a matter of fact, in the last two years, there has been an increase of over $100 million in exports to the United States. At the same time, imports coming from the United States have remained relatively stable. The market for Canada in the United States is growing. When the tariffs are removed, some of which are as high as 45 per cent, I might add, Canadians will be able to compete there very well. We only have one-third of 1 per cent of the market in the United States now. What a fabulous opportunity this will be for us.

• (1720)

Let us see what the Canadian Textiles Institute said, not at hearings in Ottawa but to the Ontario Government blue-ribbon panel. Its submission reads as follows:

> The *status quo* was a bleak prospect. The best available alternative appeared to be a free trade arrangement with the United States although it was not risk free and would present textile companies with some formidable challenges. On the plus side we had been steadily improving our exports to the U.S. and had invested heavily in new technology.

The Canadian Textiles Institute has accepted the challenge. It is going ahead to expand its exports into the United States. Its submission went on:

—A growing number of firms favoured free trade. They saw the opportunities and benefits and were prepared to accept the risk in preference to the *status quo*.

A growing majority of firms believed they could survive in a North American free trade situation provided the adjustment and transition conditions were adequate.

Eric Barry, President of the Canadian Textiles Institute, said:

It is my personal opinion that the Canadian textile and clothing industries faced a brighter future within a free-trade arrangement than without.

The evidence is there. I have just mentioned the increase in exports of textiles to the United States. Once those tariff barriers come down, they will be able to go to the United States with no problem at all.

The problem with the NDP, and we heard about it from the Hon. Member, is that it is an inward-looking Party. It is myopic. It hides behind barriers, barriers to protect this little Canada. NDP Members have no faith in Canadians. They do not believe that Canadians are productive or can compete. They do not have any faith in the Canadian people at all. That is the difference between the dinosaurs in the New Democratic Party and the very progressive attitudes and policies this Government is taking.

We believe in Canadians. We believe in our ability to compete and in our entrepreneurship. We believe we have one of the finest educational systems in the world. We have a workforce that is far more productive now than the American workforce, and that has been proven time and time again.

The Vice-President of IBM told me the other night that the most productive plant IBM has in the world is in Bromont, Quebec. The number two most productive plant for IBM is in Don Mills, Ontario. Is that not interesting? Do not tell us that Canadians cannot compete.

The other day, I participated in an opening of a Computerland store. Computerland is the largest Canadian computer company in Canada. It ranks third out of 52 computer companies over all in Canada. I asked a representative of Computerland if he was afraid of the free trade agreement and if he thought it would knock him out of the box. He said: "Are you kidding? This gives us more opportunities than you can imagine. We are number three in Canada now, the number one Canadian-owned computer company, but we will soon be number one over all". There were probably about 800 people at that opening. When we talked about free trade, the house came down. They were all so enthusiastic about it and were looking forward to those challenges.

Why are members of the NDP so frightened of something that is so good for Canada? I will answer one of the Hon. Member's questions. She asked why social programs are not included in this agreement. It is because this is not a social document, it is a trade document. We are dealing with trade, not social policy. Social policy is totally outside this agreement and has absolutely nothing, zip, zero to do with this agreement.

Ms. Mitchell: Madam Speaker, it is a great pleasure to see the Hon. Member smiling for a change. I am glad he was enjoying himself. I must say that this is not the expression we see very often as we watch him in the House these days.

The Hon. Member can say what he likes about the New Democratic Party. That is his option. However, if he wants some facts, I think he had better look at the polls to see what Canadians think about his Party and what they think about the New Democratic Party.

Mr. McDermid: You just dropped five points, be careful.

Ms. Mitchell: That is quite all right. I have not noticed that his Party has had any great ripping success in recent times.

The Hon. Member talks about unfounded confidence. Of course he has unfounded confidence in his position, just as I have confidence in my position. The only thing is that he is a member of the Government and he has the means of demanding special studies that would document some of these things like job losses. Instead of doing that, he is speculating as well.

We want more time so that all of us on both sides of the House can have more hard evidence and more real projections of the implications and effects of this deal. That is what the Government is so afraid of doing. It does not even want Canadians to hear about the deal, much less to have any input into it. I think the kind of token process that is going on is absolutely disgraceful.

I am glad that the committee has gone out on tour because that will show Canadians in a way that would never have happened if it had stayed in Ottawa just how farcical and what a sham these hearings are. I think I have given enough time to that question.

[*Translation*]

Mr. Leblanc: Madam Speaker, once again, I welcome this opportunity to speak to the issue of free trade and to answer the Hon. Member's questions.

She said earlier that Canadians were not educated enough, that Canada was not rich enough, that Canadians were too cautious. That is more or less what she said.

Well, all I can say is that our country has enough human and natural resources to face up to the tremedous challenge of free trade.

If Canadians seem to be afraid of this great challenge, it is just because the Opposition is spreading a lot of false rumours about the Free Trade Agreement.

I am convinced that once Canadians have heard the truth about this great challenge of free trade, this grand design, the majority will support this plan, because I have met them several times in the course of my travels in recent weeks, and I can assure you that when you carefully explain what this great plan is all about, Canadians are willing to take up the challenge. Afraid? The two previous Governments stepped back from this challenge and it looks like they would have lost the

election if they had come before the House with this great plan for free trade with United States. Of course we knew this plan would be practically suicide on the part of the Government, because the Opposition would use it to spread a lot of false allegations and take the 5 or 10 percent of our industry that would be affected and make a mountain out of a molehill, and then load the dice against the 85 or 90 percent of our economy that would gain from this great plan.

That is why it takes a Government that has the guts to do it. We decided to follow through. And I can say that when we take the trouble to explain frankly what this free trade project will give Canadians, people are quick to understand and find the plan very acceptable. If this great free trade challenge was good for Ontario at the time of the Auto Pact, why wouldn't it be good for Quebec? Why wouldn't it also be good for Western Canada and Eastern Canada? After talking to a lot of entrepreneurs, I think 95 or even as much as 100 percent of the people I talked to, people who invest money in the private sector, agreed with me. How come the people who risk their capital agree with free trade and the people who don't are against it? I just don't understand, and it may be too late to find out why. But maybe we can answer the last question, and that is, why the people who risk their money are prepared to go along with the Agreement and those who do not are against the plan.

• (1730)

[*English*]

Ms. Mitchell: Madam Speaker, I do not understand why the Conservatives keep on misinterpreting the Auto Pact. My understanding is that it was a negotiated settlement in one sector. It is not free trade. Yet the Conservatives continue to make them synonymous.

As to the statement that Canadians are not audacious enough, I think it is an insult for Members on that side to challenge the deep patriotic and personal feelings we on this side have for our country and fellow Canadians. Canadians have great capacity in many areas and we have proven this. We have built a very diversified country and achieved economic success. That is why we have a favourable trade balance right now. The evidence is that we are doing better than the U.S. Why do we need this trade deal? We do not have to give away our resources or allow U.S. takeovers. We do not have to entrench countervailing duties in our laws and we do not have to accept a threat to Canadian culture and social programs.

Why should we be doing those things in this trade deal? We are giving everything to the other side and we do not have to. We are doing very well in trade and we should proceed in an orderly way, sector by sector, where it is needed, in an international context.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am pleased to be able to participate in this debate for several reasons. First, because it provides me and the Government with an opportunity to tell Canadians about the importance of this very historic agreement and the benefits it will bring to the majority of Canadians. I for one will not pretend that the agreement will be well received by all Canadians or that it is good only for Canada and not for the U.S. If that were the case, there would be no agreement. However, I firmly believe this agreement is good for the majority of Canadians.

As I have sat here listening today I have been disappointed by the fact that the Opposition, both Parties, offer no alternatives when they address this subject. There seems to be a surprising, disappointing, and perhaps even naive assumption that somehow or other the maintenance of the *status quo*, without any effort whatsoever on our part, is in itself a policy. As you know, evidence of protectionism in many parts of the world, particularly in the U.S., is very much before us. We have to respond in one way or another and we believe very strongly that this is a positive response which will work to the benefit of the majority of Canadians. Quite frankly, we are afraid that what the opposition Parties advocate, which is essentially to do nothing, would in the long run mean the destruction of the Canadian economy as we know it today.

I am also struck by the fact that there seems to be so much criticism of this agreement from those who say it does not specifically address this or that and does not protect us from their fears, whatever they might be. As one who grew up on the Prairies I learned that there were two things we had to fear. One was drought and the other was grasshoppers. Naturally the free trade agreement does not protect us from either of those. They can occur in the future because, while they are very real threats to the western economy, they have nothing to do with trade. I suggest that many of the criticisms of this agreement have, by the same token, nothing to do with trade.

With respect to the motion before the House today, I want to say that I recognize the Hon. Member for Hamilton Mountain (Ms. Dewar) is sincere and serious in her efforts. I know she believes in the ideology and policy positions of her Party. For example, she believes that Canada must protect its sovereignty. We all believe that. Yet at the same time, she and her colleagues believe we should withdraw from NORAD and NATO. We should spend as little as possible on defence and the instruments we need to protect the sovereignty which is of concern to all Canadians.

As a good New Democrat, she believes we should keep interest rates as low as possible. Unfortunately, at the same time she believes that the Government should spend as much as it can and not worry about the size of the national debt or the budgetary deficits plaguing our country. It is those very same deficits which lead, of course, to the high interest rates that crippled our economy in years past.

As a good New Democrat, the Hon. Member believes we should not negotiate a comprehensive bilateral trade agreement with our largest trading partner, and that our interests

are best served in multilateral trade negotiations under GATT. That is what they have been telling us over and over for several weeks. Unfortunately, as a serious and sincere New Democrat, she and her colleagues also believe that we should refuse to accept any decision from GATT which does not agree entirely with Canadian policies or practices. The Hon. Member is serious and sincere but, in my opinion, seriously mistaken and misguided on this issue.

Is it any wonder, then, that the motion before us is such a mishmash of slogans and forebodings? Consider the NDP spawning ground. Never in the history of our country have we seen such a fertile source of contradiction and incoherence. They have failed to mount any effective criticism of the free trade agreement on economic grounds and are now unfortunately relying on the old slogans we have heard in Canada before. "You are selling out the country", they allege. "You are giving up our sovereignty". What a pathetic sight. What a desperate line of argument.

When the negotiations began, the Prime Minister (Mr. Mulroney) said, and I think all of us remember this well, that: "Our political sovereignty, our system of social programs, our commitment to fight regional disparities, our unique cultural identity, our special linguistic character, these are the essence of Canada and these are not at issue in these negotiations". The fact is that the Government has honoured every one of those commitments. On culture we had Bill C-58, which is the principal economic support for our cultural industries and it remains intact. The special status of cultural investment in this country has been confirmed.

What about regional development? Our sovereign right to pursue initiatives in that area has been recognized. The western diversification fund is so important and so much appreciated in western Canada. The Atlantic Canada Opportunities Agency and the Northern Ontario Development Agency will all continue to assist those regions to diversify and develop their economy. Let us not forget who introduced these programs. It was this Government under this Prime Minister.

What about social policies which the Hon. Member spoke of? Medicare, unemployment insurance and all the other social policies to which all Canadians of all political stripes are committed remain intact. Furthermore, our sovereign right to meet the needs and wishes of Canadians is fully intact. In fact, we shall soon be exercising that sovereign right again when we introduce in the next few days, according to my understanding for the first time in the history of this country, a national day care policy. Is this the kind of policy initiative taken by a Government that wants to give up its sovereignty? No, of course not. This is the kind of initiative taken by a Government that knows how to exercise our national sovereignty in the interests of all Canadians.

Under the free trade agreement Canada is free to apply and introduce the economic, social, cultural and constitutional policies it chooses to introduce. That is exactly what we as a Government have done and what we will continue to do.

We undertook bilateral negotiations with the U.S. in the same spirit that we participate in the multilateral negotiations under GATT. Our objective is to make Canada's economy stronger and more internationally competitive through trade liberalization. If I may say so, I firmly believe that much of the prosperity we in the western world have enjoyed in the 40 years since World War II is a result of the trade liberalization policies we and others have agreed to.

We believe that a stronger, more competitive Canadian economy means a stronger, more independent sovereign Canada. The free trade agreement represents a new vision of Canada, a vision of a strong dynamic country with a leading role to play in the world. We see a bold, confident Canada in the future.

What is the vision of those who introduced the motion today and those who support it? In two words, it seems to me that that vision is one of myopia and insecurity. In my opinion, they regretfully see a smaller Canada, a Canada which seems to be threatened on all sides, and a Canada which is regretfully lacking in self-confidence. That is very tragic because I, as a western Canadian, understand very clearly that western Canada was peopled by those who arrived there perhaps some 100 years ago and believed in themselves, their region, and the potential of their region to become a very productive world trading community.

• (1740)

We have done that in the past because we believed in ourselves. We must have that type of vision going into the twenty-first century. Unfortunately, it seems that today there are all too many Canadians—and this, of course, is expressed most clearly by those in the opposition Parties—who lack that type of vision for the future. Instead, they have a disappointing and, I would suggest, incomplete vision of what this country can be.

Quoted in *Maclean's* recently, Paul Reichmann said, "Americans work hard. Canadians work better. We will prosper in a free trade deal".

We share this view because we believe it is a testimony to the confidence and faith of Canadians and in the ability, the drive, and the capacity to work hard which we have demonstrated in the past and which I believe we are anxious to continue in the future. We believe it is time that the Government of Canada demonstrated that it has the same faith in Canadians as Canadians have in this country and in their ability to perform and compete in the world community.

Unfortunately, not all Canadians share that view. It is evident from the motion before the House today that the Hon. Member for Hamilton—Mountain (Ms. Dewar) and her colleagues in the federal House, and I include as well some of their provincial colleagues in the Province of Manitoba, do not have that same faith in Canadians and in the future of this country. They seem to believe that the bigger government gets, the better it is. They seem to believe that Canadians must be

led by the nose by the bureaucracy and the state from the womb to the tomb.

However, I can say as a historian that history has taught us over and over again that the womb of the state is sometimes not unlike a tomb. What is meant to shelter often instead suffocates. History has also taught us that relying on the policies of the past to meet the challenges of the present is an approach which is often doomed to failure.

Curiously enough, today's critics of free trade harken back to the slogans and fear mongering of yesteryear at the turn of the century, the campaigns of 1891 and 1911. It is important that we not in any way confuse the patriotism of the past with what was, in many ways, a devotion to the British Empire. The issue today is not what was appropriate in 1891 or 1911, but what is needed in 1987, 1989, and into the 21st century.

Some have noted that the positions of Parties change with the passage of time. As an historian I remember very clearly the positions of the various political Parties in 1891 and 1911. However, it seems to me that what we must remember, what is often forgotten, is that the circumstances of the moment have changed as well. Those policies which were appropriate in 1891 or 1911 are not automatically appropriate in 1987 or 1997, as many in this House would have us believe.

I am very proud to be a Canadian. I say that as someone who was born in western Canada and received much of my education in western Canada but continued that education in the United States and lived outside my country for a while. I always knew I would come back to Canada. Quite frankly, I am pleased that I did, even though there have been, on occasion, economic reasons for remaining outside the country.

One of the reasons I ran for office some four years ago in a by-election is that I believe in this country, I believe in the potential of the country, and I believe in the people who reside in it. I believe in our values, I believe in our institutions, and I believe in what I think is our unique way of bringing fair solutions to the challenges we face as a country and a people.

I believe that we are very capable of responding to the challenges and, in this case, opportunities, to a greater extent than many people, and unfortunately even some Canadians, appreciate today. There may well be explanations which I am not party to, but I am disturbed by the fact that there are some Canadians today who seem to be losing confidence in themselves. There are some Canadians who seem to be losing confidence in the future. There are some Canadians today who are overcome by fear of the unknown, if you will.

In this agreement and the Government is asking Canadians to continue in our traditions of the past of having confidence in ourselves and of being willing to take some risks to try to develop the potential which is ours as we go into the future. As we do that, we must remember that we no longer live in an isolationist world. We no longer live as an island unto ourselves. We are very much a part of a global economy and depend very much on trade within that global economy.

My special interest, as you know, is agriculture. Some farmers have asked me on phone-in programs why we worry about trade, why we do not concentrate instead on the Canadian domestic market. We could do that, and I dare say there are some in the House who would advocate that, but it would be at an incredible price to ourselves.

As many of us who represent agricultural constituencies know, 50 per cent of agricultural income comes from exports. To give up that opportunity to trade, to say no to the opportunities which are before us in the free trade agreement and in the GATT, is to say no to our future, to say no to the 50 per cent of income which comes from exports and, quite frankly, to say no to the future of at least half of the Canadians who could no longer find employment in that industry.

In a global economy you either face the competition or you are out of competition. To be able to compete any industrialized country needs guaranteed access to at least 100 million people. Unfortunately, Canada and Australia do not have that guarantee within ourselves. Therefore, we look to a free trade agreement with the United States as a solution to that lack of guarantee. This free trade agreement will give us that guarantee, it will give us that market which is at least 10 times the size of the Canadian domestic market. It is vital to every sector of our economy; the resource industry, the manufacturing industry, and the service industry.

Canadian industry, large and small, has faced this fact. That is why virtually all industrial associations in this country, representing the large and the small, are now supporting the free trade agreement. They not only want to compete, they are begging for a chance to compete. These enterprising Canadians are committed to our unique social, economic, and cultural institutions. They know that these Canadian institutions can only be as strong as the Canadian economy. Of course, we are willing to pay a certain price to be Canadians, but we need the wealth which is generated by trade and we need the economic growth that results from trade in order to be in a position to do that.

Sovereignty is not something that is given to a nation. Sovereignty is something that a nation earns every day. For Canada, in my opinion, and in the opinion of the Government, trade is the key to that sovereignty.

Mr. Riis: Madam Speaker, I appreciated the comments made by my hon. friend. They were thoughtful comments and, while I have some disagreement with a good deal of what he had to say, I appreciate that they were presented in the way in which they were.

I want to ask my hon. friend a couple of questions. Nearly 80 per cent of our trade is now with the United States. I do not think another country in the world has 80 per cent of its trade with one other country. If there are such countries, I am not aware of them. In the European Economic Community, for example, once a country is doing over 20 per cent of its trade with one the partners it begins to get very concerned and limits

any increase in trade with that country. They believe that 20 to 25 per cent is the maximum allowable because once it gets beyond that point the other country has a certain amount of control over your economy.

At this time 80 per cent of our trade is with the United States, and that is increasing in spite of some initiative over the last number of years to divert trade into other areas.

Would the Hon. Member like, as an ultimate goal, to have 95 per cent or all of our trade with the United States? How does the Member respond to questions which I and others on a recent parliamentary delegation to Singapore, the Philippines, Indonesia, and Hong Kong were asked at every stage? People in the business and international trading world were asking why Canada does not do more trade in that part of the world. They asked why Canadians do not aggressively pursue new trade options in their part of Asia.

• (1750)

There was a feeling that the amount of initiative in this north-south trade has been somewhat at the expense of pursuing aggressively trade in new areas, particularly the Pacific Rim in this case. I would like to hear my colleague's comments on both those issues.

Mr. Clark (Brandon—Souris): Madam Speaker, both questions are very appropriate and thoughtful. Canada is very much a product of its geography. Those of us who have taught Canadian history and have observed Canadian politics have sometimes said that indeed there is too much geography in Canada. There are many theories that Canada is one of the most difficult countries in the world to govern because of that geography. Without a doubt, the very presence of the Canadian Shield represents an immense barrier which the Government must very consciously work at to overcome. That geography has meant that we have developed more of a trade relationship with the United States as opposed to the relationship between countries in many other parts of the world where there are alternatives.

The Hon. Member mentioned Europe, where virtually any European country is surrounded by neighbours on two or three boundaries as opposed to the one boundary we have.

Smaller countries which have entered into the European Economic Community probably share some of the fears that I hear Canadians expressing today. For example, I hear people ask how a nation of 25 million can exist with a nation of 250 million. While that is a legitimate question, I suggest the answer first lies within our own country. That ratio has existed throughout our history and we are proud of the continuing peaceful relationship we have with the United States.

There are also examples in Europe where the very small countries are as comfortable with a free trade agreement as are the large countries. As a matter of fact, countries are begging for admission into the European Economic Community. Greece, Portugal and Spain recently joined the Community and Turkey wishes to do so. Luxembourg is an example of a small country that is still comfortable with the experience of co-existing with larger ones.

It does not automatically follow that the small in any way are jeopardized by a relationship with the large, unless the small countries have no confidence in themselves.

Some of us watched the football games on the weekend. Football teams that were not expected to win did indeed win. If they had gone into the football game with the same sense of insecurity which I hear some Canadians express today, they probably would have been defeated before the game began.

The point is that the essence of the agreement is that we must believe in ourselves. In a perfect world, I would certainly prefer that we had less trade with the United States. While I am uncomfortable with the fact that 77 per cent of our trade is with the United States, I do know that many attempts in the past to redress that have been unsuccessful, despite the intervention of Government in many cases, because it has, quite frankly, been to the economic advantage of producers and consumers in Canada to maintain that trading relationship.

I do not believe we have put all our eggs in one basket. This Government is very much committed to developing trade with the Pacific Rim, as is Canadian industry. For example, when I advised the President of the Canadian Pork Council of my inability to reach him, he told me that he was going to Tokyo to develop markets there for Canadian fresh pork.

We should also stress that the free trade agreement is built within the comprehensive framework of the GATT. The agreement is part of the whole and not meant to stand alone. By working toward both a freer trade agreement with the United States and an improved GATT agreement, the interests of Canadian consumers and producers will be very definitely protected.

Mr. Gottselig: Madam Speaker, I want to congratulate the Hon. Member for Brandon—Souris (Mr. Clark) on the excellent presentation he made this afternoon. Since the free trade debate began, we have seen the sides clearly drawn, mainly on political philosophies. This has been evident in the daily newspapers in western Canada, eastern Canada, in the farm papers and in the positions put forward by the spokespersons on free trade.

The political debate that is ranging in Canada over this issue should be more confined to this Chamber and possibly to provincial legislatures throughout Canada, rather than to the degree to which it is engaged in by some of the participants.

There is no doubt that the issue of free trade is a very complex one. However, I think it deserves to be studied carefully by examining the real issues and not participating

only in rhetoric, particularly when it is purely political in nature.

The Member did an excellent job of putting forward the position the Government has taken since this debate began.

Of the two or three key issues that I hear raised in discussions about free trade, one is the fact that people do not seem to be totally convinced that we have provided protection, particularly for the supply managed commodities. Perhaps the Hon. Member could comment on the protection that has been put in place for the feather industries and the dairy industries. Perhaps he could also comment on the two-price wheat system that is certainly questioned in western Canada by growers to whom I speak, who want to know the Government's intention with respect to the removal of two-priced wheat.

Mr. Clark (Brandon—Souris): Madam Speaker, the Hon. Member has raised a number of important questions. I will try to address them as briefly as possible.

First, I believe most Members in the House are aware that the supply management programs remain intact. Furthermore, we have a continuing right to establish new supply management programs in the future. It is important to stress that fact because there are many who feared that they would be destroyed by the agreement. That is not the case.

Second, the quota system for imports in all those supply managed programs remains intact. The Hon. Member referred to the feather industry. In some cases there is an increase in quota, with a maximum of 1.5 per cent which is permitted under the freer trade agreement. I believe that is an increase with which most of the industry is comfortable.

The Hon. Member asked me to comment on two-priced wheat. I think the Minister of State for Grains and Oilseeds (Mr. Mayer) and others have made it very clear that whenever that program should be phased out in the future, adequate compensation would be provided to producers, if necessary. However, we believe that it is quite possible that by the time this happens the price will be rising and hopefully the export price will be closer to the domestic price.

Most of the western grain farm community, at least, has responded fairly well to this because domestic wheat constitutes about 8 per cent of our market, and it is the 80 per cent of our wheat which we sell in the world community that is very important to us. That is where we must concentrate our efforts.

The Acting Speaker (Mrs. Champagne): It being six o'clock, it is my duty to inform the House that, pursuant to Standing Order 82(12), proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

SHIPBUILDING—FRIGATE CONSTRUCTION PROGRAM—AWARDING OF CONTRACT

Mr. Bob Corbett (Fundy—Royal): Madam Speaker, I am pleased to be able to participate in the adjournment debate this evening on a matter that is indeed very cherished in the part of the world I come from, primarily the constituencies of Saint John and Fundy—Royal. I am delighted that we have such an eminent Parliamentary Secretary with us tonight. I understand he is going to answer on behalf of the Government. I hold him in great esteem. I consider him to be one of the most respected, if not the most respected, Parliamentary Secretaries. I know he will be fair. I know he will be charitable, and I do not say that just because he happens to pay half the rent.

I raised my question regarding the awarding of the next six frigates because of the apparent struggle between Quebec and New Brunswick which I consider to be not only degrading but somewhat unpleasant. I fear, as do many New Brunswickers, that an opportunity to build the frigates in a yard that has the expertise and the best offer will be lost as Cabinet participates in a regional struggle which, as most people are aware, has delayed the awarding of the contract.

The case supporting the awarding of the frigate contract to the Saint John shipyard is indeed very strong. The company wants to build all six ships in its yard. It feels it can do so for a package of $1.976 billion, which is a considerable saving of $80 million per ship. I want to point out to you, Madam Speaker, and to all Canadians that this is about $700 million less than the original estimates for this package.

The Saint John yard is the prime contractor of the first batch of frigates. It has developed the technology and has assembled the personnel necessary to construct this class of frigate. In place today is a world class, top notch complement of designers, engineers, program managers and construction workers, all ready and willing to undertake the challenge of constructing the next six frigates. The record of the Saint John yard is excellent. The frigate program now under way is commendable. It is on schedule and within budget. The lead ship should be delivered by October 1989. In an era where we should have no waste contributing to the spiralling deficit we were exposed to because of the previous administration, this is a refreshing revelation.

I want to say that the first phase of the frigate program has been successful in creating jobs in southern New Brunswick and in Saint John. It has injected millions of dollars into the local economy of Atlantic Canada and has stimulated industry and job creation. You may be aware, Madam Speaker, that

the shipbuilding industry in southern New Brunswick is critical to the employment and economic expansion of our region. A decline in the shipbuilding industry always hits the local and regional economies very hard and has repercussions throughout every sector.

Defence procurement programs appear to be distributed fairly across Canada. British Columbia is a leading bidder for the half billion dollar ice-breaker contract. The West won the contract to improve the CF-5 fighter jet. Quebec received the CF-18 contract. I am seriously concerned by reports about the confusion surrounding the awarding of the contract. Ministers are reported to be making statements and then retracting them. I am concerned about the delay and the apparent regional confrontation within Cabinet. Almost every media account of this issue draws parallels between the awarding of this contract and the awarding of the CF-18 contract. I know Members of Parliament from Quebec are concerned about unemployed shipbuilders and economic opportunities, job creation and high-tech development.

• (1805)

However, a great deal has already been done by the Government to stimulate economic growth in Quebec. I think that we should square up to that fact. For instance, a $55 million grant was provided to improve petrochemical facilities. Under a $100 million federal-provincial agreement Quebec will receive more than 40 per cent of Canada's tourism development budget. A $100 million interest free loan was made available to General Motors. A three-year agreement generating $278 million in federal funds will be used for the purchase of training courses. Close to 3,000 jobs have been created in the aerospace sector which has received almost $200 million in federal contributions.

It may not be well recognized by the majority of Canadians, but Quebec has already handsomely benefited by the lion's share of the 1983 frigate contract. Although Saint John was a prime contractor, some $972 million will be spent in Quebec providing 12,180 man-years of work compared to $650 million to be spent in the Atlantic region providing 8,100 man-years of work.

The Saint John yard has calculated that splitting the work between Saint John and Quebec will cost an extra $480 million. As Canadians, this is something that we do not look forward to. We could almost purchase another frigate with the money that would be saved.

The Saint John yard has established itself as Canada's centre for the design and construction of navy vessels. It has created a centre of excellence. I strongly urge the Government to make a decision as soon as possible and award a six frigate contract to the yard that offers both the expertise and the best deal, the Saint John Shipbuilding and Dry Dock Company. Canadians do not want to see Cabinet bend to political pressures and replay the CF-18 scenario.

Mr. Ron Stewart (Parliamentary Secretary to Minister of Supply and Services): Madam Speaker, it gives me a great deal of pleasure to respond not only to my colleague, but one of my dearest friends, someone who represents so ably the constituents of Fundy—Royal. I might point out that the Hon. Member is equally at home on the range, and always shares in pulling his weight in all endeavours, whether they be for frigates, or for his constituents in any way, shape, or form.

I understand the concerns of the Hon. Member, and I do not think there is anyone who could have put the problem more loquaciously. I will attempt to sum up the current situation relative to the awarding of the contract for construction of the second batch of patrol frigates.

As mentioned previously in the House by the Minister of Supply and Services (Mr. Côté), I will repeat again for those still unaware that the decision has not yet been taken by the Government.

I would like to clarify for the House the importance of this contract. As has been pointed out, we are talking about billions of dollars. It is a total expenditure of $3.5 billion. I think that the Government has every reason to insist on carefully weighing all aspects of a defence expenditure of this magnitude. I can assure my hon. colleague that such an important decision will not be made in haste. When it is made, it will be a decision that will prove beneficial for all Canadians.

As in all decisions on the awarding of contracts, Phase II of the Canadian Patrol Frigate Program will be based on clear criteria: the responsiveness of defence requirements, the expertise and technical capacity of the contractor, and the costs and regional and economic benefits associated with the project.

As the Minister of Supply and Services and others have stated in the House, and as a means of calming the anxieties of my colleague from Fundy—Royal, I repeat that the contract for the second phase of frigates will be made according to operational requirements, the best value against the cost, the efficiency of the contractor, the time frame proposed, and the industrial spin-offs.

Of all people, I can well appreciate the strong belief of the Hon. Member for Fundy—Royal that the contract should be awarded to Saint John Shipbuilding. Even though my fellow Member represents the interests of Atlantic Canada, he must also realize that the role of the Government is to respond in the best interests of the country as a whole, and to determine the best way to ensure regional development.

FREE TRADE—REQUEST THAT PROVISIONS OF AGREEMENT DEALING WITH RAILWAY TRANSPORTATION BE AMENDED/UNITED STATES SUBSIDIARIES OPERATING INTRAPROVINCIALLY IN CANADA

Hon. André Ouellet (Papineau): Madam Speaker, I wish to follow up on the question that yesterday I directed to the Minister of State for Transport (Mrs. Vézina). She was asked questions not only by me, but by my colleague, the Hon.

Member for Westmorland—Kent (Mr. Robichaud). The Hon. Minister has been unable to answer any of the four specific questions that have been put forward by either my colleague from Westmorland—Kent, or myself.

• (1810)

These questions concerned the transport industry in relation to the free trade agreement which Canada will sign and enter into with the Americans. I sympathize with the Prime Minister (Mr. Mulroney) on his bad luck in selecting a competent Minister of State for Transport. The Minister of Transport (Mr. Crosbie) is a great joker, but he has failed to come to grips with the complex issue of transportation. The terrible thing about it is that we have had a succession of Ministers of State for Transport, one after another, who have shown irresponsibility or incompetence. That is the situation exactly, when we look at the answers given by the Minister of State for Transport yesterday.

The only bright spot in the Department is the Parliamentary Secretary who has shown some understanding of the problems and a willingness to listen to representations in all meetings of the Standing Committee on Transport and in answering questions in the House yesterday and today.

In reality, the deal with the Americans will be terrible for the trucking industry. While the Government tried to make people believe that it was a marvellous deal, the reality is that it will be a terrible one for the trucking industry.

Raymond Cope, President of the Ontario Trucking Association says that 100,000 jobs in the province's trucking industry are at stake. He went on to say: "We see the potential to devastate the Ontario trucking industry". Mr. Ron Downey, President of the Manitoba Trucking Association says that the Canadian and U.S. trucking industries are not playing on a level playing field. He went on to say:

> Certain tax and immigration changes should have been put in place before the trade accord.

Mr. Don Norquay, Chairman of the Manitoba Motor Transport Board, said the following:

> The draft agreement would not allow Canada to take any action to prevent complete domination of our highway transport industry by Americans.

These people represent the industry and they are absolutely furious at the lack of appropriate responsibility and initiative on the part of the Minister of Transport.

[*Translation*]

Yesterday, I asked the Minister of State (Transport) (Mrs. Vézina) to tell us whether the Canadian provinces will be able to refuse license applications made by United States truckers based in states that do not give Canadian truckers a fair deal. This was a very simple question calling for a yes or no. The Minister was not even able to tell me whether such would be the case. This matter is very important for the workers in the Canadian trucking industry, for 43 American states continue to regulate the trucking industry within their own respective jurisdictions. Under their regulations, Canadian trucking firms cannot transport merchandise or goods from one point to another within the same state: Michigan, New York and Pennsylvania, three major border states, are part of this group. Because of these regulations, for instance, in the State of New York, a Canadian firm cannot transport goods from New York City to Rochester. On the other hand, a firm based in the United States will be able to transport goods, say, from Toronto to Windsor because of the deregulation of the trucking transport industry which the Conservative government will impose on Ontario and the other Canadian provinces through Bill C-19. This right provides access to extremely profitable trucking services and will mean enormous profits for the American companies which take over contracts from the Canadian trucking industry. This is a far cry from fair competition, one of the basic principles and objectives of the so-called Free Trade Agreement between Canada and the United States.

The truckers would like the provincial transport commissions to keep their other regulatory powers, as this would give them some reciprocity as far as regulations are concerned when the American truckers ask for authorization to move goods from one province to another. The commission would be able to verify whether Canadian carriers have been refused a similar operating permit in the state or region of origin of the American trucker submitting an application to transport goods in Canada.

This is what I asked the Minister of State for Transport (Mrs. Vezina) yesterday, and she was unable to give me an answer. I trust that the Parliamentary Secretary will be able to clarify the situation this evening because, and I shall close with this, the Canadian Trucking Association has suggested, to correct this situation which could be extremely unfair to the Canadian trucking industry, that the final text of the schedule on transport in this agreement between Canada and the United States give at the very least the same status to the reciprocity provisions as to the principle of national treatment. This is the minimum required, and I trust that the Parliamentary Secretary will be able to give us an affirmative answer.

• (1815)

[*English*]

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, in spite of the nice words from the Member opposite I must challenge his allegations against the Minister of Transport (Mr. Crosbie). As my friend opposite knows, Ministers are worked to death in this country and the Minister of Transport has handled his portfolio with great aplomb and also with enormous hard work and dedication. Absolute major Bills, Bill C-18, C-19 and C-21 changing the public policy of this nation were rammed through this House under the tutelage of the present Minister of Transport.

Mr. Ouellet: By the Parliamentary Secretary.

Mr. Thacker: With respect to Ontario trucking, there is no doubt some Ontario truckers are worried about the free trade agreement but not all Ontario truckers are. As well, let me say to my hon. friend that in Alberta that industry has been deregulated and subject to the market-place for many years and has thrived. There is no reason at all why Ontario truckers with their entrepreneurship and ingenuity cannot go into the United States and compete, and compete with anyone in the world.

My friend has pointed out that some 43 states in the U.S.A. have refused licences to subsidiaries of Canadian trucking firms which want to carry freight only within those specific states. He also points out that some of our provinces as a result of Bill C-19 will for at least five years come under the reverse onus clause, and after that it will be a fit, willing and able test which anyone can meet. Even at that time, U.S. truckers will not be able to operate here interprovincially at will. They would, as now, have to establish themselves as Canadian companies, engage Canadian citizens, have a subsidiary corporation or at least a Canadian corporation, pay income tax here and compete within the competition milieu of Canada. I think we can whip them as Alberta truckers have in the U.S. They have done well so I am not quite as worried as my friend opposite, although he raises the point very well.

If discrimination of restrictive practices by states against Canadian carriers can be proven, the Government could invoke that clause in Bill C-19, which my friend talked about eloquently when the Bill was going through, the Motor Vehicle Transport Act, which permits retaliation if remedial action is not taken through consultation. I can assure the Hon. Member that the Government under the Minister of Transport or, indeed, any Government will retaliate if the Americans do not treat our truckers fairly.

• (1820)

FINANCIAL INSTITUTIONS—PRINCIPAL SAVINGS AND TRUST BANKRUPTCY/REPORTED TRANSFER OF FUNDS

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, on August 12, I put a question to the Minister of State for Finance (Mr. Hockin) concerning the Principal Savings and Trust Company. At that time, two corporations in the Province of Alberta had claimed bankruptcy; namely, First Investors and Associated Investors. It should be stated clearly that those companies fell under the jurisdiction of provincial regulation and not federal regulation. However, they were part and parcel of a corporate network or web of companies operating that type of business.

In fact, the Principal Savings and Trust Company, which is interlinked with those two provincially-regulated companies, is regulated federally under the auspices of the Canada Deposit Insurance Corporation. At that time, I was hoping that the Minister could provide to Members of the House information which would shed light on some of the obvious questions that had been put and are still wanting for answers.

We have learned in recent weeks and indeed in recent months of investigations that have been launched by provincial administrations. We have also learned to our dismay that a great number of Canadians from across Canada have been affected negatively by the operations of Principal Savings and Trust and the other companies to which it was linked. In fact, 50,000 to 60,000 of those Canadians have lost many personal investments.

The point here is that Canadians in my own Province of Nova Scotia and indeed my own constituency as well as people from Alberta, parts of British Columbia and all across Canada have lost a great deal of money. The Government's claim is that this falls under the jurisdiction of the provincial Government and not the federal Government, therefore its responsibility has been met. However, the Parliamentary Secretary is aware that audits were done by the Canada Deposit Insurance Corporation of Principal Savings and Trust. The Minister, under the guise of confidentiality, has refused to table those audits.

I realize the importance of confidentiality within the business sector, but what ought to be of paramount importance, not only to the Government but indeed to the managers and business leaders in that sector of the economy is that we must know and know clearly all the facts and all the details surrounding the collapse of Principal Savings and Trust and the associated companies. It is only through that knowledge that Canadians as well as business people involved in that business can have confidence that the system we have in place is in fact serving and meeting the needs and objectives about which Canadians feel very strongly. The Government has persistently and consistently said no to making that information available.

Government Members are also aware that some very misleading practices have taken place. We would like to know what the Government has communicated to the Province of Alberta with regard to those practices. Has it given the file to the Minister responsible in the Province of Alberta? Has it given the file to the commercial fraud section of the RCMP? Has it done an investigation under Consumer and Corporate Affairs?

I think that Canadians are losing thousands upon thousands of dollars because of mismanagement and that the Government is attempting to protect, under the guise of confidentiality, what took place weeks, months and maybe even years ago in those companies.

• (1825)

I hope the Parliamentary Secretary is able to inform not only Canadians in general but those 60,000 Canadians who have lost money in Principal Savings and Trust about whether or not it is prepared to co-operate with provincial Governments in fully reimbursing those people. I hope he is able to tell us that the Government will provide all of the details and remove

the guise of confidentiality in order to protect the system and give it integrity not only for today but for the future as well.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Madam Speaker, I am pleased to have this opportunity to respond to the Hon. Member on behalf of the Minister of State for Finance (Mr. Hockin). As the Hon. Member and all other Hon. Members know, these have been very difficult times for the financial industry in general. We have all been saddened to see the failure of several banks and trust companies. Those failures have naturally raised questions as to the adequacy of the regulatory framework. I very much appreciate the concerns of the Hon. Member which he has raised before in this House as well as tonight.

From his remarks the Hon. Member recognizes that the Principal Group and its affiliated companies, except for an inactive federally-incorporated insurance company, were under the supervision of the Alberta Government. The federal Government's only involvement was through the Canada Deposit Insurance Corporation insuring Principal Savings and Trust Company. As a result of that role, depositors in that trust company will be completely protected up to the insurance ceiling of $60,000.

As Hon. Members are all too painfully aware, many investment contract holders claim misrepresentations were made to them by representatives of First Investors Corporation and Associated Investors Corporation in the sale of investment contract certificates. I note, as the Hon. Member did, that the Province of Alberta announced certain measures to bring the affairs of the two investment companies under the control and scrutiny of the courts and the two companies' creditors. It is my understanding that Government has since expanded its inquiry to include a complete review of all inter-company transactions among the Principal Group of companies.

As Hon. Members know, the federal Government has placed a very high priority on addressing the problems of federally-regulated financial institutions. The Hon. Minister of State for Finance, on December 18, 1986, released a policy paper entitled "New Directions for the Financial Sector". The Government has already completed the first two stages of the process with the recent passage of Bill C-42 and Bill C-56.

The third stage of the reform package will introduce legislative amendments which should help prevent circumstances of the type currently causing investment contract holders in the uninsured affiliates of the Principal Group so much concerned. In this regard, federally-regulated institutions will, with limited exceptions, be prohibited from engaging in transactions with their affiliated companies. In addition, the actions of corporate officers and directors will be subject to stringent performance requirements to control conflict of interest and other insider activity. I would also note that the federal proposals contain a directors' policy which will ensure that one-third of the directors are unaffiliated and no more than 15 per cent of the directors on the boards of federally-regulated financial institutions are insiders.

I believe we have made considerable progress with Bill C-42 and Bill C-56 and that the third phase of this program will address the majority of concerns presented this evening by the Hon. Member.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Wednesday, November 25, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

OPPOSITION TO OLD MAN RIVER DAM PROJECT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, today friends of the Old Man River are in court to oppose the decision of the Alberta Government to build a $350 million dam that would flood 7,000 acres of land. The dam would ruin the ecology of the river, would destroy trout habitat, and would eliminate deer and caribou grazing areas by flooding.

The Old Man River is the last untouched river in Alberta. For centuries native people have relied on this river for their livelihood. Just below the proposed high water line there are more than 200 tepee rings and what is believed to be the most westerly medicine wheel in Alberta. The valley of the Old Man is a spiritual sanctuary for the native people.

The Alberta Government should resist pressure by the 300 landowners who will benefit from the irrigation provided by the dam but who do not have to pay for its construction. The heritage, spiritual, and ecological values the river offers are far more important than agricultural growth in a country which already has agricultural surpluses.

The Friends of the Old Man deserve the support of all Canadians. Everyone who feels strongly about the heritage and value of this magnificent river should write to the Premier of Alberta and to Alberta Members of the Legislature and register strong opposition to the building of this dam.

* * *

[*Translation*]

THE ECONOMY

TRIBUTE TO ROBERT ARCAND OF AMOS

Mr. Guy St. Julien (Abitibi): Mr. Speaker, today I should like to pay tribute to Mr. Robert Arcand, president of the *Société d'entraide économique du Québec* and of *Financière Harricana Inc.* of Amos, Abitibi.

Mr. Arcand received a doctorate from the University of Quebec in Abitibi—Témiscamingue, the second time a prominent resident of our region has been awarded a *honoris causa* doctorate.

Mr. Arcand had the courage to take over the *Société d'entraide économique* after it had hit rock bottom, and it was not easy. Putting that company back on an even keel has been an outstanding achievement in Quebec.

In his testimonial, Mr. Jean-Louis Dulac emphasized that Harricana Metal Company of Amos started from scratch and now enjoys international recognition. His example goes to show that progress and expansion have no limits.

In his statement, Mr. Arcand expressed gratitude and underscored the contribution of his wife Pierrette and his children Annie, Marie-Claude and Sébastien.

Mr. Speaker, the people of Abitibi and Témiscamingue are proud of Robert Arcand of Amos.

* * *

• (1405)

[*English*]

FISHERIES

BRITISH COLUMBIA HERRING FISHERY—FREEZE ON LEASING OF LICENCES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, last year crews on herring boats were being charged to work on herring boats. Non fishermen leased licences for exorbitant prices and many vessels doubled up on licences.

Today the Minister of Fisheries and Oceans (Mr. Siddon) announced half measures to correct the situation. He bans vessel owners from charging workers for the right to work, but he has placed no safeguards to guarantee that fishermen will not be paying through lower wages or lower percentages of the over-all catch.

The Minister ignored the advice of his own Pacific resource council which recommended in October that seine vessels be allowed only one licence and that gillnet licences be issued only to bona fide fishermen. Instead, the Minister has frozen the leasing of licences. While this prevents the further doubling up of licences, it does not solve the problem of existing multiple

licensing. He has locked the barn door but the horse has already gone. He will allow further purchase of second and third licences in May, 1988, to replace leasing.

Since 1983 fishermen have asked for changes to the herring licensing policy. They were told to be patient. The measures proposed by the Minister will allow multiple licensing to continue. Patience is a virtue, as the saying goes, but is it any wonder that fishermen on the British Columbia coast are losing their patience with this Government and this Minister of Fisheries?

* * *

[*Translation*]

THE ECONOMY

TRIBUTE TO BUSINESSMEN AND BUSINESSWOMEN OF ABITIBI WEST

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, in my riding last Saturday night, on November 21, I was in La Sarre to attend the first "Excell'Or" gala evening organized by the local Chamber of Commerce. The purpose of this event, a "first" and very well organized, was to publicize and recognize the outstanding performance of business people who participate in our community's economic growth. More specifically, I would like to mention two of our award winners. In the category "Big Business", the Howard Bienvenue Company of La Sarre won the award. In the category "Person of the Year", the award went to Mr. Jean Perron, president of Normick Perron.

Mr. Speaker, we congratulate the winners and finalists, and recognize in them the entrepreneurship and initiative of the business community in Abitibi West. To the organizers of this unforgettable evening, I say bravo, and until next year!

* * *

[*English*]

CANADA POST CORPORATION

DOMINION, CAPE BRETON—EFFECT ON SENIOR CITIZENS OF PROPOSED CHANGE IN SERVICE

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in Dominion, Cape Breton, Nova Scotia, it has become quite clear that Canada Post has every intention of changing the present level of service from that of personal service to community mailboxes.

In rural Canada the post office is a meeting place. It is a place for information on Canada and on other residents in communities. Canada Post is trying to close the post office in Dominion because the Government of Canada sees the post office as a grabbag chance to make money.

With respect to replacing the services of the post office in Dominion, Cape Breton, with supermailboxes, I have this to say. Fifty per cent of the 3,000 person population of Dominion is made up of senior citizens. Surely the Government should not have to see senior citizens at 70 years of age walking in the snow to get their daily mail.

On November 10 a resolution was passed by the Municipal Council in the town of Dominion, forwarded to the Minister of Consumer and Corporate Affairs (Mr. Andre) on November 12. It was followed up by a citizens' meeting attended by over 300 individuals on November 16. A letter was forwarded to the Minister on November 18, 1987, requesting a personal meeting with him in order to terminate the regressive actions of Canada Post to close the postal services in Dominion, Cape Breton. The citizens, the municipal council, the Tory MLA in that particular constituency, as well as the provincial Legislature are against this regressive action by Canada Post.

* * *

WINTER OLYMPIC GAMES

OLYMPIC TRUST—END TO HARASSMENT OF SMALL BUSINESSES

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, the 1988 Winter Olympics in Calgary are an important event for Canada and the world. Recent actions by some Olympic officials unfortunately reinforce the idea that politics and sport do not mix. The Olympic Trust claims sole rights to use the word Olympic, its derivatives, and the "stick man" symbols.

In Ottawa they tried telling the Olympic Ski Shop, the Olympia Restaurant and the Olympic Tuck Shop that they could not use the word Olympic. It is ludicrous that they would have to change their company name or logo. The Hull Olympics hockey team, a team in its fourteenth season, would not appreciate being told that it is infringing trade mark laws and would have to change its name.

• (1410)

The Minister of State for Fitness and Amateur Sport (Mr. Jelinek) has put an end to all this nonsense as Olympic officials have agreed to stop harassing small businesses. The Minister is not only concerned with the importance of these games to all Canadians but that our reputation in the international sports world not be marred by this petty squabbling. The Olympic Trust should never mind the trees and start worrying about the forest.

MULTICULTURALISM

ANTHOLOGY OF RACIST VIEWS—A CANADIAN'S ANSWER

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I have received quite a bit of correspondence from Citizens for Foreign Aid Reform, including an anthology of remarks on race made by Canadian forefathers. As a result, I have written this letter to Mr. Paul Fromm:

> This is to acknowledge receipt of the anthology of racist views expressed by various significant figures from Canadian history. While I appreciate this review I must tell you that even as a child I was made thoroughly familiar with them and their implications in a most compelling and unforgettable way.
>
> You will of course appreciate why I am less convinced than you and your colleagues in C-FAR that I am a less worthy Canadian than those with more purely European characteristics.
>
> Since as an academic I have an interest in the thoroughness of any intellectual endeavour may I suggest that you consult the literature on race and racial purity published just before and during the Holocaust. You may there find additional quotes to bolster your case.
>
> For my part I will continue to believe that multiculturalism is the trend for Canada's future.
>
> However should I prove wrong I would appreciate your advice on where I might resettle. Doubtless my lack of racial purity will make it difficult—

It is signed Howard McCurdy, MP.

Some Hon. Members: Hear, hear!

* * *

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—FEDNOR PROGRAM—QUALIFICATIONS OF BOARD MEMBER

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, as I stated yesterday, I am proud as a northern Ontarian and also as a Progressive Conservative of the FEDNOR Program the Government has successfully delivered to the people of northern Ontario. The recent criticism in the press and from the opposition benches cannot be justified.

I wish to point out a particularly glaring misstatement of the facts concerning the FEDNOR representative from Timiskaming, Mr. Pat Birney.

This gentleman served from 1943 to 1945 in the Royal Canadian Air Force. He is the Past-President of the Royal Canadian Legion and life member of the Royal Canadian Legion.

He was a construction superintendent for 20 years and was for 20 years councillor for the Town of New Liskeard. He was the Mayor for two years and Vice-Chairman of the Timiskaming Health Unit. He was President of the Children's Aid Society and a member of the South Timiskaming Planning Board, the Director of the Northern Ontario Development Board for seven years, and President of the Tri-Town & District Association for the Mentally Retarded.

This gentleman is an excellent representative of Timiskaming. He deserves proper recognition. He will continue to contribute greatly to the FEDNOR Program and to northern Ontario. It is absolutely sickening to hear opposition Members suggest otherwise.

* * *

[*Translation*]

TRIBUTE TO JUSTINE LACOSTE-BEAUBIEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last week I had the pleasure of attending a party to launch the biography of Justine Lacoste-Beaubien, founder of the Sainte-Justine Hospital. The book was launched on the eightieth anniversary of the hospital, the first Francophone hospital in Montreal. Today, Sainte-Justine Hospital still enjoys the respect and appreciation of the entire community. Since its founding in 1907, Sainte-Justine has cared for over 1,500,000 children.

Justine Lacoste-Beaubien and a group of women volunteer workers saw and met the challenge. Justine Lacoste-Beaubien, founder of Sainte-Justine Hospital, was a woman ahead of her time. She did not wait for today's pressure groups to fight for the concerns of her contemporaries. She was a brave woman who led the way for many of us. She is a role model for all Canadian and Quebec women. She has left us a legacy of eighty years of loving care, and we thank her for that legacy.

Today, Sainte-Justine Hospital is in financial difficulty, and I want to ask the provincial Government to take action to prevent a number of its clinics from closing.

* * *

[*English*]

REGIONAL DEVELOPMENT

NORTHERN ONTARIO—FEDERAL FUNDING FOR FEDNOR PROGRAM

Mr. Aurèle Gervais (Timmins—Chapleau): Mr. Speaker, I rise today to speak about the new economic development program for northern Ontario called FEDNOR. Under this new program, the Government of Canada, for the first time ever, designated northern Ontario as a distinct economic region requiring special economic assistance.

The $55 million in outright grants or incentive loans plus an additional $15 million for guaranteed loans which will generate a total of $100 million have been earmarked for northern Ontario entrepreneurs and small businesses. This is new money in addition to all other provincial and federal programs.

I had hoped that all MPs from northern Ontario would have rejoiced at this good news and would help make the program

work for the economic betterment of northern Ontario and their respective ridings. However, lo and behold, to my disappointment, instead of trying to help, some Liberal and NDP Members decided instead to attack the FEDNOR board members unfairly.

• (1415)

Come on, colleagues! Forget the partisanship and personal attacks. There are many good things for communities in your ridings in this excellent FEDNOR program. I invite all MPs, MPPs, mayors and councillors from northern Ontario to co-operate and work together closely with the FEDNOR board in order to bring full benefits to northerners for whom the program was designed.

* * *

BROADCASTING

ACTION DAY COMMITTEE'S CALL FOR SUPPORT

Mr. Simon de Jong (Regina East): Mr. Speaker, this morning my caucus colleagues and I met representatives of the Action Day Committee for Canadian Programming. They came here to express their concern about the state of Canadian radio, television and film production. Their heartfelt message was clear. Action for Canadian programming must be taken now before it is too late.

The committee pointed out that public broadcasting in this country is in trouble. The CBC, starved of funds, is having difficulty operating. As well, production of Canadian feature films and television drama faces an uncertain future. Less than 5 per cent of all drama on Canadian television stations is Canadian. Fewer than 3 per cent of the films in our cinemas are Canadian. That is unacceptable. The arts create a mirror for society. Film and television are potent instruments to help a society define itself.

I join the Action Day Committee in urging that we move together as a nation to develop our film industries and public broadcasting. The show must go on.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—IMPLEMENTATION—CONSTITUTIONAL AUTHORITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister. Both he and the Prime Minister know that energy pricing, wine distribution policy and marketing boards all fall within provincial jurisdiction. Yet they also fall within the ambit of the Prime Minister's trade deal with the United States. The Prime Minister says he is going to implement the deal with or without provincial consent.

Has the Deputy Prime Minister consulted his Leader and is he aware of the constitutional precedent established 50 years ago that the Parliament of Canada does not have authority to implement a treaty on matters within provincial jurisdiction? If so, does he have some new constitutional rule that he would like to make us aware of?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the right hon. gentleman knows very well that signing international treaties is strictly the prerogative of the federal Government. I do not think that should be a question in anyone's mind. I do not know whether the Right Hon. Leader of the Opposition is suggesting some sort of provincial veto in these matters.

The fact is that the free trade arrangement we have negotiated is good for all regions of Canada, including Ontario. It is good for the sectors to which the hon. gentleman referred. If there are some difficulties I suspect they will be resolved in the co-operative manner reflected in the way this Government has carried on for the last three years.

IMPORTANCE OF AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister was talking not about signing the agreement but about implementing it. I want to refer the hon. gentleman to the Labour Conventions case decided 50 years ago which clearly dealt with the issue of provincial jurisdiction. Knowing that the Prime Minister has great confidence in our Ambassador to the U.S., Mr. Gotlieb, I will also refer him to Mr. Gotlieb's book *Canadian Treaty Making* where he says quite clearly at page 85: "The Parliament of Canada cannot, through making a treaty, legislate in fields of provincial jurisdiction and jurisdictional competence." That is quite clear.

This morning the Prime Minister told reporters in effect: "Don't worry about what I said yesterday about implementing this treaty or about infringing the Constitution; wait until you see the final text." That is precisely the point. We have not seen the final text.

The Prime Minister is meeting with the provincial Premiers this evening, tomorrow and Friday, and there is no final text. The committee of the House of Commons is on the road and there is no final text. Business and professional people across the country have no final text, yet the Prime Minister is insisting on ramming this deal through Parliament and insisting on meeting the date of January 2 when the people of Canada have no opportunity to analyse the final text.

• (1420)

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Is this the Deputy Prime Minister's view of how the Government and Parliament ought to be dealing with a matter of such importance to the cultural, economic, and social life of Canada?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, this is a very important issue and a very important debate. That is why I am surprised that the Right Hon. Leader of the Opposition wants to tear up the agreement before he even sees it. I find that very irresponsible.

The fact of the matter is that there has been a lot of debate on this issue in the House and in the country, starting with a Royal Commission which was chaired by his former colleague which cost Canadian taxpayers some $24 million. It made a very comprehensive analysis of the total economy of Canada and a very thorough examination of the pros and cons of a free trade arrangement with the United States of America.

There have been two weeks of parliamentary hearings by the committee and there will be two more. There have been several days of debate in this House. Question Period has been dominated by this issue.

I know that the right hon. gentleman has been laid up in the last week or so. We regret that and welcome him back to the House, but I am sure he had the opportunity to follow the debate even from his bedside. I hope that he will continue that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: From his bedside? Cheap shot, Don.

Mr. Gauthier: You are pretty sick yourself.

Mr. Mazankowski: I am not as sick as the hon. gentleman who does not have the guts to stand up and say what he says from his seat.

I suggest that the first priority of business for the right hon. gentleman should be to get back to his riding to sort out the difficulties he has there, because there is obviously a difference between his position and the position of his constituents.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, I do not recommend the Hon. Member's bedside manner to anyone in the country.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I understand that the Prime Minister is having some difficulties in his riding of Manicouagan. I invite him, on behalf of the people of Quadra, to come on out to Quadra and we will take him on head to head on that issue right in Vancouver.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, since you have the adjacent riding, I will nominate you as arbitrator.

Some Hon. Members: Oh, oh!

[*Translation*]

FREE TRADE—QUERY WHY CANADA MUST FOLLOW UNITED STATES AGENDA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister was against free trade during his campaign for the leadership of his party. In the last election campaign he did not mention a free trade agreement with United States. And now he wants us to adopt an agreement, although no one has seen the final text. And when we do see the text, it will be too late to change it . The Prime Minister maintains the agreement must be adopted by Parliament in December, in time to be signed on January 2. I am not trying to mess up the Government's secret plans to have an agreement signed by the Prime Minister and the President of United States in January, but could the Deputy Prime Minister inform the House why we have to follow the U.S. agenda to analyse our case here in Parliament and clarify the situation for Canadians?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the position of the Prime Minister and the Government of Canada on this issue is very clear. I think the Leader of the Opposition has a responsibility to make his position clear to the Canadian people as well.

We know that he is in favour of free trade. He said, at one time, that he was in favour of this deal but would like to improve it. Then he said that he did not like it and so was going to tear it up. This week he said that we should be doing all our business through the multilateral negotiations of the GATT, and last week his members were condemning the GATT ruling.

Where does the Leader of the Opposition stand on this important trade issue? He owes the country and this House the service of telling us very clearly where he stands.

Mr. Garneau: Mr. Speaker, if the Deputy Prime Minister wants to know the position of the Liberal Party and my Leader he can read *Hansard*. We had this debate in the House in March. If he reads *Hansard* he will know exactly what our position is.

• (1425)

Mr. Epp (Provencher): What is the date?

Mr. Garneau: They are asking for the date. I will give you the date of June, 1983, to see what your Prime Minister was saying about free trade.

[*Translation*]

INQUIRY WHY AGREEMENT MUST BE SIGNED SO QUICKLY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the First Ministers' meeting starts tomorrow. One of the items on the agenda was supposed to be the trade agreement with United States. Now it seems the legal text, which it seems will be more than 1,000 pages long, is not available.

How can the Deputy Prime Minister and the Prime Minister sign a final agreement more than 1,000 pages long on January 2, before the provincial Premiers have had a chance to read and examine it and decide whether they want to adopt legislation and regulations covering areas that come under provincial jurisdiction and are included in the Agreement the Prime Minister absolutely wants to sign the day after New Year's?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Member's question is absolutely absurd. This whole process has been conducted through the consultation of the First Ministers. There have been innumerable meetings with the Prime Minister and the First Ministers. There will obviously be more.

Clearly, there is nothing in the document or in the process that has been established that is alien to the First Ministers. I can assure the hon. gentleman that that will continue. It is regrettable that the final text is not available. We had hoped that it would be, but I think it is important at this stage of the game to ensure that all details are sorted out in a proper manner because our commitment, first and foremost, is to obtain the best deal for Canada. That continues to be our sole objective.

[*Translation*]

REASONS FOR URGENCY

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I would like to get back to the issue of the final text of the Agreement. We do not have the text and neither do the provincial Premiers. When they see the text it will be too late, since the Prime Minister of Canada, without final and binding consultations on the legal text, will have signed a contract, a treaty with President Reagan that will commit the provinces in areas that come under their own jurisdiction.

I want to ask the Prime Minister and especially the Deputy Prime Minister why they feel it is so urgent to make Parliament reach a decision on a text at least 1,000 pages long, and all in three weeks' time. Why is it so urgent to have this document signed on January 2?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Prime Minister and the Government have been up front and forthcoming in this process all along. As soon as the "Elements of the Agreement" were completed they were tabled the very next day in the House of Commons and made available to all Members. That has formed the focus of debate. It is expected that the final text will be fully consistent with the elements.

As far as continuing debate is concerned, enabling legislation will have to put this agreement into place. There will be debate on the floor of the House of Commons. There will be committee hearings, there will be Senate approval, and there will be ample opportunity for all Hon. Members to get involved in all aspects of the debate. And there will be ample opportunity for all Canadians to come before any legislative committee that will be considering this.

• (1430)

GOVERNMENT'S RIGHT TO IMPLEMENT TREATY—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to begin by welcoming back to the House the Leader of the Official Opposition. I wish him well in his health. I noted he challenged the Deputy Prime Minister to a debate in Vancouver Quadra on this matter. I just say good luck. The Deputy Prime Minister has so far refused to debate this subject even in his home Province of Alberta.

Some Hon. Members: Oh, oh!

Mr. Broadbent: In the absence of the Prime Minister, my question is directed to the Minister of Justice. Yesterday the Prime Minister said—

Some Hon. Members: Oh, oh!

Mr. Broadbent: They do not want to hear the Prime Minister's words, Mr. Speaker. I can understand that, but I thought they at least would be respectful.

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: The Prime Minister said yesterday:

> The right of the federal Government of Canada has never and never shall be, challenged to negotiate and implement foreign treaties.

As is not unfamiliar, the Prime Minister is wrong. Will the Minister of Justice now confirm that the right of the federal Government to implement treaties within provincial jurisdictional authority was not only challenged but successfully challenged in 1937? Will he confirm and state clearly to the House that what the Prime Minister said yesterday was wrong?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not think any serious student of constitutional law would doubt the right of the federal Government to enter into treaties on behalf of the people of Canada. Furthermore, I am really amazed at the complaining we hear with respect to this historic treaty on the

part of the Opposition. Predecessor Governments have never gone to the extent of having these matters debated by committees of Parliament. They have never allowed the matters to come for ratification before the House of Commons.

Mr. Turner (Vancouver Quadra): That is wrong. That is absolutely wrong.

Mr. Hnatyshyn: This is totally unprecedented, and the Liberal Party is particularly vulnerable in this regard.

All I can say with respect to this transaction is that, once this transaction is completed between the two countries, it will then be incumbent upon us to move on the areas with respect to jurisdiction which is in the federal Government, and I simply say that I know all levels of government will co-operate with the federal Government in that regard.

Mr. Broadbent: The Minister said all levels of the federal Government will co-operate with the federal Government. That is encouraging. One would hope that would be the case.

COMPLIANCE OF PROVINCES

Hon. Edward Broadbent (Oshawa): On page 35 of the "Elements of Agreement" both national Governments are obligated to obtain the required authority from state, provincial and local governments. Is the Minister of Justice saying that that clause was put in there by accident? Is he saying that Ambassador Yeutter of the United States, when he stated publicly that they expected provincial compliance, was just indulging in mere rhetoric? Or will the Minister of Justice at least acknowledge the truth to the House of Commons, that for this agreement to be operative, as the Macdonald Commission previously pointed out, and as everyone who has looked at the free trade agreement understands, provincial agreement is required? Will the Minister concede that?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I want to confirm for the Leader of the New Democratic Party the fact that the Government of Canada is totally, constitutionally, morally, and in every other way, able to enter into this treaty on behalf of the people of Canada. The fact that there is a question with respect to certain elements which impinge upon provincial jurisdiction, I think is interesting, but it is not fatal to any agreement between the two countries.

I simply reiterate the position put forward by the Prime Minister and by the Minister for International Trade that we are confident that, in the final analysis, once this agreement has been concluded, all levels of government will co-operate in doing the appropriate things in order to bring this agreement to fruition.

PROVINCIAL JURISDICTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister in fact said something quite different. The Minister of Justice should acknowledge that. He said "implement". He did not say just "negotiate" an agreement.

[*Translation*]

But according to the Minister, for the time being the federal Government agrees on the fact that, if the agreement is to be effective, issues which fall within the provincial purview must be endorsed by the provinces. Is that true for the Government? Yes or no?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the answer is the same in either of the official languages of Canada. I simply reiterate what I said previously. We are satisfied with our constitutional ability to enter into this agreement with the United States for an enhanced trade arrangement with that country. We believe we have the jurisdiction to bring it into full force and effect. We know that the provinces will co-operate in areas which may affect their jurisdiction.

* * *

BROADCASTING

TELEFILM FUNDING

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, for ourselves and our children's sense of belonging, we need to see and know more about ourselves as Canadians, particularly on our television and theatre screens. At this point in time, Mr. Speaker, your chances of turning on a television set set or buying a ticket for the movies and finding a Canadian story are less than 5 per cent, and that is very sad and dramatic.

My question is directed to the Minister of Communications. What is the Minister planning to do with respect to the shortfall in Telefilm funding which, as she well knows, will result in further decreases in television and film productions in Canada? Is the Minister not aware that the CBC and the private broadcasters are caught in a bind and will not be able to meet their new Canadian content commitments? What concrete action is the Minister planning to take with respect to this very serious deficit?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I had the opportunity this morning to meet with representatives of the Action Day Committee. I may say I was very pleased with that meeting. I consider it to have been very helpful and productive. Members of the committee and I are agreed on the need for more and better Canadian programming on both the public and private networks. In the past we have attempted to do that very thing through such support measures as the Broadcast Development Fund which is now permanent, and through the new Feature Film Fund of $165 million over a five-year period.

Those programs have had a very beneficial effect and I regard with some pride programs like *Degrassi Junior High*, *Loyalties*, and *John and the Missus* which have come to our Canadian screens as a result of these programs. These support programs will indeed continue and others will be introduced.

Mrs. Finestone: Mr. Speaker, the promises regarding past performance and the future needs are certainly not going to be met by the Minister's words. It takes action to meet that deficit.

FILM DISTRIBUTION LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, talking about action, 10 months ago the Minister of Communications promised film distribution legislation that would mean more money for investment in Canadian films. She has written a Bill. I have a copy of the Bill. When will the Minister deposit this Bill in the House? Or is she in the process of vetting it so it will have no teeth? Or has the free trade agreement interrupted the scheduling of the tabling of this Bill?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Hon. Member talks about action. I may say that in this past year we have introduced a Public Lending Rights Program which, for the first time, reimburses our authors all across the country. The former Government would not do it.

We have also, for the first time in 60 years, introduced amendments to the Copyright Act which will be very beneficial to our actors and authors. If the Hon. Member would stop trying to stonewall the Copyright Bill, the broadcasting industry, the authors and the actors of this country would be a lot better off.

I have also given a commitment that we would introduce legislation which will make Canada a separate market for film rights and which will give Canadian distributors access to those rights. That will be done. I have said it will, and it will be done.

AMOUNT OF CANADIAN PROGRAMMING ON TELEVISION

Mr. Simon de Jong (Regina East): My question is also directed to the Minister of Communications. The Minister also met members of the Action Now Group this morning. My caucus colleagues and I also met this morning with representatives from the Action Day Committee.

• (1440)

In our discussion the committee pointed out that less than 5 per cent of all drama on Canadian television is Canadian, and fewer than 3 per cent of films in our cinemas are Canadian. I am sure that the Minister agrees that that is unacceptable.

Is the Minister now prepared to agree to the Action Day Committee's key recommendation that minimum targets be agreed to for the production of Canadian television, drama, and feature films for distribution in Canada on public and private outlets?

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

I know that this is the first question that has been raised by the Hon. Member as critic, and I welcome him to that post. I may say that if he had been there previously, he would have heard me say over and over again that it is our goal to increase Canadian programming, and to have more and better Canadian programming on both the private and the public networks.

I have made proposals to the standing committee on this matter. I have taken the message to the Canadian Association of Broadcasters, and to the CBC, on how this can be done.

I would hope, knowing that I have the support of such interested people as the Action Day Committee, that we will look at the whole aspect of an incentive fee which will allow more Canadian programs to be produced. I welcome the support that I have received from the committee today.

INTRODUCTION OF LEGISLATION

Mr. Simon de Jong (Regina East): Mr. Speaker, first I wish to thank the Minister for her kind words in welcoming me as the critic for communications. I was the critic in 1982 and at that time I heard many of the same promises that the Minister is making today from the then Minister of Communications, Mr. Fox. It has been a long time coming.

I am happy to hear that the Minister is in agreement with the commitment that the action group has requested, which is an additional 800 hours of new TV drama each year, and at least 50 low-budget feature films annually to be produced in this country.

However, what we are all concerned with, Madam Minister, is your commitment. This requires new money. On the other hand, we are concerned when we hear members of your Government talking in terms of privatization of the CBC—

An Hon. Member: Order.

Mr. Speaker: The Hon. Member is a very experienced Member of the House, and he knows the appropriate manner to put a question. I would ask him to do so.

Mr. de Jong: Thank you, Mr. Speaker, for your kindness in allowing me to place my question.

My question to the Minister is the following. When will she announce and introduce the legislation that she has promised in order that the film industry and all Canadians can indeed judge how determined and committed she is?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, since this is a day for handing out compliments, I want to say to the Hon. Member that back in 1982 he would have heard whatever Minister was here making comments about the Copyright Act and changes to it.

May I say that the Hon. Member's predecessor strongly supported the amendments to the Copyright Act. We would

welcome him in committee in order that we could get on with the Bill. It will have a very beneficial impact on authors and artists in this country, and the way we are able to produce Canadian broadcasting.

I can also assure the Hon. Member that, in looking at the broadcasting policy and the new Broadcasting Act which will be coming in before too long, the resources that will be needed for such changes will indeed be there.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

ESTABLISHMENT OF NUCLEAR WASTE STORAGE SITES—POSITION OF ABITIBI AND NOTHERN QUEBEC

Mr. Guy St. Julien (Abitibi): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In Ottawa last February 2, Mr. Hatcher of Atomic Energy of Canada stated before the Standing Committee on Environment and Forestry that he did not think the Abitibi region would be considered as a possible nuclear waste disposal site. Today Montreal's Polytechnical School is seeking funds from Atomic Energy of Canada to make a study. Here is my question, Mr. Speaker: Before undertaking any study on possible nuclear waste disposal sites in New Quebec and Abitibi, and before giving grants to this group, would it be possible for the Department to make immediate representations to have Atomic Energy of Canada officials meet with the Inuit, Crees and Naskapi with a view to honouring the James Bay Agreement, because we do not want Abitibi and northern Quebec turned into a nuclear dump in the coming years?

[*English*]

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the Hon. Member's ongoing concern on behalf of his constituents.

To my knowledge, AECL is not prepared to enter into this form of a study. But I can also assure my hon. friend that the James Bay-Quebec Agreement provides for environmental protection, and provides for the necessity of discussions with the people of the James Bay area.

I can also assure the Hon. Member that the James Bay Agreement and the environmental protection provided therein will be honoured, and any decision will have to take place with the agreement of the people who reside in the James Bay area, the Cree, the Naskapi, and those citizens who are responsible for implementing the review.

[*Translation*]

SHIPBUILDING

REQUEST FOR DETAILS ON SPLITTING CONTRACT TO BUILD FRIGATES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the difficult circumstances of shipyard workers in Quebec. The Quebec Minister of Industry and Trade said that the Minister of State (Transport) informed him that work on Phase II of the six frigates would be done, without tenders, in the shipyards in New Brunswick. Members from the Atlantic Provinces are saying that all six frigates will be build in shipyards in the Atlantic Provinces, and the Minister of Supply and Services would have Quebecers believe they will have one or two. Quite simply, shipyard workers, both in Quebec and Atlantic Provinces, want to know the truth. Will the entire contract for building the frigates be given to shipyards in New Brunswick or will the work be split between Quebec shipyards and shipyards in the Atlantic Provinces? Yes or no?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Minister of Supply and Services is not here today, but he specifically answered that question the other day. The record indicates the Government's position.

[*Translation*]

QUEBEC SHIPYARD WORKERS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the Minister ought to read *Hansard*. The Minister of Supply and Services has said nothing, and he is good at talking out of both sides of his mouth, one side for the Atlantic Provinces and one side for the Lauzon shipyard near Quebec City. This is what we want to know: Do you know, or can you say, whether or not all six frigates will be build in shipyards in New Brunswick or whether the work will be split between various shipyards, either in Quebec City or in the Atlantic Provinces, and whether certain projects will ensure that 3,000 shipyard workers in Quebec who are now unemployed will have work after the holidays? Yes or no?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I believe that the Minister of Supply and Services stated the other day that a decision is pending, all matters are being considered, and the decision will be given reasonably soon.

Oral Questions

TRADE

UNITED STATES EMBARGO ON GROUNDFISH IMPORTS FROM CANADA

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance.

Today we learned that while the American negotiators were negotiating the trade agreement with the Minister and his Government, on the other side of Washington the Americans were placing an embargo on fish imports from Atlantic Canada.

Nothing has been done about the countervailing duty on Atlantic groundfish. The American Government has now imposed new embargoes on Canadian imports.

Can the Minister tell the House what other measures or actions by the American Government is he aware of that threaten Canadian jobs and industry?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, in the absence of the Minister of Fisheries I wish to advise the Hon. Member that this was an action taken by the Secretary of Commerce of the United States at the behest of the New England Fishery Management Council.

The Americans have size restrictions on the catching of fresh groundfish down there, and using that as a subterfuge they are now applying those size restrictions on imports of fresh whole groundfish. They state that their intention is to have the restrictions extended to fresh fillets of groundfish.

The Government put in a strong protest to the American Government on November 10. We requested that the ban be lifted. We know that other companies, even American companies, are opposing this action. As a matter of fact one company has initiated legal action against the U.S. Secretary of Commerce for having approved this action.

• (1450)

The National Fisheries Institute of the United States has also approached the U.S. Secretary of Commerce.

An Hon. Member: Here we go.

Mr. Crosbie: I am glad to see that the hon. gentleman who interjected reads something, because I thought he was entirely illiterate.

We are going to continue to work toward a bilateral settlement. However, if we fail to resolve that matter bilaterally, then it might well be our turn to take a matter to the GATT of which the hon. gentleman's Party opposite is so fond.

SPIRIT OF CANADA-UNITED STATES AGREEMENT—EFFECT OF U.S. ACTION

Mr. Jack Harris (St. John's East): Mr. Speaker, the Secretary of State for External Affairs has already admitted to the House that the Americans have violated the spirit of the trade agreement by interfering with our grain exports. We now have another example, apparently in a diplomatic note, of what the Government has called the "undermining" of the agreement.

Does this not show, before we have even seen the text of the agreement, an absolute lack of faith on the part of the American Government in this deal?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is an action taken by the New England Fisheries Management Council.

It was at their instigation, and it is allegedly to do with protection in the catching of undersized fish. Of course they realize, or they should realize, that in Canada we have the most efficient and best fisheries management policy in the world and that, therefore, there is no reason whatsoever to apply these American rules to fish imported from Canada.

If it were extended to fillets, it could mean something like reduced Canadian exports of those products of between $25 million and $30 million. It is obviously a subterfuge. Unless the matter is settled to our satisfaction, we will certainly have to proceed to the GATT to get it reversed.

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CANADIAN BROADCASTING CORPORATION

POLICY APPLICABLE TO POLITICAL ADVERTISING

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is for the Minister of Communications. The CBC will not allow the Saskatchewan Government to advertise free trade on its stations in Saskatchewan.

Will the Minister explain why political advertising was allowed on CBC during the Quebec referendum but was not allowed for a political ad in Saskatchewan?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, because I knew that there was some concern about this matter I made inquiries and found that CBC Radio-Canada did not carry any advertising for either the *oui* or *non* side during the Quebec referendum. I looked into that particularly. Private stations may have done so, but the CBC did not.

I found, however, that while they did not address or allow advertising from either of the protagonist sides during that referendum, there were ads during that period, one which dealt with anti-alcohol abuse and ended with the slogan "say no", and another with regard to seat-belt legislation which ended with "buckle up for Quebec". Those ads were used at that time, but there was no advertising accepted from either the federal Government or the Government of Quebec.

TRADE

U.S. RESTRICTIONS ON FISH IMPORTS FROM CANADA—SPIRIT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister responding on either international trade or fisheries. It concerns the American trade embargo, their restrictions on fresh groundfish exports from Atlantic Canada.

As I read the preliminary transcript of the Canada-U.S. free trade agreement, it clearly states that both Parties recognize that "this agreement is subject to domestic approval on both sides. Accordingly both parties understand the need to exercise their discretion in the period prior to entry into force so as not to jeopardize the approval process or undermine the spirit and mutual benefits of the free trade agreement".

My question is for whomever in the government wants to respond. Will the Government now admit that this latest provocation against our fishery undermines the spirit of that stand-still clause?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we are certainly glad to have the support of the hon. gentleman for the free trade agreement. It is the first sign of common sense on the benches over there that we have had in some time.

As a matter of fact, there are continual protests from Members opposite about protective actions taken by the United States and, when the Government brings forward a solution so there will be a lot better regime in force, they then oppose the solution.

It was on October 1, 1987, before the free trade arrangement was signed, that the United States Secretary of Commerce approved this emergency measure prohibiting imports of round whole cod and haddock under 19 inches, but he can depend upon it that we are going to press the point strongly. Since then there has been a signing of this arrangement, and that is another argument that we will press strongly.

Mr. Henderson: The Minister did not answer the question on the stand-still clause. It is obvious that the Government, in its negotiations with the United States, has been standing still while the Americans have been negotiating circles around it.

REQUEST FOR ACTION TO PROTECT FISHING INDUSTRY

Mr. George Henderson (Egmont): Mr. Speaker, I want to ask the Minister and the Government what real action will they take with the Americans to protect our Canadian fishing industry. I do not want all those grand words and buffoonery that we hear from this Minister from Newfoundland every day. I want some action, the people of Canada want some action, and fishermen want some action.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I know the hon. gentleman is aggravated because we pulverized him on his little opposition day motion last Friday, so I will not take umbrage at his name calling here.

The action which is going to be taken is that we have delivered a note of protest to the United States. We have a free trade agreement that is going to reduce tariffs on Canadian fish to zilch over the next five years, so that our higher value-added processing can be done here in Canada. That is tremendous progress. The Hon. Member forgot to mention that in his comments.

If necessary, we are going to the GATT where we had success last week in connection with user fees that were imposed by the Americans. If necessary, we will go to the GATT just as other aggrieved parties go to the GATT. We are one of the 95 members that are entitled to go to the GATT, which the Member's Party and Leader support with such great affection.

* * *

[*Translation*]

CANADA POST CORPORATION

OPPOSITION OF CERTAIN MUNICIPALITIES TO SUPERMAILBOXES—GOVERNMENT POSITION

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is for the Minister who answers for Canada Post Corporation. In certain municipalities—and in Jonquière's Petite France neighbourhood, to be more specific—there is strong opposition to the installation of superboxes.

Can the Minister tell me what is the position of Canada Post Corporation management concerning the installation of superboxes on their territory?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, Canada Post is introducing supermailboxes in an effort to improve service while keeping costs in line.

Of course it works with the municipalities in terms of placement of the boxes and to ensure that it is done in keeping with over-all municipal plans. However, the final decision on whether or not to use them is one which rests legally with the Canada Post Corporation.

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CORRECTIONAL SERVICE CANADA

ALLEGED INTIMIDATION OF PARLIAMENTARY COMMITTEE WITNESSES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General. At a meeting on Monday between the Justice Committee and some 20 federal parole

officers in Kingston, we were informed that senior Ontario corrections officials last week attempted to influence the way in which senior staff testified before the committee by suggesting that their careers could depend on what they said to our committee.

What action has the Minister taken to deal with this clear attempt to muzzle witnesses appearing before the justice committee, and what will the Minister do to ensure that no further such intimidation takes place?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I was aware through media reports of the concerns of the Hon. Member. As a result, we had occasion this morning to discuss these allegations with the Commissioner of the Correctional Service Canada who denies the allegations. He tells me that they are incorrect and without foundation.

Indeed, it was Correctional Service Canada officials who recommended and suggested to the Justice Committee that they come down to Kingston to tour the facilities, and have assisted them in every way in this endeavour.

Mr. Robinson: Well, Mr. Speaker, that is so far from the truth as to be utterly absurd.

REQUEST THAT MINISTER SPEAK TO PERSONS ALLEGING INTIMIDATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the same Minister. We know that parole officers are deeply concerned about the impact of privatization, inadequate resources, and intolerable working conditions. Why would the Minister not accept the word of parole officers that, in fact, senior prison and parole officials have been trying to muzzle people who appear before the committee? Why will the Solicitor General not do the right thing and speak directly to those people who made the allegations, and learn for himself just to what extent his officials are trying to prevent the truth from being told about a system in crisis?

• (1500)

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, as I have already advised the House, this has been discussed with the Commissioner who does not agree with those allegations.

In addition, over the noon hour I called the chairman of the committee and discussed the allegations with him. I can assure this House that the comments made by my hon. colleague are not shared by the chairman of that committee.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT— TRANSPORTATION ISSUES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is addressed to the Deputy Prime Minister. Today the Dominion Marine Association, the Canadian Trucking Association, as well as the Canadian Bus Association have all come out strongly against the free trade agreement and are asking the Government to suspend negotiations on all transportation issues in the free trade agreement for a period of 90-days. The trucking and shipping modes alone carry over 420 million tonnes of cargo and employ some 400,000 Canadians.

Will the Minister intervene now and apply the 90 day moratorium demanded by these groups? There is still time to save this industry from the ravages of the trade agreement. Will the Minister act now?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, this is part of a pattern of gross over-exaggeration, induced hysteria, and plain and utter nonsense that is given us by Members opposite. The Canadian trucking industry is in no danger whatever, no danger, from the Canada-U.S. free trade arrangement.

An Hon. Member: Says who?

Mr. Crosbie: As a matter of fact, if it were subject to the Canada-U.S. free trade arrangement it would be protected in the future from the threat of any further American protectionist action. It is simply silly to say that there is any threat to the Canadian trucking industry from the Canada-U.S. agreement. The real dispute, the real objection, is to the deregulation that occurred with the Motor Vehicle Transportation Act, not with this free trade arrangement.

[*Translation*]

REQUEST FOR MORATORIUM

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I have a supplementary for the Deputy Prime Minister. This industry is totally unprotected. So how can the Government ignore the representations of spokesmen for Dominion Marine Association, the Canadian Trucking Association, and the Canadian Motor Coach Association? How can the Government ignore the representations of the 400,000 workers? Why not take action by enforcing the 90-moratorium sought by these associations? Will he do something to protect the 400,000 workers?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, once again we hear wild, unsubstantiated silly statements made by an Hon. Member opposite. The Canadian truckers are in an extremely competitive position *vis-à-vis* United States truckers. Over 1,000 of them operate in the United States now. This free trade arrangement will do

nothing to harm them. It will only help assist them in their efforts, together with the deregulation policy of my hon. friend, the Deputy Prime Minister. Cease your attempt to scare Canadians.

Mr. Ouellet: Help the Americans.

Ms. Copps: It is a bloated falsehood.

Mr. Speaker: I must advise that the time allotted for Question Period has expired. I note the Hon. Member for Ottawa Centre rising and I will try to be sure that I see him tomorrow.

I might just say to Hon. Members that we did not do as well in the number of questions today as perhaps I and others had hoped, especially after the last several days when we were doing very well. Perhaps we can do better tomorrow.

The Hon. Member for Broadview—Greenwood on a question of privilege.

* * *

PRIVILEGE

DISPOSITION OF PRIVATE MEMBERS' BILLS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am rising on a question of privilege regarding the handling of my Private Members' Bill C-204. The question concerns the nature of Private Members' Bills, how they will be handled, whether or not they will be obstructed and whether or not there will be two classes of private Members in this House, namely, private Members who are Conservatives and may get their Bills passed and private Members who are not Conservatives and who will have their Bills obstructed.

There have been three private Members' Bills which have been adopted since parliamentary reform, a reform which we all know was intended to give private Members the opportunity to have serious business dealt with, debated in the House, voted on and sent to committee and returned for approval. Only three private Members' Bills have been passed, and all three of them have been Conservative Bills. Some of them have been dealt with very, very quickly indeed.

Yet in the case of my Bill, it was introduced and read for the first time October 6, 1986. It was finally read for the second time after many hours of debate on May 29, 1987.

Mr. Speaker: Order, please. All of what the Hon. Member says about the number of Bills passed, who sponsored them and the chronology of her own Bill may be very accurate and may be of considerable interest, but I would ask the Hon. Member to let the Chair know what is the point of privilege.

Ms. McDonald: Mr. Speaker, the point of privilege is that there has been obstruction of my Bill. I wish to give you details of that obstruction and I wish to show that it has been treated differently from other Bills. That is the reason I referred to the other Bills. I do not think it is a coincidence that Conservative Bills have been passed and mine has not.

My Bill was approved at second reading. It was referred to committee. It took a long time before the committee received it. There was a delay of 12 sitting days before the first meeting was held. Standing Orders require that the committee meet within two sitting days. There was a further delay of 19 regular sitting days between the third and the fourth meetings of the committee. There was active obstruction in the committee during that period, June 26 to October 6.

There has been one chairperson and, of course, it is the Speaker who appoints the chair. The chair has acted in a biased manner. There has been a deputy chair acting in his absence. On five occasions a deputy chair has substituted for the chair. In one case, the person who substituted was an Hon. Member who has himself declared a conflict of interest, in effect, on the subject, namely, the Hon. Member for Simcoe South (Mr. Stewart) who has been an active Member of the committee. He has obstructed work on the committee, has acted as the chair, and I will refer to the details in a moment, Mr. Speaker. He was actively obstructionist in meetings yesterday. He circulated to all Members of this House a statement declaring that he had an interest in opposing the Bill because of a private interest, that "I freely admit that I am biased because in the real world I am a wholesale distributor—"

Mr. Speaker: The Chair is in some difficulty. Hon. Members know that generally speaking it is not the Chair's function, nor does the Chair procedurally have the authority, to interfere in committee proceedings.

The Hon. Member may well have a complaint. It is not for the Chair, certainly at this point, to say one way or the other. The difficulty I am having is identifying a point of privilege.

I must say to all Hon. Members and to the public watching and listening that privilege concerns something done which makes it impossible for Hon. Members to carry out their duties as Members of Parliament. It might, but generally speaking, does not arise just because someone may not be getting a Bill through a committee as fast as one likes, getting a motion supported or getting witnesses recognized. That is a matter of the internal workings of the committee.

I am not saying that there might not be a case where activities of a chairperson or the activities of other Members in committee might well amount to a point of privilege, but I am having difficulty—I am not diminishing in any way the Hon. Member's complaint—in seeing it as a point of privilege that the Chair can resolve. I will hear the Hon. Member further. I would ask her please to try to isolate exactly what the point of privilege is.

• (1510)

Ms. McDonald: Mr. Speaker, there are two particular points I wish to make. When a government Bill is before a legislative committee, there are normally five members of the committee who are committed to passing the Bill, five government Members who have voted for the Bill at second reading. There may be two members opposed but there are not more than two. There may be no members opposed, depending upon the nature of the Bill.

My private Member's Bill, however, is before a committee which has two members in favour of the Bill and in fact five members opposed to it. It is the exact reverse of the way a government Bill is treated.

A procedure under Private Members' Business that is intended to make it possible for private Members' Bills to be passed, as my Bill was passed at second reading, has been obstructed by the nature of the appointments to the committee. I submit that committee appointments should reflect the same principle for private Members' Bills as they reflect for government Bills. There ought to be a preponderance of members favourable to the Bill on the committee. The chairman ought to be someone who is favourable to the Bill and someone committed to being fair to all Members. That has not been the case.

Finally, I would like to refer to a very particular instance of obstruction which occurred yesterday, an instance which certainly interfered with my ability to handle the concerns of other Hon. Members with the passing of this Bill, a Bill which has been approved by the House.

Yesterday I had proposed that the witnesses who were before the committee be sworn. I had given the chairman advance notice of this so that he could be prepared for it. The chairman passed this information along to his deputy chairman and the meeting was ready to begin. The chairman was waiting for one Conservative member to arrive. Two opposition members and the Conservative chairman were already present.

The chairman of the committee who has publicly opposed my Bill then left the chair, went out to the hallway to greet the incoming Conservative member and told him not to enter the room until there was a sufficient Conservative majority to defeat my motion. That is the utmost of bias. It is unfair—

Mr. Shields: How did you know that?

Ms. McDonald: The Hon. Member was heard by other people in the room telling the Conservative member not to enter the committee room. The meeting was late. It was held up until there was a Conservative majority. My motion would have passed if that member had been allowed to enter and the meeting had started on time. The witnesses were ready.

I submit that that is a very gross interference with normal procedure. It is unfair and my basic principle is that parliamentary reform is designed to give private Members a chance. When a Bill is passed on a free vote with no obstruction in debate, what good is that if the Bill is then obstructed by the Government using its majority to gang up members of a committee against the Bill? It is quite wrong.

Government Bills go before committees with a preponderance of Members who are in favour of the Bill. Once a private Member's Bill has gone through second reading, the same principle should apply. If it does not apply, then the parliamentary reform designed to make it possible for private Members to have serious business considered will simply be a farce.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I listened to the Hon. Member with interest. While she may very well have a grievance and may be somewhat unhappy about the proceedings and the result, I would submit to you that I doubt very much whether or not she has a question of privilege.

As well, the point should be made that in the exercise of dealing with her grievance, she has in fact imputed a number of motives, either directly or indirectly, to a number of Members, if she has not made outright allegations against the chairman of that committee, the Hon. Member for Sarnia—Lambton (Mr. James), and against the vice-chairman, as well as indirectly against the Whip of our Party who is responsible for allocating membership to that committee.

The Hon. Member contends that the issue of private Members' Bills is handled in a somewhat different fashion than government Bills and that there has been obstruction. I think we all recognize that this is a private Members' matter and there are no government Whips present. There is no exercise of Party discipline. It is not an issue on which Party discipline is imposed. I think the record is fairly clear on that, considering the votes that have taken place in this Chamber on matters that have been brought forward by private Members from both sides of the House.

I take it that the Hon. Member is suggesting that the committee membership should be selected on the basis of the position the members take with regard to a particular issue. I think that would be a gross injustice. The Hon. Member may have a grievance and may take issue with the position that was taken by the members of that committee, but surely if we start selecting members of a committee on the basis of their predetermined positions on a given issue, that would be the greatest farce we could ever perpetuate upon the democratic process.

What we have here is as well a reflection upon a vote that was taken in a committee. I think we all recognize the rules in that regard. I know that it is improper for anyone to reflect upon a vote that has been taken in the House of Commons, and essentially the same rules apply in committee as apply in the House of Commons.

I do not argue with the grievance the Hon. Member has put forward about which she feels very strongly, but I think that in the enthusiasm and vigour with which she has presented her

case, she may in fact have inadvertently violated a number of Standing Orders, procedures and parliamentary traditions herself.

Mr. Gerry St. Germain (Mission—Port Moody): Mr. Speaker, the Hon. Member cites members of the Conservative Party, and I think it is totally unfair that she should do so. I was one of the members who sat on the committee when that particular item was selected to be voted on. We certainly treated it like a private Member's Bill in the spirit of parliamentary reform.

I believe that the Hon. Member is merely facing a situation of private Members exercising their rights under the auspices of parliamentary reform. That is simply it.

Mr. Speaker: As I have indicated, I listened very carefully to the Hon. Member for Broadview—Greenwood (Ms. McDonald), the Hon. Deputy Prime Minister (Mr. Mazankowski) and the Hon. Member for Mission—Port Moody (Mr. St. Germain). In the interests of erring on the side of caution in this matter, I will reserve.

I can indicate to the Hon. Member that certainly part of her complaint about the speed or otherwise of the passage of her Bill is something I do not look upon as a question of privilege. I can indicate that I am having some trouble accepting the proposition that because the Hon. Member was unsuccessful in a vote in committee with respect to swearing a witness, that that amounts to a question of privilege.

However, the Hon. Member has made some pretty severe allegations about the chairperson. The Chair is conscious of the fact that the chairperson is appointed by the Chair although the other members of the committee are not appointed by the Chair.

As I say, from an abundance of caution and in order to give this matter every careful consideration, I will reserve and return to the House on it at an appropriate time. I hope that any comment I may have to make then might be helpful. Before I close off, I see that the Hon. Deputy Prime Minister is rising and I will hear him.

Mr. Mazankowski: Mr. Speaker, in your usual manner of exercising an abundance of caution, for which I compliment you, I think the other point should be made, and I was remiss in not making it. Since the chairman and deputy chairman have been imputed in this, it might be appropriate, in the consideration of this matter before you make a final decision, that they may have the opportunity to be heard as well.

Mr. Speaker: I take with careful note the intervention of the Hon. Deputy Prime Minister, and if in any way it would seem appropriate to hear both Hon. Members further before I should make any decision I will do so. I want to be absolutely sure that this particular matter is handled as fairly as possible.

• (1520)

Again, in closing, I might say to the Hon. Member for Broadview—Greenwood that the Chair, in suggesting that part of her complaint is not a question of privilege, is not in any way ruling or giving an opinion as to the force of the complaint or, for that matter, the reason for it. I want her to know that I am speaking procedurally and not trying to stand in judgment on things in respect of which it is really not the role of the Chair to stand in judgment.

I will do the best I can and report back to the House. I thank Hon. Members for their courtesy and contribution.

* * *

PRIVILEGE

JUSTICE AND SOLICITOR GENERAL—VISIT BY THE STANDING COMMITTEE TO MILLHAVEN INSTITUTION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, this morning I gave Your Honour notice of a serious question of privilege concerning certain events which took place earlier this week in Kingston, Ontario, during a visit to that city by the Standing Committee on Justice and Solicitor General. The standing committee decided to undertake a comprehensive study of sentencing, parole and related matters involving corrections in Canada. For the purposes of that study we decided to hold hearings in a number of centres, indeed, to visit a number of correctional facilities, meet with parole officers and others involved in parole, sentencing and corrections.

Your Honour will be well aware of the significance of a study of this nature, having been in this House when the Standing Committee on Justice and Legal Affairs, as it then was, chaired by a distinguished parliamentarian, Mark MacGuigan, now Mr. Justice MacGuigan, conducted a similar study and reported to this House some 10 years ago. It is a serious and important subject about which Canadians have a great deal of concern.

Seven members of the standing committee arrived in Kingston on Sunday evening and began the hearings with a tour of the Collins Bay institution on Monday morning. At that time it was apparent that there was a great deal of interest in the work of the standing committee on the part of officials from national headquarters. Indeed, a number of those officials accompanied the committee from Ottawa, as well as the legislative assistant of the Solicitor General (Mr. Kelleher). The committee was somewhat surprised, I think it is fair to say, at the interest displayed in our work by those officials, as well as obviously being pleased.

The committee indicated to those people that while they were free to participate in any public aspects of the visit, any meetings which took place with officials of the correctional service, the parole service or others should be in the absence of those officials for reasons which I think are quite clear. We

were concerned that line officers and so on should be able to testify freely without any suggestion that senior officials might in any way be influencing their evidence. That was done and those officials did not attend any hearings of the committee.

There were two events which took place that Monday which in my view constitute a very grave situation, and at least one of which gives rise to a breach of the privileges of Members of this House, in particular Members of the standing committee.

First, the committee learned that on the eve of our visit to Millhaven institution, six prisoners were transferred from Millhaven to Kingston Penitentiary. To be precise, this was done two days before we arrived. One of those six was one of two members of the inmates committee elected at large by all the inmates, a Mr. John Avery. Certainly the timing of that transfer was at the very least coincidental. We were told it was done for security reasons. The individuals involved were a negative influence in the institution and for that reason the institution was not prepared to agree to transferring Avery back so the committee could meet with the full inmates committee. However, there was a conference call and Avery was on the line from Kingston Penitentiary to Millhaven.

In the course of that transfer, documents that Avery wanted to present to members of the committee were left behind. I asked the warden of Millhaven whether we might obtain those documents with the written authorization of the prisoner involved. I was told that was not possible because the prisoner was in Kingston Penitentiary. I then asked that the documents be sent to Kingston Penitentiary and that the prisoner have an opportunity to give them to me as a member of the committee. He wanted to do that to assist us in our work.

The documents were sent over, the prisoner went to the box in which the documents were located and discovered that four of his file folders containing critical information he wanted to bring to the attention of the committee had disappeared.

That is a rather serious matter. A prisoner wants to present evidence to a parliamentary committee. He is moved from the institution where we were to meet with him to Kingston Penitentiary and his documents were not moved with him. When those documents finally come into his hands so he could present them to a member of the committee for circulation among members of the committee, four of his key file folders had disappeared.

That is the first point, and the only possible conclusion one can draw, since those documents were in the custody of the Correctional Services of Canada, is that for some reason they were deliberately removed from his file. If there is another explanation I would welcome it, but what other conclusion can there be?

The next matter I want to draw to Your Honour's attention is one from which by far the most serious conclusions must be drawn. On Monday evening the seven members of the standing committee had a meeting with some 20 parole officers as well as a number of senior parole supervisors and the District Director of the Eastern Region of CSC Parole. At that meeting we were addressed by the senior officials of the parole service. Following their presentation, there were some questions and answers and they withdrew. At that point the committee was left with approximately 20 parole officers, full-time employees of CSC involved in parole supervision. These are professionals, a number of them with many years of dedicated service in the field.

These people indicated first that they had some difficulty in even getting agreement to a meeting without their supervisors being present. They indicated that initially their supervisors insisted that two of them be present and that only two parole officers be present during the meeting with the committee, and that those four appear at the same time. The clerk of our committee, after consulting with the chairperson, made it very clear to the officials that that was not acceptable. We wanted to give the line staff an opportunity to appear directly in front of the committee. We rejected the attempt by management to insist that they appear at the same time.

• (1530)

During that meeting with the approximately 20 parole officers a variety of concerns were expressed with regard to their intolerable caseloads, the implications of privatization, and inadequate resources to do the job which they have been asked to do on behalf of society.

During the course of the presentations to our committee one individual indicated that two meetings had been held the previous week involving individuals who would be appearing before our committee. One meeting was held with the parole officers, the line people about whom I spoke. Attending that meeting were a number of individuals from national headquarters in Ottawa, including a gentleman named Moe Royer who I believe is the Commissioner's executive assistant, a number of other officials from national headquarters, and some officials from regional headquarters.

They met with the parole officers and I understand that at that meeting they discussed the manner in which public servants might appropriately give evidence before a standing committee of Parliament. A legal opinion was apparently handed out at that time prepared by the Privy Council Office indicating what was and was not acceptable in terms of giving evidence. I do not believe that there was any threat, intimidation, or suggestion with regard to the giving of evidence at that meeting. Indeed, I believe that one individual at that meeting suggested that people should feel free to give their evidence in a candid manner. At that particular meeting there was no attempt whatsoever to influence the way in which evidence was given.

However, one parole officer did inform the committee that his supervisor had attended a separate meeting last week. In attendance at that separate meeting were senior management officials from the Ontario regional office including the Deputy Regional Commissioner, Jim Phelps. I believe that Mr. Don

Clark, the Regional Director of Operations, was also present at this meeting. In addition to these senior regional officials, the senior parole supervisors from that region were present.

During the course of that meeting it was suggested by senior officials of the correctional service in the Ontario region that the individuals present at that meeting should not offer criticisms of the federal Government or the Correctional Service of Canada in giving evidence to the Standing Committee on Justice and Solicitor General the following week. Indeed, it was suggested to the persons in attendance at that meeting that they might be making a "career decision"—and those are the words that were used by the parole officer—depending on what sort of evidence they gave to members of the Standing Committee on Justice and Solicitor General.

The members of the committee were informed that the subject of privatization was used as an illustration. Those senior officials who were present were told that they should not in any way levy criticism of government policy or the policy of the Correctional Service of Canada in their evidence before the committee.

I am sure that Your Honour recognizes the gravity and seriousness of this situation. A parliamentary committee is undertaking an important study of sentencing, parole, and corrections in Canada. It is absolutely critical to the success of that study that people working in the field, including parole officers and correctional officers, should be able to give their evidence to that committee without any suggestion of intimidation, threat, or manipulation of their evidence.

Suggesting to senior officers of the parole service that they were not free to testify as they might see fit about the parole system in Canada was quite clearly, in my view, an attempt to gag, muzzle, and influence the evidence that was presented to our committee.

The committee cannot do its job if that is going to be happening. The committee process becomes a charade if individuals are afraid to give evidence before the committee or if the evidence they give has been vetted by their supervisors.

Indeed, after the formal part of that meeting I was approached by a young woman who is a parole officer. She informed me that she was asked to go through some sample questions and answers. One of the questions put to her as a question which the committee might ask was with regard to whether there were adequate resources for the parole service in the Kingston region. It was suggested to her how she might answer that question without being critical, without, in effect, telling the truth.

This goes directly to the core of our privileges as Members of this House and, indeed, as members of a standing committee of this House. This attempt to manipulate the evidence presented to the committee, in conjunction with the other activities to which I have referred, including the disappearance of key documents which a member of the inmate committee wished to present to the Standing Committee on Justice and Solicitor General—and indeed this particular matter in isolation—surely constitutes a fundamental breach of the privileges of Members of this House.

I left that tour yesterday at noon as, I believe, did my colleague, the Member for York South—Weston (Mr. Nunziata), who will doubtless be speaking on this question of privilege as well. I left because I did not want to participate any further in that charade.

I hope that Your Honour will recognize that I have indeed raised a prima facie case of breach of privilege today and that, that being the case, the appropriate disposition of this matter is to allow the Standing Committee on Privileges and Elections to examine carefully what has transpired. It has been suggested by the chairperson of the standing committee that this is second-hand information. The fact is that the committee heard from a parole officer who spoke to his supervisor who attended that meeting. Surely it is only right that a parliamentary committee have an opportunity to call as witnesses those who were involved and ask them exactly what happened on that occasion.

The Solicitor General said during Question Period that he talked to the Commissioner of Corrections who promised him that there was no problem, that this did not happen, that there was nothing wrong. I do not doubt for a minute that the Solicitor General has confidence in the Commissioner of Corrections but, with all due respect to the Solicitor General, that is just not good enough. It is not the Government nor the Commissioner of Corrections but Parliament itself which is affected by this attempt to control the flow of evidence to this committee.

I hope that the Solicitor General will conduct his own inquiry rather than only asking the Commissioner of Corrections whether he was satisfied that it happened. The Solicitor General is apparently not prepared to do that. The public can draw their own conclusions on that.

However, our job as parliamentarians is surely to ensure that our privileges are not in any way diminished as a result of the actions of government officials or others. It would be my submission—

Mr. Speaker: Order. I regret to interrupt the Hon. Member. The Hon. Member has made some comment concerning the Solicitor General (Mr. Kelleher) and what he is or is not prepared to do. The Solicitor General has not had a chance to rise in reply to the comments of the Hon. Member for Burnaby (Mr. Robinson), but all Members will know that the Hon. Member for Burnaby did ask questions during Question Period. It seemed to the Chair that the position the Solicitor General was then taking was that, having had some information concerning the serious matter that the Hon. Member for Burnaby raises, he checked with some of his officials and was informing the Hon. Member that his official or officials denied the allegation contained in the question of the Hon. Member.

• (1540)

If the memory of the Chair is correct, I do not think the Hon. Solicitor General basically went any further than that in his reply to the Hon. Member in Question Period.

At least for now, I would ask the Hon. Member for Burnaby to confine his remarks, as he has been doing with some skill, strictly to the question of privilege, and not to get into another area which may be the subject of a later political debate that does not assist the Chair very much at the moment. I would ask the Hon. Member to continue and conclude his remarks.

Mr. Robinson: Mr. Speaker, certainly my understanding was that the response of the Solicitor General was that he had consulted with the Commissioner of Corrections and was satisfied, based on his assurances, that the incident in question had not occurred.

However, as Your Honour has indicated, there is a fundamental distinction between whatever action the Government and the Minister might take, and the question as to whether or not there has been a breach of privilege of Members of this House.

Indeed, I will conclude my remarks by noting that, based on the information which I have brought before the House, at this point I am prepared to move the necessary motion should Your Honour find that there is a prima facie case of breach of the privileges of Members of this House. I believe that the only way we can determine exactly what did transpire is precisely to send this matter to the Standing Committee on Privileges and Elections to allow that committee to call the necessary witnesses in the appropriate atmosphere and get to the bottom of this.

As a Parliament, we must send out a very clear message to those who would work in this committee in the future, and to those who are prepared to stick out their necks in some cases to give evidence to this committee, that they will not in fact be subject in any way to reprisals as a result of giving evidence before this committee.

Finally, I have given notice of my intention to raise this question of privilege to the chairperson of the committee, the Hon. Member for Ottawa West (Mr. Daubney). In view of the fact that that Member, and I believe some other Members of the committee are in Kingston today, I suggest that they certainly be given an opportunity to make whatever representations they believe to be appropriate with respect to this question of privilege. I would assume that any ruling would be deferred until they have been given an opportunity to make submissions on this very serious question of privilege.

Mr. John Nunziata (York South—Weston): Mr. Speaker, as the critic of the Solicitor General's Department for the Official Opposition I was present in Kingston, at Collins Bay Penitentiary and Millhaven Institution, at the same meetings as the Hon. Member for Burnaby (Mr. Robinson). I want to share with the Chair my impressions and my understanding of what occurred.

I regret very much that the Hon. Member for Burnaby has chosen to raise this matter today with the full knowledge that the committee is still in the Kingston area conducting its affairs. I also regret that the Member has chosen to use such inflammatory and provocative language in view of the very tense situation at Millhaven.

The Millhaven Institution just outside Kingston has a cell capacity of 536 inmates. On October 14 of this year an inmate was shot and killed by a guard, who shot from a tower in an attempt to break up a fight that was taking place in the yard. Following this particular incident there was a sit-down strike, and for approximately the last two weeks the inmates have been locked in their cells for 23 hours a day. They have been allowed out for an hour a day for meals and so on. Their meals have been cut back—

Mr. Speaker: The Hon. Member for York South—Weston (Mr. Nunziata) has the obligation in this House to cover this particular Department and these matters. He has spoken forcefully on occasion in this House and has raised some of these matters before.

However, I would ask that the Hon. Member confine himself specifically to the alleged question of privilege that the Hon. Member for Burnaby (Mr. Robinson) has raised. Otherwise, I am afraid we may get into a long debate about the conditions in one prison or other. While those are very serious matters, and I know that the Hon. Member and other Members take those matters very seriously, we will get a long way from the procedural point that the Chair is seized with in this particular application.

I would ask the Hon. Member for York South—Weston to assist the Chair and discuss specifically the point that the Hon. Member for Burnaby has raised. The Hon. Member may or may not agree with the Hon. Member for Burnaby in bringing the matter before the House at this time—that may be a matter of difference between them—but the Hon. Member for Burnaby has brought this matter to the Chair.

I think the point is quite clear to all Hon. Members and it is on that point that I ask the Hon. Member for York South—Weston to assist the Chair. The Hon. Member may not agree that it is a question of privilege, but the Chair does not know exactly yet which position he takes.

Mr. Nunziata: Mr. Speaker, I was hoping to give the Chair and the House some background in order to understand the situation at Millhaven resulting in the transfer of the six inmates, and the reasons why we were told Mr. Avrey and the five other prisoners were transferred out of Millhaven to Kingston en route to Archambault in the Province of Quebec, and why the telephone conference took place.

The Member for Burnaby talked about documents that went missing and about the transfer of Mr. Avrey. As I understand

his question of privilege, it is based on two separate points. One was the transfer of six inmates out of Millhaven on the eve of the visit of the parliamentary committee, and the second leg of his question of privilege concerned the evidence that was given to the committee by the parole officers on Monday evening in the Kingston area.

With regard to the first point, I was trying to indicate to the Chair the situation at Millhaven. It is tense. As the Chair may or may not know, the inmates are privy to television sets and information that is available to the general public. One must understand that the inmates are in their cells for 23 hours a day. They are watching the news and understand what is going on in the United States with the uprising in the two institutions there. They are aware of the work of the committee.

Six inmates were moved. On Monday morning, while we were at Collins Bay, the Member for Burnaby insisted that Mr. Avrey, whom we were told was a member of the inmate committee at Millhaven, be moved back to Millhaven, together with the others, in order to meet with the committee.

Mr. Robinson: On a point of order.

• (1550)

Mr. Speaker: Before I hear the Hon. Member for Burnaby on a point of order, I should perhaps make some comment here. I will, of course, hear the Hon. Member for Burnaby, but I say to the Hon. Member for York South—Weston that, perhaps after the Hon. Member for Burnaby has raised his point of order, the Chair needs to know whether the Hon. Member for York South—Weston is supporting the position the Hon. Member for Burnaby has taken or is rising to indicate that in the opinion of the Hon. Member for York South—Weston there is not a point of privilege here. That is the point in respect to which I think I am called upon to keep the debate.

Mr. Robinson: Mr. Speaker, on the point of order, I just wanted to suggest, with respect, precisely the same thing. There are two fundamental issues; the first is the question of the transfer of Mr. Avery, a member of the inmate committee, and the disappearance of his documents, and the second is with respect to the alleged interference with senior supervisors and suggestions with respect to their careers.

At no time did I suggest that all six of those who had been transferred be sent back to Millhaven. I certainly did ask that Mr. Avery, as a member of the inmates committee, be transferred back. I would hope the Hon. Member in recounting events, if they are to be relevant, at least would be accurate as well.

Mr. Speaker: I am sure all Hon. Members try very hard to be accurate and to the degree they succeed, the Chair is, of course, assisted.

Perhaps it is appropriate now for the Chair to respond partially to what I have heard. I will hear the Hon. Member for York South—Weston, but, as I understand it, it is the intention of the Hon. Member for Burnaby that I consider whether or not two events that happened; first, the moving of one prisoner prior to the arrival of the committee and the apparent alleged disappearance of some documents; and, second, a further situation which the Hon. Member for Burnaby said took place in which he alleges there was some kind of pressure or interference by officials with those with whom the committee was meeting as people to give evidence about their duties and responsibilities and the work they were doing, constitute a question of privilege.

As I understand it, the combination of those alleged facts amounts, in the words of the Hon. Member for Burnaby, to a question of privilege because it was a deliberate attempt—that is the position of the Hon. Member—to keep the committee from getting information the committee indeed ought to have had. If I have misunderstood in any way the Hon. Member's position, then I am sure he will correct me, but it seems to me that that is the issue. I would ask Hon. Members when they rise to give me their help and confine themselves to that issue and resist any temptation to wander very far away from it, although hopefully most of the time we try to follow a bit of common sense, and it is impossible to discuss something like this without knowing a little of the background. The Hon. Member for York South—Weston has assisted the Chair in that. I do not think there is any need to go any further. I will hear the Hon. Member for York South—Weston and I hope he will keep in mind what I have just said.

Mr. Nunziata: Thank you, Mr. Speaker.

In the morning at Collins Bay Penitentiary we met with officials from the Correctional Service of Canada, in particular, those responsible for security at Millhaven Penitentiary. They confirmed in fact that the six inmates, including Mr. Avery, were moved. They also indicated to the committee that from a security perspective, it was not appropriate to move the inmates back. At that particular point in time I questioned the reasons the inmates were moved in the first place. I also pointed out to the committee that, having made that decision to move the inmates from Millhaven to Kingston, it was not within the jurisdiction of the committee to overrule the security staff and insist that these inmates, whether all six of them or Mr. Avery himself, be moved back to the institution.

They advised us if that were to occur, although it was physically possible to move these inmates and Mr. Avery back, it would not, from a security perspective, be a wise move.

On behalf of the Official Opposition I took the position that we ought to defer to the security people, to the Correctional Service of Canada. If something went wrong, I, as a member of the committee, did not want to be held responsible for overruling the advice of the security people. The security people advised us at that point in time—this is the Monday morning at Collins Bay—that an attempt would be made to hook up Mr. Avery by way of a telephone conference call with the inmate committee and the Standing Committee on Justice

and Solicitor General at Millhaven Institution, so, in effect, Mr. Avery could be present via telephone to make submissions to the committee and to his co-inmates who were on the inmate committee. The Hon. Member for Burnaby objected to this particular course of action.

We carried on with our responsibilities that day. When we returned to the hotel, the Ramada Inn in Kingston, the mother of Mr. Avery and his wife, together with a number of other wives of inmates, were at the hotel. They met with the Hon. Member for Burnaby. I also met with the women involved. I spoke to the father-in-law of another inmate who had been transferred. They asked me to visit Mr. Avery at Kingston Penitentiary. I told them I did not think it was necessary at that point in time.

As I understand, the Hon. Member for Burnaby did in fact go to Kingston Penitentiary that Monday night to visit with Mr. Avery, presumably to discuss the conditions at Millhaven Institution and to obtain whatever information was necessary to satisfy the Hon. Member. The following day members of the Standing Committee on Justice and Solicitor General met with the inmate committee of Millhaven Institution. Mr. Avery was on the line from Kingston Penitentiary by way of a telephone hookup. He was able to hear what was happening at that particular meeting. He was able to make submissions. The chairman of the justice committee gave members of the inmate committee every opportunity to make submissions with regard to conditions at Millhaven Institution. Mr. Avery was given every opportunity. I, as a member of the committee, asked Mr. Avery a number of questions. I asked members of the inmate committee a number of questions. Documents were in fact presented to the committee by members of the inmate committee.

Mr. Avery did indicate over the telephone that he felt certain documents were missing from his file. Notwithstanding, Mr. Avery made submissions with regard to conditions at the penitentiary. This is where I part company with the Hon. Member for Burnaby. Rather than participating at that meeting, rather than trying to understand what was happening, the Hon. Member for Burnaby was not present at the meeting. He chose not to be present. Of course, he was not present with Mr. Avery at Kingston Penitentiary. Rather he chose to occupy his time elsewhere while the committee was meeting with Mr. Avery.

On the first point, with regard to the transfer of the inmates from Millhaven Institution to Kingston Penitentiary, it would be my respectful submission that there is not a breach of privilege. We might very well question the reasons these inmates were moved, and I intend to pursue that particular matter. I pursued the matter with the warden at Millhaven Institution. I asked him the reasons, and whether he considered it appropriate to move those inmates. Having made that decision to move the inmates, including Mr. Avery, the Correctional Service of Canada did give Mr. Avery the opportunity to speak to the committee. If the Hon. Member for Burnaby had acted responsibly and participated in that meeting—

• (1600)

Mr. Speaker: I would ask that the Hon. Member for York South—Weston to put aside for the moment whatever views he might have of the conduct of any other member of the committee, and again confine his remarks, which he has done at least partially, to the question of privilege.

As I understand it, the Hon. Member for York South—Weston is taking the position with the Chair that, with respect to the movement of Avery or others, in his opinion, that does not constitute a question of privilege.

However, there is the other part of the question of privilege which is a serious matter as alleged by the Hon. Member for Burnaby, and that is the question of whether there was interference with employees of the service either designed to or having the effect of limiting the information that they wanted to give to the committee. I would ask that the Hon. Member for York South—Weston address that particular point.

Mr. Nunziata: Thank you, Mr. Speaker. To conclude the first point, the committee, the inmates involved, were given full opportunity to address the committee, make submissions, and present documents. At the conclusion of our meeting, we also invited the inmates' committee to forward any other documents to the committee for its consideration in its deliberations.

With regard to the second aspect of the Hon. Member's point of privilege, at that meeting on Monday evening at the staff headquarters in the Westlake Building, the parole officers made some very serious allegations.

I should point out that during the evidence given before the committee one particular parole officer read from a brief. At the conclusion of his submissions I asked that parole officer if he was prepared to leave a copy of the brief with the committee. Quite understandably, the parole officer was concerned with regard to his own future employment. At the beginning of his submissions he asked the committee if he could be given witness status. He also asked the committee if he could receive any assurance that his evidence could not be used against him. He made some very serious allegations. But I should point out that the evidence given by the parole officers was not direct evidence. The Hon. Member for Burnaby indicated that. He stated that the parole officer was told that his supervisor had attended a separate meeting. The parole officer was not present at the meeting, but he was told by someone else that that person was present at the meeting and certain information had transpired.

As a lawyer, Mr. Speaker, you understand the weight that ought to be given to hearsay evidence. Based on the evidence that was given to the parliamentary committee, the Hon. Member for Burnaby has drawn the following conclusions which I submit the evidence does not lead one to conclude, at

least at this point in time. The Hon. Member stated, "There was an attempt to gag, to muzzle, to influence the type of evidence to be presented to our committee". The Hon. Member for Burnaby also indicated that "the evidence was vetted". He also stated, "There was an attempt to manipulate evidence". At another point, the Hon. Member talked about the disappearance of key documents.

With regard to the muzzling, the gagging, or the attempt to influence, there is no direct evidence. There was no direct evidence before the committee. But having stated that, the allegations were serious enough to deserve an investigation. Even though the parole officers were not prepared "to go public", they did in fact give *in camera* evidence before a committee.

I hope that prior to drawing the conclusions that the Hon. Member for Burnaby has drawn, an opportunity will be given to investigate these particular allegations. As I understand, the Solicitor General (Mr. Kelleher) has undertaken to investigate the allegations in order to understand what occurred at the meetings in question, and then to report back to the House.

As you know, Mr. Speaker, there are always two sides to every story. Unfortunately, certain Members decide to draw conclusions after hearing only one side of a particular story. I would ask you, Sir, prior to making your decision in this matter, to hear the other side of the story. I do not know what the eventual investigation might show, but we have a responsibility to act responsibly in the circumstances rather than proceeding to condemn individuals and to draw conclusions before we have all the information before us.

There were other members of the justice committee who were present at the meetings in question. I hope that the Chair will at least seek the opinions of the others to determine what in fact is the accurate version of events.

Mr. Robinson: Mr. Speaker, I have a couple of comments with respect to matters that arose from the submissions of the Hon. Member for York South—Weston who, at least until today, I had understood was the official critic of the Liberal Party. The Solicitor General seems to have jumped into bed with that Member. I want to suggest—

Mr. Speaker: There is always a temptation to enter into some good-natured and partially partisan comment on the part of Hon. Members. When we are discussing a point of privilege, and especially where there is a suggestion made that something very serious might be taking place that ought not to have, I would ask that all Hon. Members refrain from making partisan comments and direct their remarks to the information that the Chair needs, and that is the issue of privilege which has been brought in front of the Chair.

Mr. Robinson: Thank you, Mr. Speaker. I will refrain from any further comment on the comments of the Hon. Member.

It was suggested that perhaps it might be appropriate to wait until the other members of the justice committee returned to the House to raise this point. As Your Honour will confirm, there is a duty and obligation on Members of this House to bring to the attention of Your Honour, at the earliest possible opportunity, any alleged breach of privilege. I believe that in bringing this matter before the House today and asking that Your Honour reserve any decision until members of the justice committee have had an opportunity to make any submissions that they may see fit to make, I am performing the requirement that I have to perform in terms of the rules of this House in bringing the matter before Your Honour at the earliest possible opportunity and not waiting. The suggestion by the Hon. Member for York South—Weston that I should have waited to bring this matter before the House, and I know that he is a relatively new Member, but certainly with experience he will—

Mr. Speaker: I have no quarrel with the Hon. Member for Burnaby for bringing the matter before the House today. Of course, there is a rule of which we are all very familiar, that a question of privilege should be brought at the earliest opportunity. From some things stated by the Hon. Member for Burnaby and the Hon. Member for York South—Weston, I took it that there is some disagreement between them over exactly how this might have been handled. That is a matter which is interesting to the Speaker, but it does not affect what the Speaker is called upon to do, and that is to either find a prima facie case of privilege, or to find that there is not a prima facie case of privilege.

The Hon. Member for Burnaby will conclude his remarks.

Mr. Robinson: On that particular point, I wish to make it clear to Your Honour that while I was referring to two separate events, that is, the transfer of Avery in particular on the eve of our visit and, of course, linked to that the documents which disappeared which he wished to present to the committee on the one hand, and the meeting which took place with supervisors on the other, I was not in any way suggesting that those two events together constituted a breach of privilege.

Indeed, it is my submission that the alleged attempt to influence the nature of evidence given to the committee in and of itself constitutes a breach of privilege of Members of this House. I want it to be made very clear that I do not seek to establish any linkage between those two events.

In other words, should Your Honour find that there was not a breach of privilege with respect to the transfer of one of the prisoners, as my colleague for York South—Weston has suggested that, in my respectful submission, would in no way diminish the significance of the other circumstance with respect to breach of privilege.

• (1610)

Finally, I would note that while it has been suggested, again by the Hon. Member for York South—Weston in his submission, that there was no direct evidence with respect to the attempt to influence the information that came before the justice committee, surely that fundamentally misses the point.

The people who could give direct evidence of that were the same supervisors who were told that if they did in fact in any way contradict government policy, or criticize Correctional Service Canada, their jobs could be on the line. Obviously it is not surprising that those same individuals would not get up in front of their fellow supervisors and say to members of the justice committee they had been approached and it had been suggested to them that they not present the facts as they saw them. Of course that was not going to happen.

Fortunately, due to the courage of one parole officer, we learned that in his conversations with his supervisor that his supervisor told him that this is what had happened. I am suggesting that this allegation is serious enough that it warrants careful examination by the appropriate committee of the House. The fact that it was not made directly by one of the individuals involved is neither here nor there, particularly given the fact that after the supervisors left it was suggested by parole officers themselves that in a number of respects their evidence was not in fact entirely accurate, particularly with respect to the impact of privatization.

I would hope that Your Honour would recognize that in terms of the integrity of this process, in terms of the privileges of Members of the House, and in terms of the fundamental importance of individuals seeking to give evidence in a totally unfettered manner before a committee of the House, it is absolutely essential that we get to the bottom of the matter. It is not good enough to leave that investigation to the Solicitor General. It is not his privileges as Solicitor General which have been breached. Rather, it is the privileges of each and every member of the house. As the guardian and custodian of those privileges, Mr. Speaker, I would hope that you would make the necessary finding with respect to a prima facie breach of those privileges in order that the House might conduct the proper investigation.

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I will attempt to be brief and I will attempt not to stray too far from the point.

I think it has been accepted by all Parties that I was not there and that I was not directly involved in this matter. Indeed, it is not a matter involving the House *per se*, but a matter involving the parliamentary committee.

Having said that, with respect to the transfer of inmates I basically accept the submission put forward by the Hon. Member for York South—Weston (Mr. Nunziata) in that indeed they were transferred for security reasons and that, upon hearing the request to have Mr. Avery participate, I am advised that a conference call was arranged so that he could participate to that extent.

I am also advised that at the request of the Hon. Member for Burnaby (Mr. Robinson) a special visit was facilitated to Kingston Penitentiary for the Hon. Member so that he could visit with Mr. Avery, and I understand he did.

With respect to the second point, I really cannot comment in the sense that that meeting was held *in camera*. None of my officials, none of the officials of the Solicitor General's Department, and nobody from Correction Service Canada was involved or present at that meeting, so I am not in a position to comment other than to say that I put the general question to the Commissioner on whether or not he gave any instructions, or if he was aware of any instructions by anyone in his department, to attempt to influence, muzzle, or gag the evidence given by any of the employees of CSC.

It seems to me from a brief discussion I had with the chairman of the committee over the noon hour that indeed there was some evidence put forward at the *in camera* meeting which was could be paraphrased, I guess legally, as hearsay. Beyond that I am really not in a position to comment.

It seems to me that the committee is seized of this matter, and I submit that it is a matter for the committee to decide at this point. It is open to the committee, certainly upon their return, to decide how to deal with these allegations.

I will certainly facilitate the committee in any way to make witnesses available and to carry out necessary investigations or things of that nature, but I do not think that it is a question of a breach of privilege *per se* in the House.

Mr. Nunziata: Mr. Speaker, with regard to the second leg of the question of privilege, I should make clear to the Chair that the parole officers involved did in fact have an *in camera* meeting with the committee. They in fact had the opportunity to speak frankly, and in fact they did speak frankly because they made certain allegations. The committee met with them. They heard the evidence. The people who gave evidence at that particular committee chose not to "go public" or to allow their brief to be part of the proceedings of the committee. They just brought certain matters to the attention of the committee. The committee was not given any documentary evidence or direct evidence. They were presented with hearsay evidence, and I leave that with the Chair.

Mr. Speaker: This is an important matter. I notice that the Hon. Member for Burnaby might want to say a few more words, but I will accept what I think was the original invitation of the Hon. Member for Burnaby to hear other submissions that might assist me, and this afternoon adjourn the matter. I will have discussions with all Hon. Members; there are other Hon. Members who very well may want to make a comment. I wonder if I could indicate to the Hon. Member for Burnaby that I will hear him again but that at the moment I think it is appropriate to adjourn the matter. I thank all Members for the assistance which they have given to me.

PRIVILEGE

ALLEGATION BY SENIOR PUBLIC SERVANT—REISMAN—MR. SPEAKER'S RULING

Mr. Speaker: I should like to deliver a brief ruling. On October 30, 1987, the Hon. Member for Kamloops—Shuswap (Mr. Riis) rose to express his view that his privilege as a Member of Parliament had been breached when Canada's Ambassador and Chief Negotiator for Trade with the United States was reported to have likened opponents to free trade to Nazis. The Hon. Member for Windsor West (Mr. Gray) also found offence in the report of Ambassador Reisman's remarks.

The Chair has had an opportunity to review the matter and must point out to the House that, as stated at the time by the Hon. Minister of State (Mr. Lewis), comments made outside the House are not likely to prevent Members from doing their jobs properly, which as Hon. Members know is the essence of privilege.

It is very important, again to the public who are watching and listening, to indicate that something can be inflammatory, can be disagreeable, and can even be offensive, but it may not be a question of privilege unless the comment actually impinges upon the ability of Members of Parliament to do their job properly.

Without belabouring the point, I would refer Hon. Members briefly to a decision by Mr. Speaker Lamoureux on April 29, 1971, when he said in part:

> In my view, parliamentary privilege does not go much beyond the right of free speech in the House of Commons and the right of a member to discharge his duties in the House as a member of the House of Commons.

Hon. Members will understand, of course, that the position taken by the Chair in no way condones the sort of language attributed to Ambassador Reisman. However his remarks, whatever they may have been, remain beyond the scope of the privileges of this House.

* * *

[*Translation*]

PRIVILEGE

ALLEGED ASSOCIATION BY MINISTER WITH UNACCEPTABLE REMARKS—MR. SPEAKER'S RULING

Mr. Speaker: The very same day, the Hon. Member for Hamilton East (Mrs. Copps) rose on a question of privilege, separate but connected, interpreting the statements made by the Minister of Internal Trade (Mrs. Carney) during the Question Period as an indication that she was supporting the comments made by Ambassador Reisman.

[*English*]

I have carefully examined the official report of that day's Debates and I find that what was said, at least in the opinion of the Chair, does not amount to evidence of that suggestion.

• (1620)

I thank Hon. Members again for their interventions. I hope my comments today have helped clarify the matter.

ROUTINE PROCEEDINGS

[*English*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

Hon. Jake Epp (for Minister of Supply and Services) moved for leave to introduce Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

PETITIONS

HIGHWAY SAFETY

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, it is my duty to table in the House a petition with 272 signatures which are to be added to the other 30,463 which I have already tabled. The petitioners are residents of Chibougamau, Dolbeau, Saint-Gédéon, Saint-Prime, Roberval, Magog, Saint-Tite, Cap-Desrosiers, LaSalle, Métabetchouan, Sherbrooke, Saint-Félicien, Albanel, Gaspé, Lac Mégantic, Joliette, Alma, Verdun, Laval, Sainte-Foy, Murdochville, Montreal, Shawinigan, Grand-Mère, Matapédia, Mistassini, Trois-Rivières.

Mr. Speaker, the petitioners are asking Parliament to make it compulsory for car manufacturers to install inflatable air bags to protect front seat drivers, and to provide backseat drivers with adjustable combination lap-shoulder safety belts.

[*English*]

OPPOSITION TO THE PURCHASE OF NUCLEAR POWERED SUBMARINES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have a duly certified petition with several hundred names on it coming mostly from Port Alberni, but also from a number of other British Columbia communities on the coast including Victoria, Powell River, Mansons Landing, Vancouver, Qualicum, Courtenay, Campbell River, Nanaimo, Tahsis,

Tofino, Denman Island, Parksville, Ahousat, Surrey and Malahat.

The petitioners point out that there is a great danger of accidents while nuclear armed and/or nuclear powered ships are in Canadian ports. There is a threat to the environment and to Canadian citizens. Therefore, the petitioners humbly pray and call upon the House of Commons to urge the Government not to purchase nuclear powered submarines for Canada.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

TOBACCO PRODUCTS CONTROL ACT

MEASURE TO ENACT

The House resumed from Monday, November 23, consideration of the motion of Mr. Epp (Provencher) that Bill C-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products, be read a second time and referred to the Legislative Committee considering Bill C-204 (Non-smokers' Health Act).

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question on on the motion of the Minister of National Health and Welfare (Mr. Epp). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the legislative committee considering Bill C-204 (Non-smokers' Health Act).

* * *

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

Hon. Gerry Weiner (for Minister of Employment and Immigration), moved that Bill C-90, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and referred to a legislative committee.

He said: Mr. Speaker and Hon. Members, today I am pleased to begin the debate on Bill C-90. This Bill is an amendment to the Unemployment Insurance Act to extend the variable entrance requirement, the VER.

According to the provisions of the Unemployment Insurance Act a person applying for UI benefits must have a minimum of 14 weeks to qualify. But since the late 1970s the VER has been used to make this requirement more flexible and responsive to the needs of unemployed Canadians, especially those numerous Canadians who lose their jobs and have 10 to 13 weeks of insurable employment to their credit. According to the VER, the number of weeks that an unemployment insurance claimant needs to qualify depends on the rate of unemployment in the region where he or she lives. Therefore, in regions of high unemployment claimants can qualify for benefits with as few as 10 weeks of insurable employment.

As Hon. Members know, the present VER legislation is in effect only until January 3, 1988. We propose to renew it again in order to enable thousands of Canadians living in regions where the economy is weaker to qualify for UI benefits.

Statistics show that the Canadian economy is doing well. The country as a whole has gained an extensive new lease on life since the recession and it is continuing. However, in some regions economic recovery is slower and the rate of unemployment remains higher than the national average.

The principle of the VER recognizes that it is more difficult to find and keep a job in a region of high unemployment. This is, in fact, one of the most important aspects of the UI program since it takes into account the labour market conditions in each region of the country. If the VER is not renewed, Mr. Speaker, all claimants will, as of January 4, 1988, have to show that they have 14 weeks of insurable employment in order to be entitled to unemployment insurance benefits. This means that more than 100,000 unemployed Canadians could be unable to meet the entrance requirements

to receive UI benefits. Thousands of Canadians would thus find themselves in difficulty and most would have to turn to other sources to support themselves and their families. They would inevitably have an impact on provincial welfare programs. Our Government wishes to continue to provide financial support to Canadians in the designated regions, that is, to those who need it the most. It is important that Bill C-90, which renews the VER for a 12-month period, be passed as quickly as possible. In this way, unemployment insurance claimants will know where they stand with regard to their entitlements.

• (1630)

As I mentioned earlier, the VER enables us to recognize economic disparity between regions when deciding the entitlement of UI claimants. It is in this connection that the VER was created and it is for this reason that we want to continue it for the next year.

I am asking for the support of all Members in passing this amendment for the renewal of the VER for a 12-month period until January 3, 1989.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am surprised that the Government and the Minister finally saw the light, even if for only a short period of time, on the issue of the variable entrance requirement. It was only a few short months ago that we heard the Minister and the Government speculating about abolishing the variable entrance requirement.

Obviously the Government and the Minister have had a conversion on the road to Damascus. Only a few short months ago, they believed that those who are unemployed in Toronto, where there is an unemployment rate which is currently at about 5 per cent, should have the same access to the unemployment insurance fund as those who are unemployed in St. John's or the riding of Gander—Twillingate, areas which have unemployment rates of approximately 18 per cent, 20 per cent or 25 per cent depending upon the age group.

When we in the Opposition got wind of the fact that the Government was planning to change the variable entrance requirement and to make the application of unemployment insurance eligibility equal across Canada, regardless of the employment situation, regardless of regional disparities, regardless of inequities, we of course raised Cain in the House of Commons and in the communities. We convinced the Government to back off on its intention to change the variable entrance requirement.

The variable entrance requirement means that for those in Toronto to qualify for unemployment insurance, they have to be unemployed for more weeks than those in St. John's because the general unemployment rate is lower and theoretically the chances of finding a job are better in Toronto than they are in St. John's. Hence it is called the variable entrance requirement. It is a principle in which we believe. We think it is primary to redressing some of the regional inequities and imbalances in Canada. Unfortunately, the Government does not agree with that.

This particular piece of legislation only extends the variable entrance requirement for one more year. If the Government really believed, as we do, that it is important to allow a more liberal interpretation of the unemployment insurance system in areas with high unemployment, it would have extended it for five years. I believe, although I stand to be corrected, that when previous Liberal Governments introduced variable entrance requirements, the extension periods were generally up to five years. The Minister is shaking his head to signify no, so I stand corrected.

Clause 1(6) of the Bill reads in part: "during the period of 133 months," and the figure 33 is the change in the legislation. Presumably, at one time someone had agreed to have the variable entrance requirement in effect for 100 months because that is the way the Act was written.

We will certainly support the variable entrance requirement and we believe in it. Indeed, we prevailed upon the Government to keep it a part of the unemployment insurance system. However, we want to know why the Government is extending it for only one year.

I have a theory which I would like to propose for consideration by the House today. We know that 1988 will be a tumultuous year for the Government. When the variable entrance requirement was originally introduced by the Liberal Government, there was no possibility of the existence of the Prime Minister's free trade agreement with President Reagan, but there is such an agreement now. We know that a preliminary agreement was signed on October 4, and we know that the Prime Minister (Mr. Mulroney) is determining the timetable of that particular piece of legislation, an agreement of 2,000 pages we have not even seen yet, so that it is passed by January 2 because the Prime Minister wants to have his picture taken with the President. It is a sad and sorry situation when the Parliament of Canada has its agenda determined by a photo opportunity.

Thankfully, the American Congress's timetable stretches for a little longer. The American timetable requires that once the President signs the document, it returns to Congress for further consideration. There could be several months of delays before American Congressmen do or do not put their John Henrys to the document along with the Ron Reagan and the Martin Brian.

When Congress finally agrees to this bad deal—and I am sure it will want to sign it because it is certainly in its best interests—we may have a period of grace of about a year from now. Let us say that the whole thing is cleaned up by next fall. The Minister's agreement to extend the variable entrance requirement for only one year is a clear message that he wants to leave the option open at the end of next year to do away with the variable entrance requirement. He wants to ensure that if the Government decides to abolish the variable entrance

requirement, the door will be open to do so. In fact, this provision is rather short lived for a piece of legislation.

Why would there be any relationship between the variable entrance requirement and the trade deal? There is an element of the deal that has not been thoroughly exposed to public discussion, and I believe the public has a right to know about it.

We have heard the Prime Minister and the various Ministers in the House, on the hustings and up and down the streets of Portage and Main and the streets of Montreal, say that our social programs have remained untouched by this deal. In fact, because there is no guarantee that our social programs will be protected, our social programs are indeed very much up for grabs. Our unemployment insurance scheme is very much subject to a possible frontal assault by the Americans, and I will explain how that may occur.

When the Canadians decided that they wanted to get themselves into this deal with the Americans, one of their stated objectives was to guarantee access to the American market and another was to eliminate these trade irritants that are constantly cropping up, trade irritants like the one that cropped up when the Americans complained that our fishermen were unfairly subsidized because they received unemployment insurance benefits during the off season. Our Prime Minister promised that, in hammering out this deal, he would deal with the question of the American perception of what constitutes an unfair subsidy. However, he failed. The Americans and the Canadians could not come to any kind of reconciliation on what constitutes an unfair subsidy, so they agreed that they would hammer out this rather contentious and thorny issue over the next five to seven years.

• (1640)

We have a trade deal where Canada is giving away energy, and control over our own drug prices and investment. At the same time we have not managed to secure from the Americans once and for all a guarantee of what constitutes a subsidy.

An Hon. Member: Nonsense.

Ms. Copps: The Hon. Member says "nonsense". Yesterday I stood in this House with four glossy documents, part of the $12.5 million propaganda package put out by the Government which, thank God, the CBC in Saskatchewan has been smart enough not to air across that province, and I defy any Member of this House to stand up and show me where it contains an explicit exemption for medicare, unemployment insurance—this is relevant.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the Hon. Member, who has been here now for three years, that there is such a thing as relevancy. I know the Hon. Member is getting to the Bill and I am sure she will carry on.

Ms. Copps: Mr. Speaker, it is very relevant. Over the next five to seven years we and the Americans have to sit down and negotiate exactly what constitutes an unfair subsidy. The Americans have already shown their cards in that they claimed that our fishermen were receiving unfair subsidy by receiving unemployment benefits in the off season. They would not receive those benefits if we did not have a variable entrance requirement. If you had the same regulations in St. John's, Humber—Port au Port—St. Barbe, or Gander—Twillingate as you do in Toronto, then you would not be able to give fishermen unemployment insurance benefits. My premise in standing up to highlight the Government's failure to extend this legislation beyond one year is based on the fact that it wants to leave the door open to cave in to the Americans on the trade deal as it relates to unemployment insurance and it does not want to close off its options.

What if the Americans and Canadians sit down over the next five years and decide, for example, that pregnancy leave is an unfair subsidy? Millions of women in Canada of childbearing age are eligible for paid leave while they have children. That is acknowledged and accepted by all Canadians. There was some reluctance on the Conservative side when the legislation was initially introduced, but it exists nonetheless. It is a statement we make as a society that we value our children, our families, and the women of this country. We feel they need time to nurture their children.

Mr. Thacker: Unless they are the unborn.

Ms. Copps: Pardon me?

Mr. Thacker: Unless they are the unborn.

Ms. Copps: The Hon. Member is getting on to another subject, which is important but not relevant to this particular discussion.

If the Canadian negotiators hold true to the form in which they gave away FIRA, drug prices and everything else before they even got to the negotiating table, we may find ourselves three, five or seven years from now bargaining away things like maternity benefits. We may bargain away unemployment insurance benefits for fishermen. We may accede to claims made by the Americans that medicare is an unfair subsidy.

Mr. Mayer: What a bunch of nonsense.

Ms. Copps: Now we are getting into the nitty-gritty of what this bad deal is about and why the Government refuses to extend it beyond one year.

Mr. Mayer: Why not blame the snowstorm on the agreement and get everything in there?

Ms. Copps: Mr. Speaker, I am sorry this Bill is being rammed through in order to provide a photo opportunity for the Prime Minister. However, I hope Canadians will start to look at exactly what this deal is going to mean for them.

I am a Canadian who has seen the American system. That system does not want pregnancy benefits. It does not believe in a variable entrance requirement for unemployment insurance. That system is, generally speaking, not as supportive of its female half. The American Constitution has not even recognized women's equality.

If I were running an American company which was in a sector predominantly employing women, and I saw that my Canadian counterpart had a chance to keep all his skilled labour on during pregnancy because the Government offered pregnancy benefits, I would go to my Government and say that the Canadian Government is offering pregnancy benefits and that it is an unfair subsidy; it is putting me at a disadvantage. The women in my company do not get paid when they leave for that reason and I often lose good labour and the possibility to compete as a result. This is possible because the two parties in this bad Mulroney-Reagan deal have not been able to come together and define specifically what constitutes a subsidy. Everything and anything is up for grabs, including medicare, pregnancy benefits, and child care benefits.

The Minister is shaking his head. I believe that is the reason he is bringing in a variable entrance requirement which will be good for only one year. He does not want to lock us into a long-term strategy which says that in various parts of Canada we can be unemployed for varying periods of time and still qualify for unemployment insurance. He wants to leave the door open to cave in to the American claim, which has already been made, that Canadian fishermen are unfairly subsidized because they get unemployment insurance benefits during the non-fishing season. Unfortunately, the Minister of State for Grains and Oilseeds (Mr. Mayer) does not understand the unemployment insurance system. If he did, he would know that a claim of unfair subsidy has already been laid by the Americans in this respect, and one way the Government will be able to cave in to the American demand is by abolishing—

Mr. Mayer: But it was not substantiated.

Ms. Copps: —the variable entrance requirements, which will then set a uniform policy across the country. That means that if you are living in Toronto or Corner Brook or Victoria, you will have to be unemployed for the same number of weeks to qualify for unemployment insurance. I am sorry he does not understand the system. If he did, he would realize that the reason the Government is bringing in this legislation for only one year is to keep its option open.

• (1650)

[*Translation*]

Mr. Speaker, this is why I am very glad we were able to convince the Government not to implement Mr. Forget's recommendations concerning unemployment insurance. For a while the Government did toy with the idea of doing away with what is called the variable entrance requirement.

I am glad the Government finally saw eye to eye with the Liberal Party which said that the legislation should contain provisions to account for different circumstances in different regions of the country. For instance, as a result of measures taken by this Government with respect to lumber, workers in northern Ontario or northern Quebec are now without jobs. And if the unemployment rate is higher in Timmins, Cochrane or Kaspuskasing, for example, these workers must have more ready access to unemployment insurance benefits than others in Toronto where the lower unemployment rate ranges from 4 to 5 per cent.

This principle, which aims at reducing to a certain extent the disparities between the regions, has always had the support of successive Liberal Governments. We all know that there are regional disparities and that unemployment is now very low in Southern Ontario. On the other hand, in Newfoundland, where unemployment is quite high, if you live in a town where unemployment has reached 13, 15 or 20 per cent, it is much better to have faster access to unemployment benefits than if you live in a town where unemployment is only 5, 6 or 7 per cent and where there are more job opportunities.

In rejecting the recommendations of Mr. Forget to make the system uniform and the same for everyone, which would disadvantage those who live far from the business centres where unemployment is low, why is the Government extending application of the Act by only one year? Why not ask for five years to reassure all the workers that the rules of the game will not change during the negotiation of the Mulroney-Reagan agreement? The reason why it is interesting to examine this Bill in the context of the Mulroney-Reagan agreement is that we already know what is going on, in spite of the protests of the Prime Minister. Not too many Canadians may have believed him, but he has stated both in the House and elsewhere that our social programs would never be touched.

Mr. Speaker, I challenge any Member of this House to show me what guarantees have been included in the text of the Agreement for our senior citizens or for unemployment insurance. These guarantees do not exist.

Actually, Canada and the United States could not agree on what is meant by a subsidy. As we know, fishermen have already been hit by a claim from the Americans indicating that unemployment insurance benefits to our fishermen were an unfair subsidy. That already has been going on. It is in all our newspapers. We know our fishermen are threatened by that claim from the Americans that unemployment insurance benefits to fishermen are an unfair subsidy.

The Canadian Government and the Americans could not agree on what constitutes a subsidy. In the matter for instance of maternity benefits to women, and as we know we have programs in Canada to help women so that they may have 60 per cent of their salary paid by the unemployment insurance program. Will the Americans claim, once the agreement is signed, because there is nothing written down to guarantee those programs to Canadians, will they claim before the

binational tribunal that in women intensive industries—with women at child bearing age—women benefits are an unfair subsidy? If they do that, and if the binational tribunal finds that unemployment insurance benefits to fishermen, UI benefits to pregnant women, old age security pensions, medicare programs are unfair subsidies, we will have to withdraw those benefits because of that Reagan-Mulroney deal.

This is why, Mr. Speaker,—and it is not hard to guess what the motives of this Government are—this bill which has its roots in liberalism, should take into account the differences between the various regions as far as the accessibility to unemployment insurance is concerned. Why just a one-year extension? I think, Mr. Speaker, that the reason why there is just a one-year extension is that the Government wants to maintain its right of withdrawing those benefits either from fishermen or women in different regions and to replace the variable entrance requirement with a standardized system which would be agreeable to the Americans.

The Government is not trying to give Canadians a satisfactory system by introducing a bill which will aplly during only one year. It wants to leave the door open and be ready to say by next year to fishermen and pregnant women: We are sorry, but the Americans have decided it is an unfair subsidy that should be withdrawn. What other motive . . . The Minister has left because he is afraid of having to answer the question. He thought he could conceal the problem to the Opposition and say: "Well, it is a fine bill and we will acept it". We would be ready to approve or endorse it but for more than a year, Mr. Speaker. If the bill is to be in effect for only one year, it is obviously because this Government wants to use an option in the Mulroney-Reagan deal to question the possibility of providing unemployment insurance to fishermen, women and people living in remote areas such as northern Quebec and keep the door open to a plan already set up by the Americans, a plan to pay fishermen which should be scrapped.

That is the position of the Americans who seem to think that handing out unemployment insurance benefits to fishermen should be against the law. But we strongly disagree with that policy. We believe that with this kind of variable entrance requirement we guarantee and protect the right of Canadians from coast to coast to benefit from or have access to programs designed to restore some form of economic balance between regions. Mr. Speaker, the reason why the Minister of State (Grains and Oilseeds) (Mr. Mayer) gets so upset when I raise the matter of benefits for pregnant women, benefits for fishermen, and even benefits for medical assistance such as Medicare, benefits for the elderly and pensions, the reason why he is so upset is that he does not want Canadian men and women to realize the full impact the Reagan-Mulroney agreement might have.

Mr. Speaker, all we are asking the Government, anxious as it is to have the Prime Minister photographed with the President of the United States on January 2, all we are asking the Government is at least to give Canadians all the facts. And one of these facts, as I see it, highlighted by the ever so slow decision-making process of the Government in introducing this unemployment insurance change for only one year . . . The Government cannot guarantee that no existing or future social program will be affected by the Mulroney-Reagan Agreement. And it cannot give us this guarantee because of a major flaw in their approach. They wanted that trade deal at all cost. The Prime Minister himself said that before striking a deal he wanted to know precisely what would be accepted by the Americans in terms of subsidies. But why is there nothing in writting in the four documents that have been published and distributed by the Government? Why is there nothing in writting saying that the prime Minister will guarantee to Canadians that unemployment insurance benefits will not be affected by this deal, that maternity benefits or medicare will remain untouched? He should guarantee that there will be no change—even if we know that he has already made that kind of commitment, which was worthless anyhow—and that old age security benefits will not be affected by this deal.

Why could they not agree with Americans on what constitutes and unfair subsidy?

• (1700)

[*English*]

It could not decide or get together with the Americans to agree on what constituted an unfair subsidy. Therefore, it left everything out of the agreement but claims that medicare and pregnancy benefits are safe. However, the opposite is true. There is nothing in writing. Since the two parties have agreed to sit down to negotiate over the next five to seven years what constitutes an unfair subsidy, it is quite clear that our social programs are at risk not only in the future but now. It is quite clear that our unemployment insurance benefits are at risk.

The Americans have already stated their intention to argue that fishermen's benefits are an unfair subsidy. The Americans and Canadians could rationalize that the fishermen are only a small portion of the population who can be cut away as bait and negotiated away in the same fashion as the wine industry and grape growers were negotiated away.

We may see the fishermen ineligible for unemployment insurance benefits some three to seven years down the road. The variable entrance requirement is the key element to fishermen having access to the benefits about which we are speaking.

Why does the Minister introduce a Bill that only extends the period for one year if the Government is convinced that unemployment insurance is not up for grabs in the trade deal? Why does it not extend the period for seven years, beyond the period of negotiation for unfair subsidy, so that Canadians will know that the Government has committed itself in writing to five to seven years of variable entrance requirements, thereby guaranteeing that this particular program will not be put up for grabs during the period of negotiation of an unfair subsidy?

I suggest that this one-year extension dovetails rather nicely with the time by which the American Congress is expected to pass the trade deal and when it could possibly take effect in a number of sectors. It is possible that next year, after the Government has its trade deal it could do away with the variable entrance requirement.

Perhaps we will hear that this measure was simply introduced to keep the Opposition quiet and that the Government does not sincerely believe that someone from Gander—Twillingate should have access to unemployment insurance more quickly than someone from Toronto, even though the unemployment insurance rate may be 15 or 20 points higher. If that is not the hidden agenda of the Government, why does the Minister propose to extend this for only one year? Why does he not introduce a Bill that will extend it for five to seven years in order to give Canadians the assurance they want?

Frankly, we do not trust the negotiating skills of the Prime Minister. I believe the Minister of State for Immigration (Mr. Weiner) is well motivated. One could breathe a little easier if he were prepared to maintain the variable entrance requirement for the next five to seven years as part of the unemployment insurance package, in the knowledge that our fishermen will be protected and women will still have the option to take pregnancy leave.

The Minister of State for Grains and Oilseeds suggested that I might as well blame the snowfall on this trade deal. I bring to his attention that it is not only the Opposition that has called the future of Canada's social programs into question.

The President of the British Columbia Business Council appeared before the trade committee. We know that British Columbians are forthright and honest, and he told the committee that while he favoured the deal, it could put medicare at risk.

The committee holding hearings on the free trade talks is only visiting the capital cities of each province. It listened to a total of eight interest groups from British Columbia, four of whom were picked by the Government, two by the Liberals and two by the NDP. One of those four chosen by the Government members of the committee was the President of the British Columbia Business Council. He finally admitted that the assertion by the Opposition as well as the National Anti-Poverty Organization, the National Action Committee on the Status of Women and people throughout the country was correct, that our social programs and the unemployment insurance variable entrance requirement, which is a key foundation to the unemployment insurance system, are at risk.

This business spokesman who came before the committee said that this particular deal will pose a threat to medicare.

Mr. Holtmann: It proves we are not biased when we select our people.

Ms. Copps: They are not biased when they select their people. The Member agrees with the President of the British Columbia Business Council who says that medicare will be threatened as a result of this deal.

Let us get beyond the dollars and cents argument and the glowing rhetoric of the Prime Minister who says that this deal will mean new prosperity and will open new boundaries. The fact is that it will be a continental economic constitution, as referred to by the President of the United States. We are concerned about the impact of this deal on our way of life in Canada, on the education of our children, on the kind of health care system we have, and on the kind of unemployment insurance mechanisms we have to help those who need that social safety net when they are out of a job. Not only are these concerns being expressed by members of the Opposition, but they are also expressed by those Canadians who have been characterized by Government spokesmen as Nazis and regional racists because they want to know what will happen to such things as pregnancy leave and unemployment insurance benefits.

• (1710)

Why did the Government not get a written guarantee in the deal that these programs would never be touched? It could not agree so it said: "We will sign the deal. We will give away energy, drug prices, foreign investment, and in the next five to seven years we will renegotiate what constitutes an unfair subsidy". As far as I am concerned, this particular Bill, the variable entrance requirement which is extended for only one year, is a further piece of evidence to show that the Government's long-term agenda is to dismantle our social programs and our unemployment insurance as we now know it. I would love to go on in much greater detail, but I see the clock, Mr. Speaker.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am pleased to participate in the debate on Bill C-90 which is the extension of the variable entrance requirement for a year. We all know that this variable entrance requirement came about because the previous Liberal Government, in its wisdom, saw the need. In fact, it was going to be a wait of 14 weeks before one was able to collect unemployment insurance. I sat on the committee when Bud Cullen was the Minister of Employment and Immigration, and there was considerable flak from the back-benchers, so the Trudeau Government of the day backed off and brought in this variable entrance requirement. In fact, it wrote into the Bill that after a certain period of time the variable entrance requirement would be dropped and 14 weeks would apply right across the country.

I thought I should give you that background information, Mr. Speaker, to this debate on Bill C-90. Subsequent Governments since that time, as the clock hands moved closer together to 12, always brought in a Bill to extend the variable entrance requirements. This is why this Bill is before us today.

In 1984 we had to bring in a Bill. In 1985 and in 1986, we had to bring in a Bill, and now here we are at the crucial hour and we have another Bill before us. The New Democratic

Party caucus has no problem with supporting this Bill. I want to assure the Minister that we can go bang, bang, bang and put it through all stages. However, I want to use this opportunity to say a few things about the unemployment insurance program and about its administration.

First, the very fact that the Government has to extend the variable entrance requirement is an admission that it has not done a very good job, indeed, it has done a very poor job, in ensuring that in the hinterland of this country, in the regions, employment is created. I know the Government boasts about the hundreds of thousands of jobs that have been created. If it has done that, Newfoundland should not still be sitting at 17 per cent unemployment. If the Government had been successful in dispersing employment evenly across the country, there would be no need for a variable entrance requirement. It is an admission of failure on the part of the Government. It knows that it would not be politically wise to let the variable entrance requirement of 10 weeks to 14 weeks die in January of 1988 and go to a 14 week period across the country because it would receive a considerable amount of flack. Its job-creation programs have not done the job they should have done, particularly in the regions, and we now have the spectre of the Government entering into a free trade deal, and the Minister of Employment and Immigration (Mr. Bouchard) saying that we can expect the loss of up to 500,000 jobs.

While urban centres in central Canada will be hard hit by the Minister's prediction, think, Mr. Speaker, of what it will do to the hinterland of the country. For example, in my riding the present unemployment rate is 11 per cent. In Newfoundland it is 17 per cent. In many regions we are looking at double-digit unemployment. We really have not improved the situation in the hinterland, and everyone cannot live in Toronto, I want to tell the Government that. Many of us who live in northern Ontario would like to remain there and raise their families there.

Mr. Keeper: There are no houses in Toronto.

Mr. Rodriguez: People moving to Toronto are creating all sorts of social problems. There is a lack of housing. We know about the overloaded sewage disposal system. We know about all of those things. They are very evident. The Minister himself said that because of the free trade deal this country could lose up to 500,000 jobs. The Prime Minister (Mr. Mulroney) in his speech to the Exporters of Canada here in Ottawa said that labour adjustment programs would have to be put in place. Then we have an argument in this House as to whether he said it, or who said it, and he said he said it and who said he said he said it, and he did not say he said it. No one believes that Party over there any more, anyway, and this just reinforces the fact that the Prime Minister is not believable on this issue.

The Minister of Employment and Immigration said we would lose up to 500,000 jobs. Just six months or seven months previously the Solicitor General, the Hon. Member for Sault Ste. Marie (Mr. Kelleher), said we would lose up to 800,000 jobs. At the time he was Minister for International Trade. That is what the Government said. Let us keep that in mind. This is not scare-mongering by the New Democratic Party. It comes from the lips of government Members who hope we will forget. I want to say that I am quoting Ministers of the Crown. They are the ones who are declaring that hundreds of thousands of jobs will be lost to the economy.

The second thing that bothers me about this legislation has to do with the deficit in the unemployment insurance program. A short while ago the Minister announced that he was not touching the premium rate for unemployment insurance, that is, the amount of money paid into unemployment insurance by employers and employees. In fact what he did was to increase the level of the maximum insurable earnings. He went on to say he was not touching the premium rate, leading people to think that somehow or other they will not have an increase in what they are paying into the unemployment insurance program. I think that was pure subterfuge because, in fact, by increasing the maximum insurable earnings, the average employee will pay some $43 a year more, and employers, since they pay 60 per cent and the employees pay 40 per cent, will pay some $57 more a year. Small businesses will pay $57 more a year per employee.

• (1720)

So while the Government did not cut the premium rate by adjusting the maximum insurable earnings upwards, it is collecting and taking from each employee an average of $43 per year more. What is the Minister going to do with that money? He stated that he wants to retire the deficit in the unemployment insurance program. That deficit was accrued in a period of recession in the early 1980s.

I wish you to keep in mind, Mr. Speaker, those figures that I am putting on the record. In 1986, the unemployment insurance program generated a surplus of $721 million based on the present rate structure. All of that $721 million was applied to the deficit. Based on the present rate structure, the projected surplus this year in the unemployment insurance fund will be $1.6 billion. That is the surplus, and it will be applied to the deficit. It took four years of recession to run up the deficit in the fund. Employees are now paying large amounts of money out of their pay-cheques and pockets as premiums, and small businesses are paying considerable amounts of money per employee into the unemployment insurance fund, and it is generating those types of surpluses.

This is the moment while the Government is adjusting the maximum insurable earnings upward—and I have no problem with that—to cut the premium rate. By increasing the maximum insurable earnings, if it could take in the same amount of money, in the next fiscal year the Government could generate another $1.6 billion. This is the time to give a break to employees and small businesses. Instead, the Minister is keeping the rate at the present level and increasing the maximum insurable earnings. If the present state of affairs continues, I would project that in the next fiscal year there would be a surplus in that fund of more than $2.3 billion.

There is no reason for this type of pick-pocketing by the Government. That is what it is, it is pick-pocketing by the Government. I say to the Government, shame on you. At a time when the fund is generating those types of surpluses—and I know that Tory back-benchers will all think it is the appropriate time to privatize the unemployment insurance program, we know that that is what we might hear from them—this is the time to give workers and small-businessmen a break on unemployment insurance.

Mr. Harris: Why won't they?

Mr. Rodriguez: The Hon. Member for St. John's East (Mr. Harris) says, "Why won't they?" I simply think that it is once again the bureaucracy in the Employment and Immigration Department exercising undue direction to the Minister. This is a Department where the bureaucracy runs the elected officials.

I have looked at this Department long and hard, and I think that the direction has come from the Deputy Minister and those minions and nabobs who surround and advise him. They want to be able to say that they wiped off the deficit in jig time. "We are efficient administrators". It is an indirect taxation on workers and employers in this country.

They all talk about getting government off the backs of workers and employers. Here was a chance to give them a break. Instead, the Government wishes to get that deficit back in 2.5 years rather than over a period of four years. That is my concern.

The other concern I have is about this variable entrance requirement. I am not as paranoid as the Hon. Member for Hamilton East (Ms. Copps) who spoke before me. The Hon. Member saw this as some plot with respect to the free trade deal coming in for one year and then cutting out unemployment insurance. I have a similar concern, because when the free trade discussions commenced, we started to get leaks from behind closed doors that the Americans wanted our social programs on the table. Remember that our UI was on the table, our medicare program was on the table, our family allowances were on the table. Old Simon came to the rescue, and Simon says, "We got them to take it off the table".

It does not take a heck of a lot of ingenuity to figure out that the Americans won this one, because they took it off the table and they have seven years to define a subsidy. It will take seven years once the economy of this country gets locked in with the American economy, and how are we going to say no? We will have been in there for seven years, and then we will find out that the Americans will bargain toughly, and that indeed we have unfairly subsidized, for example, fishermen on the East Coast with unemployment insurance.

I am amazed at how naive the Government is on the whole question of the free trade agreement and the possible impacts that it might have on our unemployment insurance program and our other programs such as medicare, family allowance, maternity benefits, and a whole host of others.

It seems to me that, while we have no quarrel with the principles of the Bill, and we are prepared to have the Bill go through in jig time, we have to ask, what was the Government's intention with unemployment insurance?

We remember those intentions very clearly in November, 1984 when the Minister of Finance (Mr. Wilson) made his financial statement in the House and announced severe cut-backs to the unemployment insurance program. It was designed to take some $500 million out of the unemployment insurance program. The Government received a considerable amount of flak. As a result, the Forget Commission was established to study the unemployment insurance program. We all saw behind that a sinister move on the part of a Government that was mesmerized by cut-backs and cutting deficits. We saw a sinister move by the Government to get a report that would recommend Draconian changes to the unemployment insurance program.

Sure enough, Mr. Speaker, you could have laid your money on it and you would have got no odds at all, because Claude Forget produced a report that this Government would surely have loved to have taken to its bosom to implement. The people of Canada put heat on the Government, as surely as they will put heat on the government Members in respect of the free trade agreement. They will put their feet to the fire. They will stick matches under their toe-nails and light them. It seems that that is the only way that we can make an impression on the other region of their anatomy. It seems that we must do something extreme to the bottom end to get something in at the top end. That is the only way.

• (1730)

Ms. McDonald: How about sticking their fingers in the toaster?

Mr. Rodriguez: It is more dramatic to put matches under their toe-nails and light them, because that gets them hopping around. In that way they have to think.

Mr. Weiner: We don't smoke so we have no matches.

Mr. Rodriguez: That is what happened in terms of the response of Canadians to the report of the Forget Commission. They pulled the Government up short. It made government Members stop and think about what they were going to do with the recommendations of the Forget Commission.

I saw a scathing attack on the Government by its friend and bosom partner, Conrad Black. He chastised the Government for not having implemented the Forget Commission report. Do Hon. Members remember the article? Can we imagine Conrad Black castigating the Government? This is the Conrad Black who treated his workers at the Dominion Stores so beautifully! He went into the pension kitty and took out the money. Instead of increasing or creating equity, he created a lot of debt for the company and walked away from it. This is the person who castigated the Government in a recent article by saying that it should have put the Forget Commission report into effect. As

well, Donald Macdonald recommended changes to the unemployment insurance program which were similar to what the Forget Commission came down with.

Mr. Keeper: Is he a Conservative?

Mr. Rodriguez: I do not know what he is now. God only knows. However, he was in fact a supporter of the Forget Commission report. He wanted it put into effect.

Now the Government is responding to what we have been saying or what we have been suggesting was common sense. Instead of penalizing the poor, instead of picking on the hinterland, instead of punishing the unemployed because there are not enough jobs in their areas, the Government should spend the time and effort to devise employment strategies in the regions. These strategies can only come about—and we have been saying it to this Government and to the previous Government—when a Government is an active Government. This can only come about when a Government involves itself in planning the strategy and in being part of the implementation of the strategy.

One of our fears in respect of the free trade deal is that once it gets on the fast track it will be Amtrak from here to kingdom come, and never shall a government interfere in the economy of the country. It will be running on the Reaganomic fast track. My Party has expressed the fear that that deal will take away from any subsequent Government—

Ms. McDonald: Harmonization.

Mr. Rodriguez: We notice how they use words such as "harmonize". The word "harmony" suggests being in tune.

Ms. McDonald: It suggests harm.

Mr. Rodriguez: The Hon. Member is getting ahead of me. "Harmony" suggests that somehow they are in tune. That is the musical connotation of the word.

Mr. Keeper: What about discord?

Mr. Harris: Whose tune are they playing?

Mr. Rodriguez: They are playing Ronnie's tune from "Sundown".

Mr. Harris: And Brian is singing.

Mr. Rodriguez: That is the musical connotation. The Hon. Member referred to its root word "harm". The guy sings "When Irish Eyes Are Smiling" in harmony or discord with Ronnie in Quebec. There he was singing it up, and the guy thinks that everything else must be on the same note.

We believe that the downside of the agreement will be harmful. Instead of harmonizing Canada, it will be harming Canadians. It will be creating irreparable harm to the country.

It is a justifiable fear that programs like the unemployment insurance program will be sacrificed when the Americans get around to harmonizing—and let us hope that they will not be around for too much longer—what we have with what they lack.

I said that I wanted to talk about the administration of the unemployment insurance program. Over the last year I have seen one of the most frightful administrations of unemployment insurance I have ever seen since I came here in 1972 when the Government announced that pension income would be considered earned income. We had a subsequent backing away from that until Bill C-50 was passed in the House last spring.

What has happened is that many Canadians who should have been entitled to unemployment insurance were told, when they applied in December, 1985 and in January, 1986, to use up their pension income and severance pay and then to come back and file for unemployment insurance. When they came back in April to file, they were told that they did not file a claim before January 5, 1986, so they were not eligible to collect what Bill C-50 delivered.

We have a frightful mess across the country. Thousands of Canadians have been denied unemployment insurance benefits. By my calculation, 30,000 Canadians who were entitled to it did not get unemployment insurance because of the pensions and severance pay they received when their companies closed or when they had to leave the Armed Forces. It was a frightful maladministration of the program. Today we still have thousands of Canadians who are trying to fight with the bureaucracy to establish a claim. We deal with them every day.

The Standing Committee on Employment and Immigration decided that it wanted to take a look at the Department and its administration *vis-à-vis* unemployment insurance and employment programs. We were led by the Hon. member for La Prairie (Mr. Jourdenais) who exhibited some independence from the Government. We had staked out the areas in which we wanted to move. Lo and behold, the Government could not stand that kind of independence, moved in the goon squad, and had him removed. It put in his place a new chairman who promptly got the committee to buy the Malaryk book on the Department of Employment and Immigration. Its second move was to cancel the appearance of witnesses before the committee. The witnesses arrived. The meeting was cancelled. This cost the committee $1,500. This is the kind of action which the Government takes. A soon as we were getting closer to examining the Department, the Government decided it could not stand that, that the bureaucrats, the nabobs in the bureaucracy would be supreme, and their political minions ran in to defend them.

• (1740)

The Minister of State for Immigration (Mr. Weiner) and the Minister of Employment and Immigration have to understand that they are elected to make decisions, that they are not the mouthpieces of the bureaucracy. They ought to

listen to those who are elected in the House and to the advice they get about what is happening in the country, even from within their own Party, and particularly reports that are unanimous. Several unanimous reports on immigration came out of the immigration committee to the Government, as well as reports on refugees and on unemployment insurance. These have been ignored. I suspect they have been ignored because the bureaucracy at the top has said, "this is too costly, this is impractical, this will not go and that will not go".

What I look for and what most Canadians look for in people who are leaders, and people who are in the Cabinet are political leaders, is leadership and courage. When I look across the floor, there is a vast shortage of those particular qualities. The Department of Employment is an example. One only has to read Victor Malaryk's book which documents the litany of problems within this Department. We mentioned, for example, the problems of unemployed people who are trying to get through to unemployment insurance offices to inquire about their claims, but they could not get through on the telephone because the phone was busy, busy for an hour. We complained about that. One would think that that is a simple, mechanical, administrative question.

People complained to the Government and voiced complaints to members who sat on the Standing Committee on Labour, Employment and Immigration. These concerns were raised along with a whole host of other problems and recommendations for changing the structure of the administration, in other words, reminding the Ministers that money should be put in at the front end where you interface with people who need service. That is where the money should be spent, not on increasing administrative staff here in Ottawa.

What was the Government's response? The Government said that it would pick certain centres and put in a few more phone lines. But we are still waiting. If you put more lines in, it means you have to hire more people to answer the phones. It means that if you say service to the unemployed should be paramount, you have to deliver that service to the unemployed. I found that people have been hired only on term in the employment centres, and, regularly as clockwork, they get laid off and they go on unemployment insurance. Yet there is work there to be done. There is counselling to be done. We raised the matter of overwork of the employees, the competent employees, in those offices across the country who are striving to come to grips with a massive workload of unemployed young people going to employment centres who are given a form to fill in. There is no opportunity to have them sit down and be counselled. There are no opportunities for testing and no opportunities for trying to establish what is the best training program for this person.

I want to tell you, Mr. Speaker, that there was a time when every woman who went into an unemployment centre looking for work was sent off to be trained as a hairdresser. Similarly all the men were sent off to be trained as stationary engineers. We had hairdressers coming out of our ears and we had stationary engineers we could line up all the way from Sudbury to Toronto. Then it was discovered that there were not enough jobs for them. As long as they were kept in a classroom and in a training institution for a couple of years, it kept them off the unemployment rolls. From that we went on to training people to be heavy duty machine operators.

Why is it that after Canadian Jobs Strategies have been put in place, community futures, the regions of Canada are still experiencing this deadening unemployment rate? Why is it that we still need a variable entrance requirement? In my experience, the unemployed people—as I go across the country and I travel through my own community—want to work.

I had a mother call me on the phone this morning complaining bitterly that her son has been out of school now for two years and cannot find a job. He went to the employment centre and there on the wall were jobs available in certain occupations, but they were only for people who were on welfare. I understand that is progress, but why do we need that kind of program? This mother saw that as clear discrimination against her son. Why is it that we cannot develop a program that creates employment for all people, not only for those on welfare? Why can this not be done? By tying in ourselves into a trade deal that will prevent future Governments in this country from involving themselves directly in planning and implementing programs for the benefit of Canadians, the Government has surrendered.

Mr. Thacker: That is not true, and you know it.

Mr. Rodriguez: It is true. Let me go through the steps again.

One, seven years from now people will sit down and devise what a subsidy is. In that seven-year period, we will have locked ourselves in even more closely to the American economy. That far down the track, there will be no way we can say that we do not like that definition of a subsidy, that we believe UI is not a subsidy and want out. There is no way we will get out.

• (1750)

Mr. Thacker: There will be no unemployment in seven years.

Mr. Rodriguez: Pardon? In that seven years, we will experience all sorts of harassments because the Americans will not have given up the right to countervail. They can continue to countervail, and the mechanism is really designed just to implement American law, not Canadian law.

I do not know where the Hon. Member is coming from. We know that the Americans have always viewed unemployment insurance as a subsidy. They have made that quite clear. They have just taken a breather, and in the meantime, they will be chipping away at it and we will live with their trade harassments.

I wanted to put those thoughts on the record, even though we will support this Bill. We do not want to cause greater

hardships for unemployed Canadians than they have experienced already. We must support this Bill. We do not want to delay it, we will expedite it.

[*Translation*]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have very little time to consider a Bill that is very important indeed. This Bill concerns workers in Canada's remote areas in all our provinces, and it also concerns fishermen in the Maritimes. The purpose of this Bill is to provide an extension for existing legislation introduced by the previous Liberal Government, under which workers in remote areas, where unemployment rates are higher, do not require as many weeks of insurable employment to be eligible for unemployment insurance as workers in larger urban centres where it is easier to find a job. For instance, in Montreal it takes about twenty weeks of insurable employment to be entitled to full unemployment insurance benefits during a certain period. Under the existing legislation, fishermen, for instance, in remote areas like the Gaspé and the Magdalen Islands, were entitled to unemployment insurance after ten or twelve weeks of employment. Considering that job creation in these areas is practically impossible, these people would otherwise have had to go on welfare. In some cases, because the fisherman's spouse had an income or because the family had property, certain assets and a boat, they were not eligible for welfare benefits. So these people would have been doomed to poverty.

At the time, the Liberal Government introduced this amendment to cover a fairly long period until such time as thorough review of the unemployment insurance system had been made.

I understand, and I think it is unfortunate, that the NDP Members disagree with the principle. They would prefer to see everyone treated the same. They do not agree that special measures should be taken to help fishermen and people working in remote areas, but I think that today, at least, they do agree on this Bill. However, we should be concerned about the fact that the Government is asking for a one-year extension only. In 1985 and last year, it was understandable the Government should ask for a one-year extension because it had set up a commission of inquiry to review the whole unemployment insurance system. The House will remember the Forget Commission and several task forces set up by the Department of Employment and Immigration. There was also the Standing Committee on Labour, Employment and Immigration. Nearly $8 million was spent in the course of making recommendations to the Government for a genuine reform of the unemployment insurance system. Unfortunately, everbody remembers that the Government has wasted this money and tossed in the waste basket the recommendations to amend the Unemployment Insurance legislation, including those, quite valid in fact, presented by the Committee on Employment and Immigration, an all party committee.

Mr. Speaker, it was understandable for the Government to seek a one-year extension, because everybody expected a thorough reform and that the amendment before us would become a permanent part of the Unemployment Insurance Act.

Today, however, the Government comes up with a one-year extension, when it is about to sign a free trade agreement with the United States, and when we know that the Americans seem to consider the payment of unemployment insurance benefits in remote areas of the country as a sort of disguised subsidy—

Why—and that is the question I should like the Minister of Enmployment and Immigration to answer, and that is one of the amendments we are going to put forward in committee—did he not propose an amendment which would be good for four, five or ten years? If this measure is good for one year, it should be good for the year after. Why, at the very last minute just before the holiday season, did he propose an extension? In view of the fact that the Government has decided not to carry out a global reform of the unemployment insurance scheme, why did the Government not propose amendments to extend for the next ten years this legislation which is important for men and women working in remote areas?

Is it because the Canadian Government expects its American counterpart, following the signature of the free trade agreement, to say: Listen, this is the way competition works, these are unfair subsidies, this unemployment insurance scheme has to go. Automatically, the Government will not table this amendment next year and say to his American friends: Mission accomplished, gentlemen. Mr. Mulroney will tell Mr. Reagan: Yes, I am at your service. Canada's lackey will help you. We will not table again this amendment and fishermen will be penalized because of their incomes from unemployment insurance benefits, and all the other conditions will be affected by it.

Mr. Speaker, I know that I shall speak tomorrow or the next day, as I will have some time left, but I would like to point out that, when we speak about reducing wasteful spending, this Government also cut back the unemployment benefits of older workers. After a fight of 17 months, 46,000 of these workers received their benefits. Unfortunately, the Conservative Members took no part in this fight. In all Canada, 46,000 workers received an average of 10,000. There was 18,000 in Western Canada. These older workers got their money thanks to their own persistance and also thanks to the Liberal Official Opposition. However, some people are still being penalized.

The Government still discriminates against older workers. There are still 9,000 older workers in Western Canada who did not get their money, 3,000 in the Atlantic provinces, 13,000 in Ontario and 15,000 in Quebec, for a total of 42,000 throughout Canada. In addition, 2,000 older workers are in what is called the grey zone having taken an early retirement under the existing legislation before January 5, 1986. The Government then required these people to claim unemployment insurance benefits. Imagine, Mr. Speaker, what happens when

someone loses his job because his company is closing down on December 31. We all know that the worker would automatically receive his severance pay on December 31. When this worker goes to the Unemployment Centre on January 7 or 8, the Minister of Unemployment and Immigration will unfortunately refuse to give him his full unemployment insurance benefits.

Mr. Speaker, I know that I shall still have about fifteen minutes left at the next sitting.

The Acting Speaker (Mr. Paproski): It's being 6 o'clock, the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, November 26, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-3246 to 332-3260 inclusive; 332-3263 and 332-3266.

* * *

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF TWELFTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present in both official languages the twelfth Report of the Standing Committee on Finance and Economic Affairs in relation to Bill C-87.

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

* * *

PUBLIC EMPLOYEES POLITICAL RIGHTS ACT

MEASURE TO ENACT

Mr. David Daubney (Ottawa West) moved for leave to introduce Bill C-273, an Act respecting political rights of public servants.

Some Hon. Members: Explain.

Mr. Daubney: Mr. Speaker, Members of the House may know that the issue of political rights for public servants is an issue which has been of concern to me since I had the honour of being elected to this Chamber. I have spoken on the issue a number of times, I think the first occasion was November, 1984.

Today I have the honour to introduce this Bill which deals with the essential liberties of Canadian people, public servants who serve the people of Canada here in Ottawa and across the country. The Bill deals with essential fundamental liberties of these Canadian citizens, the right to free speech, free assembly and the right to work peacefully and lawfully for democratic change.

• (1110)

It seems to me that on the surface, there should be no dispute about these fundamental rights, but the current law which is contained essentially in Section 32 of the Public Service Employment Act contains restrictions which in my view are too far reaching to be categorized as reasonable. The law turns the basic rights of a large number of Canadians over to the whims of unelected officials at the Public Service Commission and in various line departments and agencies of the Government.

This Bill will essentially divide the Public Service—

Mr. Speaker: It is very clear that the Hon. Member has a Bill of some importance. I know Hon. Members would want to have some thorough knowledge of its contents, but the practice is that when a Bill is introduced, there is a short introductory statement made on the basic assumption that afterward, of course, all Hon. Members will read with great diligence the Bill that has been introduced and will seek out any further information that they might wish from the Hon. Member. Perhaps the Hon. Member could conclude his remarks.

Mr. Daubney: Mr. Speaker, I was just about to point out to the House in a very succinct closing statement that the Bill would essentially divide the Public Service into three categories: senior managers for whom the *status quo* would obtain, those in the lower levels, largely unionized employees, who would have full political rights, and a group in the middle who would have some political rights, depending on their particular functions.

I commend the Bill to the House and look forward to its support.

Mr. Speaker: I am sure all Hon. Members will feel that appropriate and adequate notice has been given of the contents of the Bill.

Shall the Hon. Member have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

• (1120)

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed from Wednesday, November 25, consideration of the motion of Mr. Bouchard that Bill C-90, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and referred to a legislative committee.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, we were waiting for the tabling of petitions, but we are probably going to skip this item today.

Yesterday, when I began my remarks on Bill C-90, an Act to amend the Unemployment Insurance Act, 1971, I showed that as far as the unemployment insurance scheme is concerned, this Conservative Government has failed miserably. I should like to remind the Government that—The House is aware that as the Holiday season is approaching the Government is second to none when it comes to taking Quebecers and the other Canadians for a ride. Before the Holiday season, last year he had changed the rules of the game and cut 46,000 people from the Unemployment Insurance roles—

Mr. Speaker, are we going to table petitions or—? Then, could I continue my remarks?

Mr. Deputy Speaker: With the House's consent, we will revert to the tabling of petitions. The Chair recognizes the Hon. Member for Papineau (Mr. Ouellet).

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

OPPOSITION TO BILL C-51—TOBACCO PRODUCTS CONTROL ACT

Hon. André Ouellet (Papineau): Mr. Speaker, I should like to table a petition signed by a number of Montreal voters who object to Bill-51, an Act to prohibit the advertising and promotion and respecting the labelling and monitoring of tobacco products. They are opposed to it because they feel this Bill violates the freedom of expression of Canadians.

OPPOSITION TO TAXATION OF FOOD

Hon. André Ouellet (Papineau): On the other hand, Mr. Speaker, I have here a bunch of petitions signed by voters from my Papineau riding who object to the Federal Government putting a tax on food, convinced as they are that such a sales tax on foodstuffs would have highly detrimental effects on senior citizens and low income families. They therefore ask the Government not to proceed any further with this unfair tax.

UNEMPLOYMENT INSURANCE—OPPOSITION TO DISCRIMINATION AGAINST ELDERLY WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I too would have petitions to present, first from residents of various regions of Quebec who are against the Conservative Government's decision to discriminate against older workers with respect to unemployment insurance benefits.

OPPOSITION TO TAXATION OF FOOD

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I also have another series of petitions from Ontario and Quebec residents who, like my colleague from Papineau (Mr. Ouellet)—and I must point out that 100,000 such petitions have reached me so far—are opposed to the decision of the Government to consider taxing such foodstuffs as bread, milk and butter.

Mr. Deputy Speaker: Very well, resuming debate with the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart).

GOVERNMENT ORDERS

[*Translation*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard that Bill C-90, an Act to amend the Unemployment Insurance Act, 1971, be read a second time and referred to a legislative committee.

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I would like to recapitulate what I said earlier regarding Bill C-90, whose purpose is actually to extend an amendment to the Unemployment Insurance Act, under which the Unemployment Insurance Commission may authorize benefits in remote areas on the basis of a variable eligibility period.

This is a valid piece of legislation, and it is a measure initiated by the Liberal Party. It gives fishermen in regions like the Atlantic Provinces, the Gaspé and the Magdalen Islands, considering their limited period of activity and the high unemployment rate in those areas, the right to draw unemployment insurance benefits after ten or twelve weeks of employment. In regions where the unemployment rate is not as high, the eligibility period is twenty weeks.

Mr. Speaker, I think it is important to recall the negative impact that the Conservative Government has had on unemployment insurance. I may remind the House that 46,000 older workers were penalized when the Government cut their unemployment insurance benefits without prior notice. I gave the figures for each province but unfortunately, today there are still people who are being penalized. For instance, when a business announces it is going to close its plant, workers are laid off. All older workers covered by a so-called employee-employer pension plan are not entitled to their full unemployment insurance benefits, while older workers who get the same amount in benefits from a registered retirement savings plan are entitled to draw the full amount of their unemployment insurance benefits.

I think the Conservative Government is perpetuating a flagrant injustice in this case.

I wonder why this amendment is being extended for one year only. Mr. Speaker, I realize that previously, Governments made these changes for one year or for a limited number of years because they were planning to carry out a thorough reform of the unemployment insurance system, which would include this particular aspect. In fact, the committee recommended a uniform period of ten weeks, after which everyone would be eligible.

So today, I wonder why the Government has decided to introduce this amendment for one year only. Is there some connection with the free trade agreement?

We know the Americans consider the unemployment insurance benefits paid to fishermen in Quebec, the Maritimes and Western Canada as a hidden subsidy and thus an unfair trade practice, as they would have it. Isn't it a fact that the Prime Minister is now in Toronto, trying to persuade all the Premiers to accept the Free Trade Agreement, without talking about the contents, and without having seen the final text? And that the Government has introduced a Bill which, to do the Americans a favour, will be effective for one year only, a Bill that deals with how the Unemployment Insurance Act applies to fishermen and maternity benefits and the rest? As soon as this Agreement is signed, sight unseen, the Americans can say: Now you will have to withdraw unemployment insurance benefits for fishermen and for maternity benefits and sick leave, because in companies and industries in our country one cannot do that. It would take a uniform period of twenty or twenty-five weeks. Then the Government would not have to say it had backtracked. And the Government would not table this amendment to extend the principle of variable periods for remote areas.

Mr. Speaker, I am very concerned, but I think all Canadians listening to us today should also be concerned that the Government has decided to introduce this amendment for one year only.

I think we should remember this Government promised a thorough reform of the unemployment insurance system. This Government paid the Forget Commission $6 million to carry out a study, make recommendations and conduct an inquiry. Officials at the Department of Employment and Immigration and other departments worked on draft proposals for changes in the unemployment insurance system.

We had the Committee on Labour, Enmployment and Immigration, and all Members of all parties in this House were unanimous in wanting to propose changes, and everyone, including workers, unions, business, small businesses, corporations, and provincial Governments, everyone agreed that improvements were needed in the existing unemployment insurance system. Unfortunately, and we remember what the Minister of Employment and Immigration said, and in fact yesterday, instead of looking after his Department, he went off to do a little performance on the program *Vedettes en direct* or *Vedettes indirectes*. I have the impression that yesterday's performance was as disastrous as his proposals for changing the unemployment insurance system. I think it would have been better that he be here this morning to defend the interests of workers instead of trying to sweet-talk anybody.

In this connection, Mr. Speaker, we all recall that the Government simply threw the reports in the trash can—they cost $7 million, taxpayers' money thrown away. Yet at the same time the Government brought in only one amendment to the Unemployment Insurance Act, and that was the injustice towards older workers who were denied full unemployment insurance benefits. Mr. Speaker, I would think that all people are unanimous on this point, as much the Standing Committee on Employment and Immigration, which included a number of Conservative Members, as my colleague from Notre-Dame-de-Grâce who has been active in this case. They all thought amendments were needed. Everybody is still urging the Government to bring in amendments designed to revamp unemployment insurance programs, extend maternity leaves, and make it easier for people to have access to such a good program. Well, Mr. Speaker, after so much consultation we can see today that the Government is introducing an amendment which the Liberal Party will endorse because the basic principle underlying the amendment relates to a decision of the Liberal Party to make it possible for workers in remote regions

to enjoy the same privileges as urban residents who have better chances of finding employment.

Mr. Speaker, again I must get back to the free trade deal as it relates to the question of unemployment benefits. If we consider the issue in light of the free trade text now available, if we keep in mind that both countries will have to synchronize their policies, that means—in fact, on the basis of this agreement, will the Americans set up social programs which will be as effective as the ones we have here in Canada?

Will the Americans accept unemployment insurance programs like the ones we have in Canada, or will it be the other way round and will Canadians have to adjust and harmonize with the Americans, in other words, cut down on their social programs? And we must not forget that our unemployment insurance system is also used to cover certain aspects of health care.

Mr. Speaker, there is another aspect of unemployment insurance we tend to forget, which the Government has abolished, and which unfortunately has yet to be reinstated, namely the provisions for older workers.

A year and a half ago, we still had the Liberal Government program that dealt with the needs of workers in the textile, footwear and clothing industry and in specific regions, such as the asbestos-producing area. This employee adjustment program was supposed to deal with the impact of technological change. Workers fifty-five and over, who had worked for a certain number of years in the textile industry in the region concerned would, in case of layoffs, be eligible for the program which was the equivalent of unemployment insurance, namely 60 per cent of their salary until the age of sixty-five. Meanwhile, these people could, after a regular year, draw unemployment insurance benefits. Even if they found another more or less regular job and lost it again, they could come back and still be fully eligible for the adjustment program.

The Conservative Government announced the program would be abolished and said that it would negotiate another program with the provinces which would be called the Older Worker Adjustment Program. That was a year and some months ago, and no progress has been made. The provinces refused to accept the federal Government's proposal. Before, the program was 100 per cent funded by the federal Government, while today, the Government is proposing to have a new program funded on a fifty-fifty basis. At this very moment, the provinces are all very reluctant. Meanwhile, we have about 500 workers in Canada, three-quarters of whom are in Quebec, who would be eligible under the previous program.

I have nothing against the Government wanting to improve the program or offering a new program. But I disagree with the Government abolishing the old program in the belief that the new one would be accepted within six months. At the moment, older working men and women in Canada are excluded from this program, simply because the Government was negligent. As Mr. Paradis, the Quebec Income Security Minister, was saying: The Federal Government should have maintained the old program, which was good, during the negotiations period and after an agreement with the provinces on the new one had been reached, then it could have been abolished.

But today, because of the Government's shortsightedness, some 500 older workers throughout Canada are not eligible for the new program which has not yet been implemented, and they have lost their rights to the old one. If some of these people are forced to go on welfare, the others cannot, because their spouses have no income or some property. And we know that under the social security legislation, people must be almost destitute to be entitled to this type of assistance.

Mr. Speaker, you are indicating to me that I have two minutes left. I hope that this bill will reach Second Reading and committee stage, for the Liberal Party intends to support it. I also hope that when it is called upon to consider this bill, the Committee will accept amendments calling for a five year extension, in order to convince all Canadians that this is government policy . . . The bill will be reconsidered if ever there is a thorough reform of the Unemployment Insurance scheme. I should like also the Government to take remedial action as soon as possible, so that the 500 older workers and the others who join their ranks every month, may become eligible either for the old program or the new one. I should like the Federal Government, when the negotiations are over, to implement a new readaptation program for older workers, making them all eligible to Unemployment Insurance benefits.

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, as Hon. Members have already stated, the purpose of this Bill is to extend the variable entry requirement for unemployment insurance for one more year, until January 3, 1989. Before I deal with the substance of the Bill, I want to say that its handling is another example of a lack of co-operation with the Opposition by the Government in dealing with House business. I was told last Friday that this Bill would be brought forward for debate on Tuesday of this week. I prepared myself for that. However, late Monday I was told it would not be put forward on Tuesday, that Tuesday to be an Opposition Day, and I would be advised later when the Bill would come forward. Late Tuesday I was told that the Government wanted to proceed with it yesterday, and yesterday afternoon was the only day of the week that I could not be here to deal with the Bill because I had agreed to serve on a panel at Concordia University in Montreal to discuss refugee policy with the Minister of State for Immigration (Mr. Weiner) and a representative of the Inter-church Committee for Refugees. The Minister of State for Immigration could not go but he was to be replaced by the Parliamentary Secretary who could not attend either because of the snowstorm.

• (1130)

Nevertheless, the only day this week that I could not be here to deal with this Bill was yesterday afternoon. Despite that, the Government plowed ahead and put the Bill forward for debate.

It is regrettable because I was quite willing to co-operate with the Government in dealing with all stages of the Bill in one day. I simply ask the Government to be more sensitive in these matters.

This Bill extends the variable entrance requirement for unemployment insurance for another year. Let me explain the variable entrance requirement. According to the original unemployment insurance law, individuals in Canada had to work for at least 14 weeks in order to qualify for unemployment insurance. In 1977 the Liberal government of the day recognized that in some regions of Canada the rates of unemployment were so high and it was so difficult to find work that it decided to permit individuals in those high unemployment regions to qualify for unemployment insurance after 10 weeks.

Therefore, we now have a variable entrance requirement of 10 to 14 weeks in order to qualify for unemployment insurance benefits. The entrance requirement depends on the region in which one lives and the rate of unemployment in that region. For example, if one lives in a region of very high unemployment, then one will qualify for unemployment insurance benefits after 10 weeks. If one lives in a region that does not have a very high unemployment rate, one will qualify after 14 weeks. Therefore, the entrance requirement of between 10 to 14 weeks depends on the rate of unemployment.

This is a Liberal measure that was introduced on a temporary basis to deal with regional unemployment problems and has been extended from year to year. The Government is asking us to extend it for one more year, until January 3, 1989. We support that.

There is very good reason for continuing this variable entrance requirement. There is still a very high rate of unemployment in the regions of the country. The official rate of unemployment in Newfoundland for the month of October was 17.1 per cent; 13.7 per cent in New Brunswick; 12.7 per cent in Prince Edward Island; 11.4 per cent in British Columbia; and 11 per cent in Nova Scotia.

The Government is proud to announce week-in and week-out that it is very successful in creating jobs. However, I must remind the Government that nearly all those new jobs have been created in the greater Toronto region in southern Ontario. I must also remind the Government that, despite the jobs that have been created, the national rate of unemployment is still 8.4 per cent, or approximately 1.1 million Canadians who are still unemployed, mostly in the regions of the country. While that unemployment rate of 8.4 per cent is a drop from the high rate recorded during the recession, it is still not down to the pre-recession rate of 7.5 per cent unemployment in 1981.

The Government hesitates to admit this, but it should be pointed out as well that many of the new jobs are in low-wage and non-union occupations. Much of that is due to the new contracting out policies that governments and the private sector have adopted. Rather than utilizing their employees within the company or Government department, their full time workers are laid off and a contract is let to smaller companies to do such things as cleaning and maintenance, advertising and so on. Frequently, those smaller firms operate by using non-union workers at minimum wage, especially in jobs like maintenance and cleaning. In addition, many of those jobs are part-time or temporary jobs that may last from two months to a year. Furthermore, those jobs may entail only 12 to 14 hours a week. This may be acceptable employment in some cases, but there is a growing number of people with part time jobs who would rather work full time.

The number of jobs being created in low-wage, non-union, part-time and temporary employment has led to a widening gap between the rich and poor in Canada. The well trained skilled professionals and unionized workers are being paid well, but there is a growing number of people who are in non-unionized, minimum wage part-time or temporary work.

It was pointed out earlier this year that for the first time in 15 years after the average wage of women and men had considerably narrowed, suddenly the wage gap between men and women workers had widened. As a result of this phenomenon of part-time and temporary work, there is a larger number of what are called working poor.

While part-time work at a fast food outlet may be acceptable to single people who are going to school, it is not enough for those who are attempting to build a home and support a family. While the creation of these types of jobs is better than nothing, it is not the answer and is not something of which the Government should be proud. According to the most recent polls, unemployment is still the greatest concern of Canadians because they feel insecure in the types of jobs that are being created and in the benefits which they provide.

While the variable entrance requirement for unemployment insurance is beneficial, it is not the answer to the problem. There must be a greater commitment to regional economic development by the Government. Since it was elected in 1984, it has cut back huge sums of money from regional economic development.

We also need a greater commitment toward more resources and financing for post-secondary education, especially for literacy training. Without that training and education, one cannot qualify for the well paying permanent jobs, and it is those people with no training or low education who are drifting into these lesser jobs.

I repeat that we support this Bill because the Government is extending a measure that was introduced by Liberal governments in the past. We regret, however, that once again the Government has rejected all serious reform of the unemployment insurance system. It set up the Forget Commission to make recommendations with respect to reform. We did not agree with all the recommendations of the Forget report, especially the key recommendations, when that report was referred to the Standing Committee on Labour, Employment and Immigration, but after studying the report we made 90

unanimous recommendations. These recommendations were supported by members of the Conservative Party, the Liberal Party and the New Democratic Party. The Government refused them all. It did not accept one recommendation, and it did not accept any of the recommendations made by the Forget Commission.

• (1140)

By the way, Mr. Speaker, many of the 90 recommendations made by the parliamentary committee, of which I was a member, were similar to the Forget recommendations.

We rejected the Forget recommendation for annualization and for ending regionally extended benefits, but many of our 90 recommendations were similar and supported the Forget Report. Nevertheless the Government rejected recommendations which were unanimous even among members of its own Party.

We regret the lack of commitment of the Government to reform the unemployment insurance system. We must also put on record again our complete—and I have to use the word—disgust with the Government in the way it tried to solve the problem of early retirement. About two years ago it cut unemployment insurance benefits for those people who were forced to take early retirement. After a year of pressure, of lobbying, of marches on Parliament Hill by veterans and by retired members of the RCMP, it decided to rectify its mistake, but only in part. The Government returned the benefits it cut from some of those people, but not all of them, leaving a great sense of injustice in Canada that will remain because of the way the Government handled this matter.

We support this Bill but we regret the Government's lack of commitment to the reform of the unemployment insurance system. We also regret the disgraceful way in which the Government handled the cuts in unemployment insurance for early retirees, only restoring benefits to part of that group of people. I believe the Government's record with respect to unemployment insurance is part of the reason it is still at 25 per cent in the polls in Canada.

Mr. Deputy Speaker: Questions and comments? Debate.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I have just a few words to say about this Bill. The Bill says that during a period up until next year, the number of weeks that an insured person has to wait—I presume that is a person wanting to draw unemployment insurance, other than a new entrant or re-entrant to the labour force—shall be such and such. I just want to put on the record that the law itself is discriminatory. Can you imagine, Mr. Speaker, how silly it sounds to someone trying to get unemployment insurance when the law passed by the Parliament of Canada says, you can collect unemployment insurance but it depends upon whether you are an new entrant or a re-entrant or whatever? It does not matter where one worked, what one did or how long one worked; it now depends on who one is. I notice that 90 per cent of re-entrants are women, and that no one over the years has really zeroed in on that particular aspect, not that I am overly concerned about it.

A re-entrant would need 20 weeks on the Gaspé Coast, the Great Northern Peninsula of Newfoundland or some rural area. That would be a young man or woman who has managed perhaps in a poor area just to get as much work as everyone else. They do not qualify for unemployment insurance. Why? Because they are categorized as a new entrant. The law says they did not collect unemployment insurance before so they have to have double the number of weeks that someone who collected unemployment insurance before has to have. How silly can it get? How silly and discriminatory can the law be?

If one missed a year of work—and perhaps the industry was down in the area for last year— and wants to qualify, one has to work double the period one worked two years ago. How silly the law is. How silly the people of Canada must think are the Parliament of Canada, governments and politicians in general.

We are not talking about people who make a lot of money. What is the maximum UI benefits today? Certainly one would not be making $300 a week. You would not be bringing in any great sum of money. Yet we make these laws. One would have to say that the people who devised the Unemployment Insurance Act over the years had to be a group of people who were trying to complicate the system. Why do we not just give people unemployment insurance benefits when they have been working and have lost their jobs?

For the last two months I imagine most Members of Parliament have been inundated with cases, as I have been, of people who have returned to school. Perhaps it is night school, afternoon school or morning school; perhaps it is a trade school or to a university doing part-time courses. Those people returned to school because they were perhaps out of work and were drawing unemployment insurance only to discover that they are not allowed to go to school if they are drawing unemployment insurance. They have to sit home next to the phone and if they move away from the phone they can be cut off. They cannot go looking for work. They cannot take a course in the afternoon from one o'clock to three o'clock because the Act says that in that case they are not available for work.

I just simply wanted to put that on the record. How silly, how very silly the Unemployment Insurance Act is. It has always been there. We have always tried to figure out ways to track people down and stick them. The Unemployment Insurance Commission now has employees whose job description is to try to figure out how many people they are going to cut off today. It is bad enough to tell someone who has just lost his or her job that they have a two week waiting period. What are they supposed to live on? One other option is to go down to the welfare office, but if they do that they have to sign a sheet of paper saying that it can be taken out of their unemployment insurance when they receive it. If they do not do that they can be charged under the Welfare Act of any provincial Government. We deal with these cases daily.

I think someone, sometime, should sit down with a couple of sensible people and rewrite the Unemployment Insurance Act so it is not so silly and so discriminatory and so that it does what it is supposed to do. In this way the Government would not spend all of its time trying to take people off unemployment insurance. The Government tries to show us a picture by pointing to the Auditor General's Report and saying, "Look at the overpayments to people".

• (1150)

Anyone who has dealt with unemployment insurance problems in the nation knows that the overpayments are as a result of departmental mistakes and corrections. An overpayment results when the Unemployment Insurance Commission overpays someone. An overpayment results when the Unemployment Insurance Commission says, "We found out you helped somebody fix their kitchen two weeks ago so we do not think that you should have been on unemployment insurance two weeks ago". That is an overpayment. Those cases are now piling up before the appeal committees and the Federal Court.

We will soon need to have a whole new group of judges to hear these cases just because of the sheer number of appeals that are underway in the high unemployment areas of the country. It is unfortunate that the Government does not act, sit down with people who have been on unemployment insurance and read the judgments of the Federal Court which hears the appeals. These federal judges were once known as umpires.

One can walk into one of those courtrooms on any day and hear the federal judge read his judgment. There are thousands of CUBs, which are the judgments of the federal judges. Very often the judge points out that there is something wrong with the Unemployment Insurance Act or with the Minister of National Revenue (Mr. MacKay) who interprets the Act.

Why is the Minister of Employment and Immigration (Mr. Bouchard) bringing in this Bill? I do not know. He is not responsible for what is in the Act. He does not make a judgment on what is in the Act. The Minister of Employment and Immigration has no more to do with the Act than does the Minister of Transport (Mr. Crosbie). So why is he bringing it in?

The Minister of National Revenue determines those sections of the Unemployment Insurance Act which deal with eligibility and determination of employment. It is he who determines whether or not someone qualifies for unemployment insurance benefits. He decides whether or not they have the required number of weeks. When one appeals a ruling against a determination of one's eligibility for unemployment insurance benefits that appeal is made to the Minister of National Revenue.

With those few words, Mr. Speaker, I will take my seat. As the previous speaker said, I will vote for this legislation simply because one has to support it. In one respect—one small respect—it continues a system which recognizes that the high unemployment areas have particular problems. However, at the same time, I wish to put on the record how foolish is the Unemployment Insurance Act.

Mr. Allmand: Mr. Speaker, the Hon. Member for Gander—Twillingate (Mr. Baker) has referred to some serious failings in the Unemployment Insurance Act, as well as some weaknesses in it. He said in his remarks that someone should sit down to write a new Act in order to correct these matters. Does he realize that the Standing Committee on Labour, Employment and Immigration spent more than six months doing exactly what he suggested? It drafted a report in which it recommended many of the changes to which the Hon. Member has referred. It was a unanimous report. It was given to the Government and not one of the recommendations was accepted.

For example, the committee recommended that if one was unemployed and collecting unemployment insurance benefits then one should be allowed to take courses in a training school, university, or whatever in order to upgrade one's qualifications. The Government rejected that recommendation. One of the recommendations dealt with these so-called overpayments and the fact that they are often made by bureaucrats and officials. The committee made 90 recommendations to bring up to date the Unemployment Insurance Act in these various areas. They were rejected totally and completely. The Hon. Member has made his plea today. I do not know what else we can do.

Mr. Baker: Mr. Speaker, the hon. gentleman is absolutely correct. He referred to people who are going to a trade school or who are in the process of upgrading themselves. These people are sitting at home saying to themselves, "My goodness, I would love to do a course. I want to go to better myself so that perhaps I can get another job. I need those qualifications to get another job". They go to a training school and are cut off from unemployment insurance benefits. The committee recommended that because these people are retraining they should be allowed to collect unemployment insurance benefits.

Mr. Speaker, as you know, certain people are able to do that today. In trade schools anywhere in Canada one finds that half the students are collecting unemployment insurance benefits while the other half is not. Why? Because the one half which is collecting unemployment insurance benefits are in Manpower seats.

I will have to explain what a Manpower seat is. Only someone collecting unemployment insurance who goes through the system knows what a Manpower seat is. It is a seat that is paid for by the Department of Employment and Immigration, but we call it a Manpower seat in our jargon. There are only so many seats which are paid for by the Department and there is a trick to getting one. When one goes to apply for unemployment insurance one must register for a seat. The recommendation of the standing committee in this area was one of the planks in the platform built by the Conservative Party when it ran for election. It was one of those glorious planks that even I looked at and said, "My goodness, they have some sense.

There is some sense there in that political party". I have now discovered that nothing at all has been done about it.

I imagine there are other speakers in the House who might be interested in saying a few words about the entrant and re-entrant to the labour force category and how unfair the unemployment insurance system is. I say that especially when someone can walk into the Unemployment Insurance office today only to be told that his claim is under review. There is no procedure whereby that person can actually sit down and go over the decision not to pay benefits. One can go through the appeal process but that can take up to a year and a half.

I am sure there are other Members who might wish to express an opinion on that matter, especially the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson) who has approximately the same type of constituency problems as I have in terms of unemployment insurance.

Mr. Johnson: Mr. Speaker, I would like to commend the Hon. Member for Gander—Twillingate (Mr. Baker) for what he said. I would say that the silliness about which he was talking should be quadrupled. Some of the regulations in the Unemployment Insurance Act are silly, silly, silly, silly. I am surprised that this administration which has done so many good things since it took office three years ago has not been more determined to bring in more legislation than what is contained in the Bill before us. Although I am glad to see that people in certain regions of the country will still be able to qualify for unemployment insurance with only 10 weeks contributions, in my particular riding, there are many people who are not even fortunate enough to be able to find work to get 10 weeks to qualify for unemployment insurance.

• (1200)

The Hon. Member for Gander—Twillingate (Mr. Baker) has already alluded to the situation of Manpower seats in trade schools, and so on. I think that it is absolutely ridiculous that some people can qualify to have their seat paid for and receive a certain weekly fee to attend training, and that more people cannot qualify at all. For instance, some employers are willing to continue to pay wages if the employees are attending school to take certain mandatory courses. Another example is, people going to sea who have to have marine emergency duty courses, and the employer will continue to pay their wages. However, these persons have to pay for the seats in a trade school, in the fisheries college, or the employer has to pay it for them. There are people who have had their seats paid for and are receiving unemployment insurance at the same time. I think that that is wrong and it should be looked into. I am glad that the Hon. Member for Gander-Twillingate mentioned it. It is time that Parliament took a serious look at the unemployment insurance regulations.

The Hon. Member for Gander-Twillingate mentioned that people have to appeal to Revenue Canada. Officials in the Unemployment Insurance Commission will advise people that they are eligible for unemployment insurance benefits, and then a ruling will come from Revenue Canada that states that they are not eligible. In some cases, it takes weeks or months for someone to find out if they are eligible or not.

I know of one person who had worked for years, was laid off, and applied for unemployment insurance benefits. It took so long to get his claim processed before it went to appeal, and then it went to a court hearing, which only occurs in the maritime and Atlantic provinces once a year. That person missed the 90-day period and could not get in to be heard. In the process he lost his house because he could not make the mortgage payments. That is downright shameful.

I noticed that the Hon. Member for Gander-Twillingate was not partisan, as he usually is, because he blamed it on parliamentarians more so than the Government. I think that it does rest with the parliamentarians, because we should see that the Government makes some changes to the Unemployment Insurance Act.

The Forget Commission made some recommendations that are probably acceptable in some areas of Canada, but are highly unacceptable in other areas. The same thing applies to unemployment insurance for fishermen. The Hon. Member knows that practically all the witnesses who appeared before the Standing Committee on Fisheries and Oceans did not wish any changes made to the Unemployment Insurance Act, because they were afraid of what might be put in place.

Until such time as the Government is willing to set out a course and advise the people that this is what it would like to implement, and ask if they are willing to accept it, the people will be afraid of changes in unemployment insurance. They are afraid that the changes might be for the worse instead of for the better.

Mr. Jack Harris (St. John's East): Mr. Speaker, it is with great pleasure that I rise today to speak to this Bill. As a new Member looking at this Bill it looks pretty dry. In a way, it is a very simple Bill. It states that we will change the words "twenty-one" to "thirty-three". I do not think that anyone has risen in the House to speak against the Bill. I also rise to support the Bill and the changes in the Act. I wish to take the opportunity to change these cold, plain words and put some flesh and blood into the debate.

As has been pointed out, the mere fact that the Government needs to continue this provision in the Act underscores and underlines the great problem that we have with unemployment in particular parts of Canada. As a Newfoundlander and as the Member for St. John's East, I must pay particular attention to the problems in Newfoundland.

At this time of year in Newfoundland many people are very worried. They are not so much worried about finding permanent jobs, but that they will not be able to get enough work to get unemployment insurance in order to survive the winter. Whether they do or not is the difference for is the difference between unemployment insurance and welfare. That is not a very good choice for an individual in a country that is as

prosperous as Canada with, as the Prime Minister (Mr. Mulroney) is so fond of saying, an economic performance that excels in the western world.

As a Newfoundlander, and also as a Canadian, it is a shock and a shame for me to be able to say that the rest of Canada does not know how terrible the situation is and that the Government does not want to do anything that will resolve that problem. Of course, we cannot vote against this legislation. But it is a drop of water where a bucket is needed.

The House and other Canadians need to be reminded that we in Newfoundland have an unemployment rate of twice the national average. When the national unemployment rate goes down the Government gets up and applauds itself and pats itself on the back, and usually at the same time the unemployment rate goes down in Newfoundland. Last year it went up when the Canadian rate went down. But it is always twice the national rate.

That is only part of the story. It is all very well to say that the unemployment rate in Newfoundland is 17 per cent. But when you look at the statistics another very important story can be told, and it is always left out when anybody talks about the unemployment rate and how wonderful it is. A very important figure that goes along with the labour force data is the participation rate. That rate tells us how many of those who are eligible to be in the workforce are actually considered by Statistics Canada to be in the workforce at all.

In looking at Newfoundland, the participation rate is 52.7 per cent. That means that 52.7 per cent of those eligible for work are considered by Statistics Canada to be in the workforce. Before I talk more about that, I will mention all the other provinces. In Nova Scotia the participation rate is 60 per cent; in New Brunswick it is 58.8 per cent; Quebec, 63.6 per cent; Ontario, 68.7 per cent; Manitoba, 66 per cent; Saskatchewan, 66.9 per cent; Alberta, 71.4 per cent; and British Columbia, 65.3 per cent. All across the country the participation rate in the labour force is higher than that of Newfoundland. Why is that? The reason is that there are no opportunities for people to have jobs.

Compared with the rest of Canada there is an unemployment rate that is twice the national average. More than that there are eight, ten, fifteen, twenty points difference in the participation rate of the Newfoundland workforce, which I call the real workforce, from other parts of the country so you have another potential of 15 to 20 per cent unemployment. It is not called unemployment by Statistics Canada because the people in that category are not actively seeking work. They have not had a job interview in the last three weeks.

• (1210)

It does not take much imagination to come to the conclusion that if someone lives in a community where there are no jobs, where the only source of employment may be the town hall, the fish plant or a construction project, that they are unemployed. They do not go from one door to the next asking "do you have a job for me?" If there are jobs available they know by word of mouth. But these people are not in the labour force according to Statistics Canada.

Despite that, the unemployment rate in Newfoundland is at least twice the national average by official standards. There are more than 52 per cent who are interested in working, wanting an opportunity to use their talents and abilities, wanting an opportunity to support their families, to make money, to earn a decent living and have an opportunity to take advantage of the good things which this country is able to provide. It seems that this House, other Canadians and the Government, have to be reminded that Newfoundland and Newfoundlanders are a part of Canada. Newfoundlanders ought to have the same opportunities for employment and be able to use their talents and look after their families as the rest of Canadians. If this were a situation that existed in the Province of Ontario or in the Province of Quebec, there would be a massive government program to do something about it.

The situation in Newfoundland is comparable to the situation that existed in Canada during the depression. When there are national problems of unemployment we do have government action to provide solutions.

What do we have in the case of Newfoundland's very serious problem? We have legislation that says, "we recognize there are problems and if you manage to get 10 weeks work somewhere along the line we will let you collect unemployment insurance while in the rest of Canada people have to work at least 14 weeks. We will vary that rate". Obviously we cannot vote against that because this legislation is desperately needed. Whatever assistance the workers in Newfoundland can get is vital because it is the difference between spending the winter—in many cases, on welfare, or maybe not even qualifying for welfare if you are single and unemployed—and having a few dollars from unemployment insurance. The Government needs to eradicate this problem.

Looking at the Bill, and there may have been changes over the years, it seems that this 33-month period for this 10 to 14 week variable rate started on December 4, 1977. I assume in 1977 this provision was brought in. It is now 10 years later. Since this what has happened to the unemployment rate in Newfoundland, Mr. Speaker? It is still, even officially, double the national average. As I say, by looking at the participation rate it is easy to see, even by the statistics, that the rate is probably three or four times the national rate.

We need legislation to provide massive government assistance based on the unemployment rate that is keyed and geared to reducing that rate or at least reducing the difference between the rate of unemployment in Newfoundland and the Canadian average. Programs should be put into place to carry on until that national average is achieved, and we should compare annually the effect of programs on the unemployment rate. We would then have some recognition by the Government that the unemployment rate in Newfoundland is a national problem. It would give a signal to Newfoundlanders that they

can rely on the Canadian Government to address their problems. Unfortunately that is not the case.

It is a source of great concern to me when many of my constituents call me asking if I can find them a job. They tell me they are having difficulty getting in touch unemployment insurance and are experiencing difficulty getting with the bureaucracy. As mentioned yesterday by my colleague, the Hon. member for Nickel Belt (Mr. Rodriguez), people are even unable to get hold of the unemployment insurance office. I have a constituent in Pouch Cove who spent days trying to get through on the telephone to the unemployment insurance office to ask a simple question so he could fill out his forms and collect his unemployment insurance. He spent one entire day on the telephone trying to get through. It was busy, then no answer. Busy, no answer.

The Government's approach and attitude with massive numbers of people unemployed is to set up a system to treat them as statistics, cards in a computer system. I am pleased to see that the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson), himself a Newfoundlander with many constituents with similar problems, recognizes the inadequacy of the Government's response.

There is a need for a proper unemployment insurance system. What is evident from the necessity of this legislation is the far greater need for economic opportunities for Newfoundland, in the Atlantic provinces and in the regions of this country that are suffering because the Canadian economy and the government policy has left them behind.

We Newfoundlanders have been part of Confederation for getting on to 40 years. It is the whole of the country we look to for standards and leadership on national issues. We also look to Canada as a whole to fulfil our dreams of full participation in the nation. We cannot do that in a situation where the level of opportunity in Newfoundland is less than half, in fact far worse, than the national average. I think it comes down in the end to a question of respect for Newfoundlanders as individuals and as a people. We too ought to have a chance to participate at the same level in the Canadian life. As the Jew, Shylock, in Shakespeare's *Merchant of Venice* said "If you prick us, do we not bleed?" The unemployed in Newfoundland and those who would like to make it to the unemployment rolls, who are not even recognized by statistics as being unemployed, are human beings. Sadly, our people are bleeding from the lack of policy and action on the part of the Government to overcome these problems.

• (1220)

The Government tries to give us hope with ideas that will not assist. It talks about the Atlantic Opportunities Agency. That agency was announced last June but I am told that it has not spent a cent other than on programs that already existed. For Newfoundlanders who are seeking employment and will have to suffer another winter without jobs, and in some cases without jobs and without unemployment insurance benefits, that is not good enough. We need a commitment from the Government and a commitment from the people of Canada to see that Newfoundlanders are treated equally. This measure is necessary, and I am glad the Government has recognized that. However, it is a very weak response to a very serious problem.

Mr. Deputy Speaker: Questions or comments? Debate.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I am very pleased to have the opportunity to say a few words on this Bill. I appreciate the comments of my colleague, the Hon. Member for St. John's East (Mr. Harris). I think he has put the case very well. I would like to add a few points if I may.

The Hon. Member talked about the unemployment rate and the participation rate. I would like to add that among young people in Newfoundland, the official unemployment rate, according to Statistics Canada, is 50 per cent. While the official unemployment rate for the population as a whole is one that will not be seen in other parts of Canada as absolutely tragic, although we see it that way at home, the official rate among young people is tragic.

My hon. colleague was quite right in talking about alternatives. Young people will have to have alternatives. What will be their alternatives? There is a whole generation growing up now asking, "What is there for us to do, what is the point in getting all this training, and what is there for us to do when we finish?"

We must emphasize the young people particularly, their unemployment rate, their participation rate and the opportunities that will be available to them when they finish training. That is an aspect of the question I wish to add to the very useful, helpful and accurate summary made by my colleague from St. John's East.

It is too bad that we are here debating the *status quo*. What a tragedy it is that we are only going that far. The Government is only prepared to keep the *status quo* going for another 12 months.

We brought in the regional rate of entry in the first instance for 133 months. Will the situation change in 12 months? If so, I would like to know how the Government will change it.

Let me describe for government Members the situation. Official Department of Fisheries and Oceans statistics show that the catch rate in the inshore fishery has gone down consistently over the past six years. Bear in mind that the inshore fishery is fundamental to many communities in my riding, in the riding of the Hon. Member for St. John's East and in the riding of the Hon. Member for Bonavista—Trinity—Conception (Mr. Johnson). There are so many communities that are dependent on that inshore fishery. Yet the statistics have shown that over the past six years the catch rate has gone down. That means that inshore fishermen, fishermen with boats anywhere from 20 feet to 45 feet, are catching fewer fish and therefore can qualify less and less

easily for unemployment insurance. They do not make as much money and they do not as easily qualify for unemployment insurance. As well, many women work in fish plants all over the province, not because they want to but because they have to, and many of them will be affected by that decline in the inshore catch.

I am building on the argument made by my hon. friend that there is a lack of opportunity and of alternatives. The only thing the people have to fall back on is the unemployment insurance system. Does the Government have some sort of plan that will change the pattern of fish landings in the next 12 months? What happens after that 12-month period if that does not happen? Do we simply come back here and talk about the *status quo* again?

The *status quo* is not good enough. Let me describe some specific changes that should be made. Let us deal with fishermen on the Labrador coast, for example. At least fishermen on the coast of Newfoundland can draw unemployment insurance up until May 15. They begin drawing it on November 15. Bear in mind that in many areas, fish is not caught after October so fishermen have to go from some time in October to November 15 before they can begin to draw unemployment insurance. In most cases, benefits can be drawn up to May 15, but what happens to fishermen on the Labrador coast? The ice remains off the Labrador coast until some time in late June. From May 15 to late June, a six-week period, the fishermen on the Labrador coast have no income at all. They have no unemployment insurance benefits and no opportunities to catch fish, through no fault of their own. They cannot catch fish because the ice is in the bays. There are serious weaknesses in the existing program.

If we have any regard for human rights, fairness and equity whatsoever, specific changes should be made right now. I think we should go well beyond that and put in place the kind of system that was recommended by Forget and by commission after commission, some kind of income-support plan for fishermen. If we do not want to do it only for fishermen, let us go all the way and create a guaranteed annual income. Let us stop fooling around with a system that everyone feels they have to beat. The big game in town is how to beat the system. The system is bad and unfair so people must devise ways every day to beat an unfair system.

Why are we expending our energies, our creativity and our imagination in an attempt to beat a lousy system? Why do we not come up with a plan that would allow flexibility and creativity? If we want to do that, we should be looking specifically at a guaranteed income for fishermen as was recommended by Forget and the House report. In fact, let us go all the way and look at a guaranteed annual income. Let us stop all this nonsense about bilking an unwieldy and inflexible system of money that is owed to people, money they need and money they deserve if they are to have a decent life in Canada. It seems to me that the time has come for us to move in that direction.

There is no reason to do a song and dance about the Government suddenly agreeing in its wisdom to maintain the *status quo*. Let me return to the young people. A young person, one of those 50 per cent unemployed, must have not 10 weeks of employment but 20 weeks of employment in Newfoundland if he wants to get into the system now. In the short fishing season on the northeast Coast of Newfoundland or the coast of Labrador, where will he find 20 weeks in which to qualify for the system? Again, I make the point that the *status quo* is simply not good enough. Therefore, I cannot get excited about the Government, in its wisdom, agreeing to keep what is already there.

I think it is a comment on the kind of leadership we have that while the Government is telling Canadians that it wants, through the free trade deal, to give Canadians opportunities for job creation, for hundreds of thousands of new jobs, and it wants, through Meech Lake, to give Canadians equality in Canada, it is saying to the people in Newfoundland that they must be content with the *status quo* for 12 months. There are no brave words, no imaginative ideas, no plans for revitalizing the inshore fishery in Newfoundland, simply the *status quo* for 12 months. That is not good enough.

• (1230)

Hundreds and thousands of people are in grave danger at this time. We have a generation of workers in certain areas of Newfoundland in danger of ceasing to work at all. I really have very grave concerns about the future of the inshore fishery in my province. That industry supports not only a lot of fishermen and plant workers, but a lot of communities. Let the Government come forward with a plan to save not only a dying industry and those fishermen and plant workers but whole communities which are in jeopardy at this time.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I just want to say a few words about this legislation. The two Members who spoke before me really set the pattern in articulating what needs to be said about the variable entrance requirement. I guess what we first need to say is what it is and then what it says about the kind of Government we have.

In certain regions of this country with significantly higher levels of unemployment people can qualify for unemployment insurance in a shorter period of time than those in other areas. That is only just and we in this Party support the extension of this provision in the Act.

We also must remind ourselves that the reason we have a variable entrance requirement is because a Liberal Government decided to get tough on unemployment insurance. It decided that the qualifying period was too short and it was going to lengthen it. It wanted to make it much more difficult for all Canadians to obtain unemployment insurance. It was only because of a significant rump in the Liberal Party that opposed this move, as well as other Opposition objections, that the Liberal Government of the day backed away. A compromise solution was found, that most Canadians would have to

work longer in order to qualify for unemployment insurance but in areas with high levels of unemployment people could qualify in a shorter period of time.

I wanted to take note of that because it is fascinating to see how differently the Liberal Party acts when in opposition compared to when in Government. These days Canadians are demanding more and more consistency from their political Parties. They would like to see the promises implemented.

What does this Bill tell us about the Government? Since the variable entrance requirement is being extended for only one year it can be described as a crumb from the table of the rich, a sop to the unemployed and poor. The Government is saying it will give just enough to keep you quiet. It is not going to do anything to reform the system and make it more adequate, it is just going to extend this sop. The Government seeks to maintain the *status quo*. Of course, it is Conservative philosophy to maintain the *status quo*, not to bring about activist Government which will tackle difficult problems and bring about real solutions so that we can build a more humane society. It is simply to hold back the flood and give a little so it can say it has done something.

That is not good enough. We have significant levels of unemployment right across the nation. It is about 8 per cent these days, which does not sound like a heck of a lot because it has been much higher. However, there are other countries that have found ways of providing employment for a much larger percentage of their population. For example, unemployment in Sweden is about 2 per cent. The same for Norway.

Why have Canadian Governments failed to meet the challenge of providing employment for all its people? In short, it is simply because the Government wants to maintain the *status quo*. It is not willing to ask the kind of questions about its policies and the economic system which need to be asked in order to provide the solutions which would lead to full employment.

Full employment is significant because as unemployment has risen, so has poverty. We have had the spectre of the homeless brought to us on our television screens. We have had much more visible evidence of hunger in our society. We are also reminded on a regular basis that fully one-fifth of our population is functionally illiterate. They do not have the basic reading and writing skills required to hold down a good job in a modern society.

These are significant problems, yet the Government simply says it will extend the variable entrance requirement for one more year. It is a symbolic move and completely inadequate. It reflects a failure to recognize that unemployment, poverty, hunger, and a lack of housing is a serious crisis today.

I want to remind people that over the last five or 10 years we have seen a new political philosophy. It is getting a little ragged around the edges but it has dominated political discourse. What is that? It is because of neo-conservatism or the re-emergence of the attitude that the *status quo* is good enough. It is resistance to social change. It is the absence of concern about social programs and an unwillingness to take action. That philosophy is significant because it reflects itself in public policy, or a lack of public policy.

I also want to remind Canadians that this is very much the attitude expressed by R. B. Bennett in the depression days. This is the attitude expressed by Herbert Hoover, President of the United States, when the depression began. From that depression, in which the vast majority of citizens were brought to their knees, emerged a new political leadership which was able to give hope to people by using the power they had to tackle the problems people were facing, particularly the problem of unemployment. I am thinking now of J. S. Woodsworth, Tommy Douglas, and Franklin Roosevelt in the U.S. These leaders said that when we face problems as a nation we must take action. By the time Franklin Roosevelt delivered his second inaugural address he had taken significant action, had renewed people's hope, and had begun experimenting with solutions to solve problems. However, he said at that time that one-third of the nation remained ill-housed, ill-clothed, and ill-fed. That was half a century ago and the statement is still true today.

• (1240)

It is time for us to pick up the torch from Roosevelt, J. S. Woodsworth and Tommy Douglas and renew a commitment to activist government, a commitment to fulfilling the basic human needs of ordinary Canadians. Although official statistics say that we have 8 per cent unemployment in this country, there is close to 50 per cent unemployment in Newfoundland and 80 to 90 per cent unemployment on Indian reserves. When we imagine the human devastation of living in a community with 80 or 90 per cent unemployment, we must realize that it is time to act and renew our commitments.

I estimate that the unemployment rate in my riding of Winnipeg North Centre is close to 30 per cent. That is a conservative estimate made on the basis of a survey of the parents of school children. It was only teachers who had the courage to try to find out the actual level of unemployment in the community. The teachers wanted to know why the kids come to school hungry and why they have to move three or four times a year due to inadequate housing as a result of low incomes. These parents do not have sufficient employment to provide for the needs of their children in a modern, industrial society.

It is time for us to pick up the torch and renew our commitment to bring about social change which will allow us to fulfill basic human needs. Only when the basic human needs for food, clothing, and shelter are met can people begin to fulfill their potential. Government and political leadership must be about giving people the opportunity to fulfill their human potential and giving society an opportunity to develop a greater sense of community.

Some people might say that that is a little difficult in these days when budgets are tight and people no longer believe that government can act in the collective manner. That mood is pervasive across the nation, but we must dispel it. We must dispel the notion that the *status quo* is adequate and that we cannot take action.

I would like to identify one small step which governments could take today in order to demonstrate that action can be taken. I suggest that we study what social democratic governments have done in European countries such as Sweden where they have chosen to intervene in a significant way in the labour market by way of training and providing support for people as they move from one job to another. They have invested in people in order to bring down the level of unemployment.

Although models cannot be transferred from one country to another entirely without change, we know that in Canada one-fifth of our population is functionally illiterate. We must recognize that it will be impossible for us to solve the unemployment problem without doing something about that situation. We should take illiteracy as a challenge and put in place the programs and funding necessary to eliminate functional illiteracy. If we raise the skill levels of our people they could take advantage of employment opportunities and provide for the needs of their children. This is one area in which we could take a significant step forward.

This is not an abstract notion. While knocking on doors in my riding over the last few days I met a young mother at home with her child. This lady is seeking up-grading as a first step toward acquiring the necessary marketable skills.

In this way we could take a first step toward attacking the problem of unemployment, particularly where it is gravest such as in Newfoundland, on Indian reserves, and in the inner cities.

While there are many other issues to be addressed, such as the industrial strategy of the country and challenging the Government to back away from weakening Canadian sovereignty, we must recognize that the legislation before the House today which provides for a one-year extension of the variable entrance requirement is only a sop to the unemployed, the poor and the hungry. It is a commitment to the *status quo*. It is a reaffirmation of benign neglect. That is no longer adequate.

The time has come to challenge the neo-conservative dominance of the political debate in this country and to recommit ourselves to the value of providing for the basic human needs of all our citizens. We can start by taking the problem of unemployment seriously. We can start by committing the Government to do whatever it takes to reduce the unemployment rate in inner cities, which is now at about 30 per cent, to reduce unemployment in Newfoundland, which is at about 50 per cent, and to reduce unemployment on Indian reserves, which is at about 80 or 90 per cent. We must bring those rates down to at least the national level.

Let us stop this abuse of human beings. We must recognize in our actions and public policy that we are all equal. Let us stop this neglect. Let us get a government in place which is committed to action, can renew the hope of Canadians, and can give pride to all Canadians in the knowledge that we are a community rather than a dog-eat-dog society.

Mr. Harris: Mr. Speaker, my colleague referred to the unemployment rate in Sweden and Norway which is 2 per cent. I recently read a study of the unemployment rates of the 15 countries of the OECD and compared them with the rates in countries such as Canada, the U.S., Austria and Japan. The study compared all the factors which might be involved in an unemployment rate and tried to discover what would account for the differences.

After discounting factors which relate to the nature of the labour force, and certain other factors, the study concluded that the reasons for the varied unemployment rates was government policy. Certain governments pursue a policy of full employment and as a result their populations are employed. These countries perform as well or better as the other countries in the OECD but have full employment. It seems that whether we have full employment or not is a matter of government policy. Why does my colleague believe the Government does not pursue such a policy?

• (1250)

Mr. Keeper: Mr. Speaker, it is important for us to be reminded that full employment is not just an objective or dream, but a policy of some countries in the world. In other words, those countries use the full range of policy instruments available to them to pursue the objective of full employment and therefore bring about that result.

This reminds us that the kind of society in which we live is the result of the decisions we make. It is not like the weather, about which we cannot make decisions. However, these days it seems the climate can be a matter of human decision, as in the case of Brazil where the pollution in the rain forests of Brazil is adversely affecting the climate.

The Government does not pursue a policy of full employment because it believes that the private market is sacred and there should be no intervention. It believes that competition is the only ideology worth upholding. It forgets that the Government should intervene when markets do not work for the people and competition abuses the quality of human life in society. We must take collective action and reinforce the values of solidarity.

The fact is that we are our brother's keeper and when many in our society are suffering because of a lack of adequate employment we must address that problem and take action. It is time to get rid of a Government that is simply satisfied with the *status quo* and is unwilling to strive for the goal that every citizen's right to a decent job can be fulfilled.

Mr. Shields: Mr. Speaker, the Hon. Member for St. John's East (Mr. Harris) pointed out that Denmark, Norway and Sweden only have 2 per cent unemployment.

Ms. Mitchell: Good social democrats.

Mr. Shields: I am glad the Hon. Member said that. Why do they not go on to explain that Denmark, Norway and Sweden have conscription? Denmark and Norway are members of NATO. We know the position of the socialist party in Canada as far as NATO is concerned. Are they advocating conscription for all our young people in Canada, because that would certainly bring full employment or at least reduce unemployment to 2 per cent?

Mr. Keeper: Mr. Speaker, I am delighted that the Hon. Member was able to rise in the House and ask a question of New Democrats without mentioning Shirley Carr or Bob White.

Mr. Shields: We knew that you would.

Mr. Keeper: Every time a New Democratic stands in the House the Hon. Member asks: Where is Shirley?

The Hon. Member asks why we do not promote conscription if we want full employment—

Mr. Shields: Mr. Speaker, I rise on a point of order. I would like my question answered and not repeated erroneously. I asked if that socialist party advocated conscription as it is in Denmark, Norway and Sweden. I am not advocating it. I am asking if they do.

Mr. Keeper: I am pleased that my hon. colleague is getting such good practice asking questions and supplementary questions because he will soon be back in the opposition benches and the Conservatives will need those skills.

Mr. Shields: Answer the question.

Mr. Keeper: I am delighted that the Hon. Member has acted like a Member of the Opposition and treating us as if we are in government. I welcome that eventuality and that challenge. Clearly, this is a further elaboration of the Conservative tactic to distort and misrepresent the New Democratic Party position. Certainly conscription has not been the policy of this Party. We have no intention of advocating that policy. We have taken the stand that we will withdraw from NATO. We have been consistent with that policy and we take that stand because we are concerned about the survival of this planet.

We want people to know that it is important to recognize that while there are regional and global differences, we also share a common humanity. The survival of the planet must be a top priority.

My hon. friend has made an error in reasoning. He believes that there is only one set of policies to follow in order to achieve the objective of full employment. He suggests that we must use the policies of another country to achieve the same objective of full employment. That is not the case. We are Canadians. We will draft a set of Canadian policies to achieve full employment. We will draft a Canadian socialism. We are concerned about meeting basic human needs and ensuring that people have a right to work and contribute to society. We intend to implement a comprehensive set of policies to provide for full employment, and they will be Canadian policies.

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties and I wonder if I might have unanimous consent of the House to revert to tabling of documents in order to table a document on behalf of the Minister of National Health and Welfare

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

HEALTH AND WELFARE

TABLING OF DOCUMENT "BUILDING BENEFITS FOR HOMEMAKERS"

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, it is my privilege to table on behalf of the Minister of National Health and Welfare (Mr. Epp) a document entitled Building Benefits for Homemakers, in both official languages.

GOVERNMENT ORDERS

[*English*]

UNEMPLOYMENT INSURANCE ACT, 1971

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Bouchard that Bill C-90, an Act to amend the Unemployment Insurance Act, 1971, be read the second time and referred to a legislative committee.

Mr. Friesen: Mr. Speaker, there have been discussions with the Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) and the Member for Nickel Belt (Mr. Rodriguez). I think you will find that there is agreement to pass this Bill in all stages before the lunch break.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon.Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

Clauses 1 and 2 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

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

At 1.03 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

ADMINISTRATION OF JUSTICE

REFORM OF SYSTEM

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, last June there was an important debate in this House and Hon. Members were asked to state their position concerning the reinstatement of capital punishment. I am sure that each one of us found the decision hard to make because of the impact likely to be felt after the debate. Today, in retrospective, I am ever more convinced that we made a good decision.

Still, the end of the debate should not signal the end of concern over the crime issue. When will habitual criminals serve exemplary sentences fully consistent with the seriousness of the crimes they have committed? We must continue our efforts aimed at setting up a court system which faithfully reflects legality and which has every consideration for respect for the right to life as well as for protection of the individual, a court system which through research and new experiemnts will do away with the shortcomings of the present system.

Mr. Speaker, when will the Minister of Justice (Mr. Hnatyshyn) make up his mind to act and take all necessary steps to review and improve the present system? Crime is not a problem which concerns only police forces and courts of justice. People fully expect the Minister of Justice to do whatever may be necessary to protect individuals against the criminal element and, at the earliest opportunity, to launch an in-depth reform of the Canadian court system through appropriate measures.

[*English*]

HUMAN RIGHTS

PALESTINIAN PEOPLE—SUPPORT URGED FOR UNITED NATIONS RESOLUTION

Mr. Alex Kindy (Calgary East): Mr. Speaker, November 29 is commemorated by the United Nations as the International Day of Solidarity with the Palestinian people in accordance with Resolution 32/40B adopted by the General Assembly on December 2, 1977. Its objectives are to draw to the world's attention the plight of the Palestinian people and to mobilize world opinion on the need to take action to enable Palestinians to recover their fundamental rights. These rights have been reaffirmed by the General Assembly to include self-determination.

At present approximately 4.5 million Palestinian people are scattered over many countries. I encourage the Canadian Government to recognize and support the resolution of the United Nations on Palestinian human rights.

* * *

WELFARE

CALL FOR INCREASE IN PAYMENTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, provincial and federal Governments refuse to face up to the fact that more than a million children in Canada are living in poverty. One out of six kids goes to school hungry and, of course, does poorly in school as a result. By the third week of the month their parents line up at food banks because welfare rates are so low. Many single mothers are forced into prostitution to supplement their welfare cheques, most of which goes to pay for very high rent.

The recent report of the National Council on Welfare shows that a family of four in a major city now needs over $21,000 to pay for basic family necessities. Yet in most provinces families receive only one half of this amount. I hope Canadians will tell their Government that this kind of deprivation of children cannot continue. Governments can and must act.

The federal Government must insist that provinces implement the Canada Assistance Act which requires that social assistance rates cover basic needs. Provinces must raise welfare rates to cover the real cost of shelter.

I also call upon the federal Government and the Government of British Columbia to support a school food program which has been proposed by the Vancouver School Board. This can be a model for similar programs for poor children across the land.

S. O. 21

[*Translation*]

SHIPBUILDING

URGENT NEED FOR GOVERNMENT TO ESTABLISH TRULY CANADIAN POLICY

Mr. Louis Plamondon (Richelieu): In recent weeks, Mr. Speaker, various federal or provincial Ministers have been making all kinds of contradictory statements which have created dismay among shipyard workers in my riding. The suggestion that the $3.5 billion contract for six frigates might be awarded to one shipyard is an aberration. Given its 50 years of experience in military shipbuilding and know-how acquired through the first frigate program, again this time Marine Industries must be awarded its share of subcontracts, at least two frigates in this instance.

Once again, Mr. Speaker, such infighting among Canadian shipbuilders points to the urgent need to establish a truly Canadian shipbuilding policy so that, once and for all, workers in the Maritime provinces may regain their pride.

* * *

FREE TRADE

ALLEGED UTTERANCES OF ASSOCIATE MINISTER OF NATIONAL DEFENCE—APOLOGIES DEMANDED

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Monday last, at the annual conference on Eastern Ontario's Economic Outlook held in Ottawa, the Associate Minister of National Defence (Mr. Dick) was selling his Prime Minister's free trade agreement. As reported by Mr. Robert Bousquet in the daily newspaper *Le Droit*, in answer to a question on the negative impact of the free trade agreement, he had this to say and I quote:

> They had three or five opportunities to modernize under Government programs. Those companies which did not avoid themselves of those opportunities, deserve to shut down.

So said the Minister.

Mr. Speaker, the industries which are victimized by this Prime Minister's trade agreement do not deserve to shut down. Textile workers, like those at the Texturon plant in Hawkesbury, in my constituency, do not deserve to lose their livelyhood. This Tory Government deserves to be defeated in election because of its arrogance. I would therefore invite all Canadians to demand apologies from the Associate Minister of National Defense for his lack of sensitivity and compassion for textile workers. If he fails to do so, the Prime Minister (Mr. Mulroney) should fire him. This is all he deserves after all.

• (1405)

[*English*]

AGRICULTURE

SPECIAL CANADIAN GRAINS PROGRAM—IRRIGATION FARMERS—EXTENSION OF COVERAGE ADVOCATED

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, when farm income from the market-place is undermined by agricultural policies of the United States and the European Economic Community, Canadian farmers can count on the Government to provide strong financial support. Last year's Special Canadian Grains Program provided such support, and farmers can expect similar assistance for the 1987-88 crop year.

Because of administrative difficulties and the need to put the Special Canadian Grains Program in place as quickly as possible in 1986-87, farmers who irrigated crops outside designated irrigation districts did not receive the same level of support as their fellow producers in irrigation districts. For example, in Saskatchewan 80 per cent of the irrigated acreage was not eligible for supplementary benefits that reflected the additional yields and costs of irrigation.

The administrative difficulties in treating all irrigation farmers fairly can now be overcome. The Government could find administrative advice from such sources as the provincial Departments of Agriculture, associations of rural municipalities and the Saskatchewan Wheat Pool.

Irrigation helps farmers overcome such recurring problems as drought. It helps farmers to diversify and to stabilize individual farm operations. The Government's support to the farming community therefore should not put some farmers who irrigate at a disadvantage with other irrigation farmers.

I call upon the Government to take the necessary administrative steps to ensure that additional yields of farmers who irrigate outside irrigation districts are recognized in this year's Special Canadian Grains payment.

* * *

FISHERIES

GEORGES BANK—CALL FOR POSTPONEMENT OF OIL DRILLING PLANS

Mr. Jack Harris (St. John's East): Mr. Speaker, the fishermen of Nova Scotia are very concerned about the plans of Texaco Canada Resources to drill on Georges Bank. This is a very valuable fishery, a prime fishing area, which includes groundfish and a very valuable stock of scallops.

Premier Buchanan of Nova Scotia and the fishing industry of Nova Scotia in general are flatly opposed to drilling. Through Bill C-75 the Government will be implementing the Canada-Nova Scotia offshore resources plan and agreement. In this agreement there is a provision for the establishment of

a joint Nova Scotia-Canada board which will make decisions of this nature.

In the meantime, decision making is in the hands of the federal Government. The fishermen of Nova Scotia need a commitment now that, until this legislation is passed and until the board is established to which there will be Nova Scotia input, there will be no drilling on Georges Bank. There needs to be input into such decision making by representatives of the Province of Nova Scotia and the industry of Nova Scotia.

* * *

• (1410)

POLITICAL PARTIES

ALBERTA PROVINCIAL BY-ELECTION WON BY PROGRESSIVE CONSERVATIVE PARTY CANDIDATE

Mr. Gordon Taylor (Bow River): Mr. Speaker, have you noticed how silent the Leader of the NDP (Mr. Broadbent) has been this week? This silence is deafening after the noise that he made a few days ago about calling an election. Why this change?

Well, this week there was a provincial by-election in Alberta. In spite of all the NDP could do, who do you think won? The PC candidate, that's who, and with 52 per cent of the votes. This fine lady will continue the splendid work of her predecessor as a member of the people's team of Premier Don Getty.

The separatists came in second with 22 per cent of the vote. Albertans are not separatists, and they will fight policies like the national energy policy from within the Progressive Conservative Party. The Liberals, breathing hot and cold about free trade and everything else, came in third with 15 per cent of the vote.

Now, hear this! The NDP came in close to the tail end, huffing and puffing against free trade and every other free enterprise policy, with 10 per cent of the vote. Did you hear me—with 10 per cent of the vote! The NDP had better get used to the tail end, because that is where they will be more and more during the next two years. Viva the PCs!

* * *

[*Translation*]

ROAD SAFETY

INSTALLATION OF VARIOUS SECURITY DEVICES IN AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have received many letters from Canadians who support my road safety campaign. I have now tabled 30,735 signatures of Canadians who want the Government to improve the current legislation.

I have here a letter signed by Mrs. Ginette Beaulne of the Community Health Department of Montreal General Hospital, in which she says:

> I have two young children who travel each day on the back seat of the car, and I assume that they are not sufficiently protected by the vehicule's standard safety devices.
>
> This letter strongly supports the petition which recommends the installation of shoulder belts which can be adjusted to fit the front seat passenger, of shoulder belts which can be adjusted to fit the back seat passengers and of inflatable bags in the front of automobiles.

She closes by saying:

> From a citizen who is concerned for the safety of her family and Canadian fellow citizens when they travel by car.

* * *

REGIONAL ECONOMIC DEVELOPMENT

MONTREAL EAST END—REQUEST THAT GOVERNMENT ACT QUICKLY

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, I wonder whether it is because I am sitting here today, after having sat on the other side of the House, but I feel somewhat in opposition and I would like to address this House on behalf of constituents of mine who are worried, and I mean people in Montreal east end.

Four or five committees have been set up and have submitted every conceivable type of reports, but nothing is forthcoming for people in Montreal east end. Today I would like to hear a clear answer. What will the Canadian Government do for east end Montreal? Mr. Speaker, I would not want us to do like the Liberals, who are mainly responsible for the situation in Montreal east end.

As we know, 15 years ago hundred of jobs were lost because of the Liberals. But now we have all the reports indicating what must be done, and those reports were referred to responsible people.

Mr. Speaker, I am expecting—not tomorrow but today—a clear answer on the situation in east end Montreal.

* * *

[*English*]

EXTERNAL AID

NICARAGUA—CANADIAN AID INCREASE SUGGESTED

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, by resuming bilateral aid to Guatemala, the Government has made a complete farce of its commitment to link

bilateral aid to the human rights record of the recipient country.

Nineth de Garcia, the President of the Group for the Support of the Families of the Disappeared, stated "before, there were kidnappings; before, there were murders. Now there are kidnappings and murders. The only difference is that now it is supposed to be a democratic Government".

There are an average of 70 political murders in Guatemala each month. How then can the Government maintain that the human rights record has improved sufficiently to warrant a resumption of bilateral aid?

Two years ago we resumed bilateral aid to El Salvador, a country with a disgraceful, disgusting record of human rights violations, capped last month by the murder of the head of the human rights organization in that country.

• (1415)

On the other hand, Nicaragua, which has the best record for making good, effective use of development assistance of any country in Central America, has not been receiving the kind of support from Canada that its need warrants. It has received a paltry $1 million increase in development assistance, while the Government is promising to increase development assistance by $18 million for Honduras, a country which is providing the base for the Contras who are waging a war against development in Nicaragua, a country whose economy is completely distorted by the militarization from the United States.

Canadians can only object to this distortion of the aid program in the interest of short-sighted, kowtowing to United States foreign policy.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—ELIMINATION OF TARIFFS ON CANADIAN FISH EXPORTS

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, today I would like to speak on free trade as it affects Newfoundland. Newfoundland's economy, like that of the rest of Canada, is based on exports. Most of our jobs depend on the province's chief export, fish. In fact fish landings in 1985 amounted to over 450,000 metric tonnes. The processed value of fish products exceeded $400 million from over 120 plants. The United States is the largest buyer of Newfoundland fish products, absorbing exports worth $360 million in 1985.

For many years now there have been high tariffs, ranging from 15 per cent to as high as 30 per cent, placed on secondary processed fish products entering the U.S. market. This tariff means that processors in Newfoundland must export unprocessed fish to the United States, meaning many secondary processing opportunities are lost to the United States. The free trade agreement will mean that these tariffs will be eliminated on all fishery products, the majority over five years or less, with the duty on a few sensitive items being removed in 10 years.

The reduction and eventual elimination of these tariffs will mean an increase in the production of value-added products in Newfoundland and Labrador. What does this mean to the fishermen, fish plant workers, and the whole economy of Newfoundland? It means new opportunities, more jobs, more development and better prosperity for Newfoundland.

This free trade agreement will provide opportunities for Newfoundlanders to expand their capacity for secondary processing. It offers a significant opportunity to add value to many of Newfoundland's resource-based products and to reinforce the growing, self-sustaining development of its secondary manufacturing sector. It will create new investment opportunities. This leads to an increase in business, an increase in jobs and an increase in prosperity.

Mr. Speaker: I regret that the Hon. Member has exceeded his time.

* * *

[*Translation*]

SHIPBUILDING

REQUEST THAT GOVERNMENT GIVE EMPLOYMENT TO SHIPYARD WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the 5 000 workers in Quebec shipyards are fed up with this Tory Government. Even the Hon. Member for Richelieu and the Hon. Member for Hochelaga today are joining Liberal Members in asking for justice for the 5 000 workers in Montreal, Sorel, and Lauzon, near Quebec City.

Mr. Speaker, we even have workers from the Halifax shipyards coming here asking for work.

I would therefore urge all Conservative Members to join the Liberal Party's fight, alongside the Hon. Members for Sorel and Hochelaga, to have this Government guarantee that all the workers in Canadian shipyards will have assured work, because they are qualified workers, quite capable of competing with any worker in any shipyard outside of Canada.

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SPEAKER OF THE PARLIAMENT OF ISRAEL

Mr. Speaker: Before commencing Question Period and because our distinguished guest must leave early, I know Hon. Members would want me to draw to their attention the presence in the gallery of His Excellency Shlomo Hillel, Speaker of the Parliament of Israel.

Some Hon. Members: Hear, hear!

• (1420)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—IMPLEMENTATION OF TREATY—ROLE OF PARLIAMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister was wrong yesterday when he claimed that the federal Parliament has the power to implement a treaty with the United States in matters of provincial jurisdiction.

He repeated that claim again yesterday and said that he had the total right to implement the deal. Indeed, when challenged about this patently false constitutional position by reporters, he was reported to have said that it will all come out in the wash.

Let me ask the Deputy Prime Minister under what precise constitutional provision or jurisprudence has the Prime Minister found his unusual and unsubstantiated position that the Parliament of Canada can implement a treaty in areas falling within provincial jurisdiction?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, first I want to take absolute issue with the Right Hon. Leader of the Opposition on the categorical legal opinion which he has just given. I appreciate the fact that he wants to get some assistance from the Government in connection with this legal matter. However, I notice from the same articles which the Leader of the Opposition has perused that, in terms of authorities, so far it is four to two in favour of the Government, according to *The Globe and Mail*.

I think we are doing very well in respect of people who support the position. Eminent constitutional authorities, trade lawyers, and people who are aware of the position in connection with this particular trade arrangement are simply behind the position of the Government. That is to say, we have, under the trade and commerce provisions of the Constitution, the right to enter into these arrangements with other countries.

To suggest somehow that the provinces can in fact make international agreements is simply not the case. If that is what the Right Hon. Leader of the Opposition is saying, it is a curious view of Canada.

Mr. Turner (Vancouver Quadra): I know that the Minister of Justice and his colleagues are inclined to poll for every decision they take, but a poll of judicial authorities is not going to help them.

The poll upon which I relied was the unanimous decision of the Privy Council 50 years ago in the Canadian Labour Conventions case, and I recommend that the Minister read it over the weekend when he has some spare time.

[*Translation*]

REQUEST FOR CLARIFICATION OF AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we still do not have the legal and final text, and today even Nova Scotia Conservative Premier John Buchanan is asking for the final text.

Why must we Canadians continue the debate without having the final legal text? Why must we Canadians endorse the agreement even before the Americans begin their debate? Why must Canadians complete their study of the agreement, and why must Parliament approve it before the American Congress gets to examine it?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, as I indicated to the right hon. gentleman yesterday, of course we are disappointed that the final text is not in our hands at this particular time. As the right hon. gentleman knows, this is a very complex document. It is probably one of the largest commercial transactions that has ever been undertaken by two countries in history.

The fact that there are still some outstanding issues—there has been a lot of progress made and there are a few outstanding issues—should not rush us into conceding any of the important positions that Canada wants to take or the consensus that Canada wants to take in the final analysis of this arrangement.

I have every reason to expect that the document will be completed, hopefully early next week, and, as I said yesterday in the House, it is expected that the final text will be fully consistent with the elements package.

Quite frankly, this debate has been going on for quite some time. There is a debate going on literally in every province, there are committee hearings, and there is the debate that is going on in the House. We have brought forth to the House the information that we have available as soon as it has been attained or achieved, and we will continue to be that forthright as the process proceeds.

• (1425)

DEADLINE FOR SIGNING AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are faced with a January 2 deadline. It has taken about two years to negotiate this deal. It has taken technical draftsmen two months to put it in draft form. Now, under this timetable, the Prime Minister and the Deputy Prime Minister expect Canadians to examine 1,200 pages of complicated legal text in a few days to meet that American deadline. Yet once the agreement is signed, the U.S. Congress and U.S. business and professionals will have months to examine the deal, debate it, and maybe amend it.

Some Hon. Members: No.

Mr. Turner (Vancouver Quadra): Yet Canadians will have only a few days to decide how their jobs, their businesses, and their professions are affected. The same applies to the provincial Premiers.

I ask the Deputy Prime Minister why Canadians have to march to an American drummer? Why are Canadians bound by an American timetable?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I hate to say this to the Right Hon. Leader of the Opposition but he is dead wrong. I find it very strange that he should take such a position today when his Party, when it was in government and negotiated the Auto Pact, did not see fit to bring that pact before this House for debate. It did not see fit to refer it to a committee or take it across the country because it was an important national issue. It did not go to the Senate. Now we have this sort of double standard and I find it awfully strange.

The fact of the matter is that the right hon. gentleman knows that it will require enabling legislation to effect this treaty. Necessary legislative changes will have to be implemented. There will be debates in this House on Bills brought before it. Those Bills will have to go to their respective committees and be approved and ratified in the Senate. What is the right hon. gentleman afraid of?

* * *

LABOUR RELATIONS

AIR CANADA—ROTATING STRIKE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is also directed to the Deputy Prime Minister. The Air Canada rotating strike is already causing enormous inconvenience to air travellers, travel agencies and other businesses. Certainly it would not be an overstatement to say that the Government had advance warning of this one. Even the conciliation commissioner in his report to the Minister some time ago had to admit that he was in no position to make specific recommendations.

Since receiving that report, what has the Government done to try to prevent this strike? Has someone on the government side, either the Minister of Labour or someone in his Department, been in contact with both parties to try to bring them closer together? What other action has the Government taken in accordance with the Canada Labour Code to try to spare the Canadian public from an air transportation strike, especially as Christmas is approaching?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, once again we see the inconsistency in the policies of the Liberal Opposition. I am not sure what the Hon. Member is advocating. Is he advocating back-to-work legislation before a full strike occurs?

Mr. Turner (Vancouver Quadra): We are just asking what you are doing about it.

Mr. Mazankowski: I will tell the right hon. gentleman what we are doing about it. This is a dispute solely between the two parties and we encourage them to get back to the negotiating table. If there is a need for intervention we would be very happy to meet it. At this time there has not been a request, as I understand it. We urge them to get together and hope they can make progress.

At this time the Government stands ready and willing to assist if it would be of use to the two parties to bring them closer to a negotiated settlement. That is really the ultimate manner in which this should be resolved.

• (1430)

Mr. Guilbault (Saint-Jacques): Mr. Speaker, maybe the Government thinks this one will settle by itself but stranded air travellers think that now is the time for the Government to get involved and try to do something to settle the strike.

[*Translation*]

APPOINTMENT OF MEDIATOR—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, everyone appreciates the growing importance of air transport, particularly as the holiday season gets closer. Passengers expect their aircraft to take off as scheduled. Canadians want to know what the Government is doing, what measure it is taking in an attempt to settle this strike. That is the question I want to ask and the suggestion I want to make. Does the Deputy Prime Minister believe that time has come to appoint a mediator, or what other measure does the Government intend to take to try to reconcile both parties and urge them to negotiate more positively with a view to signing an agreement? That is what we want to know.

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, of course the Government regrets the inconvenience that will be caused to the travelling public. However, the hon. gentleman knows that there is a bargaining process which must be respected. He has been a stout defender of that process and I would ask him to continue, in a consistent way, to defend that bargaining process.

The Government will stand by to intervene any time that those parties are of the opinion that it would be in their best interests for the Government to do so. Until such time as that request is made, and until such time as there is a genuine effort to get back to the bargaining table to resolve this dispute in the normal collective bargaining process, I think that would be premature.

* * *

CORPORATE AFFAIRS

SALE OF PERSONAL FINANCIAL INFORMATION BY COMPANIES PREPARING INCOME TAX RETURNS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Some 4 million Canadians have their tax returns completed by tax discounters or tax preparers. During the course of the Principal investigation it was found that personal financial information is being sold like a commodity for profit. Does the Minister find this situation acceptable? If not, what action does he intend to take to change it?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, this is of concern. The Income Tax Act clearly provides that information which citizens are compelled by law to provide to the Government is to be kept strictly confidential. When one goes to a tax discounter with one's return there is not the same compulsion, so the question of secrecy presumably could be left to the individual. If people do not wish to have their records used they should ensure that that is the case.

Nevertheless, the fact that this seems to be quite widespread is of concern. We are studying the situation to see whether in fact legislative action is required.

REQUEST FOR LEGISLATION TO PROTECT CONFIDENTIALITY OF INFORMATION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I am gratified to hear the Minister's answer but I would like him to be a little more specific. Does he not think that this is a sufficiently important matter for legislation? Will he not consult with the provinces and the industry with a view to introducing legislation which would protect the confidentiality of people who avail themselves of this service?

It seems to me that the course of action is clear. I want to know whether the Minister is going to follow that course of action.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think the Hon. Member would agree that it is probably advisable for us to determine the extent to which this is being practised and the implications this might have for this industry, the services of which the consumers seem to enjoy, and to make a rational assessment of all of the evidence before bringing in legislation.

I repeat, however, that it is a matter of concern. It is not something which we take lightly. We are monitoring and looking into the situation.

REGULATION OF COMPANIES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, maybe I should re-emphasize that one in three Canadians use this service and I think they expect that confidentiality will be maintained. The vague answer which we heard is nice and comforting, but this matter requires some urgency of action.

Will the Minister act, not only with regard to protecting the confidentiality of records submitted to the tax preparers and discounters, but also to examine the necessity of regulating an industry so intimately involved with the financial matters of so many Canadians?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think the answer to the Member's second supplementary question was contained in my response to his first two questions. We do take this matter seriously, but even the article which stimulated the question from the Hon. Member indicates that at least two of the major providers of this tax service do in fact keep the information confidential.

An analysis of that kind of information must be considered before we make the final decision. However, protection of privacy is certainly a priority of the Government. We do not treat the issue lightly.

* * *

SHIPBUILDING

HALIFAX SHIPYARD WORKERS' PROTEST DEMONSTRATION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Public Works. He will know that 140 unemployed shipyard workers from Halifax protested here in Ottawa today about the way the Government is treating them. In 1984 his Prime Minister promised those very same workers "jobs, jobs, jobs". Three years later the Halifax shipyard workers have no jobs and no shipbuilding policy other than despair and unemployment.

I would like to ask the Minister of Public Works on their behalf whether he could explain to the people of Nova Scotia, and the people of Halifax in particular, why those shipyard workers are being discriminated against with regard to government policy. While he is on his feet, would he tell us when the Government is going to come clean and deliver on its promises of jobs for the Halifax shipyard workers?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I think the creation of more than 1 million jobs in the last three years is very responsive to a campaign promise.

Some Hon. Members: Hear, hear!

Mr. McInnes: That is 1,700 jobs a day in the last three quarters.

I have met with representatives of the Halifax shipyards on five occasions in the last six months. There is obviously a problem, not peculiar to that area, but all across Canada. I and my learned friend, the Minister of State for Finance, met with them today. We indicated that we are going to undertake and deliver a strategy. We are sympathetic to their problem. We delivered the *Louis St. Laurent* only recently. I think they understand that we are working in co-operation with them.

REQUEST THAT CONTRACT BE AWARDED BEFORE CHRISTMAS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister who sits in Cabinet and is supposed to represent the interests of the Halifax shipyard workers. Consultation is no substitute for action. There have been delays, delays, and more delays with regard to that facility.

Will the Minister of Public Works give an undertaking today to expedite the process and award the contract for the *Louis St. Laurent* before Christmas? It was supposed to be issued in November, 1987.

If the Minister cannot do that, will he undertake to those unemployed workers that he will put in place immediately, forthwith, an interim Canada Works grant in order to tide them over until the awarding of the *Louis St. Laurent*? Will he be that honourable and provide that commitment?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, it is rather ironical that the Hon. Member, who was part of a Government which sat for years and years without developing a comprehensive national shipbuilding policy, now complains. We have an understanding with the representatives of the union. We met with them five times. We will deliver. Hold on.

Mr. Dingwall: Supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member.

REQUEST FOR MINISTERIAL UNDERTAKING

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, if the Minister of Public Works is so convinced and reassured that his colleagues in the Cabinet will support him, will he put his seat on the line and undertake to those workers to deliver to them before Christmas the awarding of the contract for the *Louis St. Laurent*? Does he have the guts to stand in the House and to give that undertaking?

• (1440)

Mr. Speaker: The Minister may or may not wish to answer. I think the question is getting very close to being out of order. The Hon. Member for St. John's East.

* * *

TRADE

UNITED STATES EMBARGO ON ATLANTIC CANADA FISH PRODUCTS

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is directed to the Deputy Prime Minister. On October 1 the U.S. Government placed an embargo on the import of certain Atlantic fish products. On October 4 the Government of Canada entered into a comprehensive trade agreement with the United States. We learned yesterday, November 25, that the Canadian Government protested the action by diplomatic note. Why did we hear nothing of this from the Government until it was reported in the press? Why did the Government wait until after I raised this in the House to issue a press release informing the people of Canada of this undermining of the agreement that the Government is trying to sell the people of Canada?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I believe the Minister of Transport answered those questions quite fully yesterday. We have been making very strong representations to the United States administration about what we feel is a very unjust attack on our fishing industry. We will continue to do that.

We will use all avenues open to us to ensure that this industry is not attacked unfairly by our neighbours to the south.

EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Mr. Jack Harris (St. John's East): Mr. Speaker, the Minister for International Trade states in this press release, which was received in my office this morning, that the Government is awaiting a response from the U.S. administration. She also states: "We will do everything in our power to resolve the issue". In my view, issuing a press release seven weeks later and awaiting a response from the U.S. administration does not amount to much pressure.

Why does the Government not admit that it has been snookered by the Americans in this deal and that it has tied its own hands with this agreement, while leaving the Americans to do exactly what they want under their own laws to attack our exports?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first, there is absolutely no truth in the preamble of the hon. gentleman's question. Second, we have in no way tied our hands in objecting to what we believe is an unfair and unwarranted attack on this industry, or any industry for that matter.

If we do not receive from the United States a satisfactory answer to our diplomatic note, which was very strongly worded, I believe we have the responsibility to go to the GATT panel and request one, because we feel that it is a very unfair and unwarranted attack on the fishing industry.

We will not give up on the fishing industry at all. As a matter of fact, the free trade agreement is very good for the fishing industry and they know it.

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AGRICULTURE

SPECIAL CANADIAN GRAINS PROGRAM—COVERAGE OF IRRIGATION FARMERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, in the absence of the Minister of Agriculture my question is directed to the Parliamentary Secretary.

Last year's Special Canadian Grains Program excluded over 80 per cent of the irrigated acreage in Saskatchewan from receiving supplementary benefits because these acres were not in a recognized irrigation district.

These producers either pay a water tax or a water licence and are recognized by the provincial crop insurance plan as being irrigators. Will the Parliamentary Secretary advise the House if the administrative difficulty in treating all irrigation farmers fairly can now be overcome?

Will the Government make use of the information that is readily available from places like the Irrigation Branch of the Saskatchewan Department of Agriculture to ensure that all irrigation farmers will receive the same level of support in this year's Special Canadian Grains Program?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I want to commend the Member for Moose Jaw for his very conscientious efforts on behalf of irrigation farmers in his province.

Let me point out that there has been no announcement of a Special Grains and Oilseed Program No. 2, although I share his hope that there will indeed be such an announcement.

As a result of the efforts of the Hon. Member and some of his colleagues, very serious consideration is being given at the moment to ensuring that those irrigation farmers who live outside organized irrigation districts should be identified through the payment of a water tax or water licence fee and be entitled to share as other irrigation farmers do in any Special Grains and Oilseeds Program, if and when it is announced.

We may want to distinguish between those who are part of a pivot system and those who backflood, but that might be the only distinction.

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NATIONAL PAROLE BOARD

ALLEGATION RAPE COMMITTED BY PAROLEE

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the person who is answering for the Solicitor General. The Justice and Solicitor General Committee was told on Monday that an inmate, while on parole in Toronto, and while under the supervision of Operation Springboard, a private agency, committed a rape.

This incident took place on September 18 or 19 this year. It was alleged that the details of this sexual assault were subsequently covered up by officials of the Ministry of the Solicitor General. Will the Government give the House its undertaking to initiate an independent review of the circumstances of this particular incident?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the good work that the standing committee is performing with respect to its investigation of the corrections system and parole system in Canada. It is too bad that the Hon. Member does not want to participate in that.

However, since he has raised this issue, I can assure him that the Solicitor General will obviously look into the matter on the basis of information that has been received.

I will also assure the Hon. Member that, once the investigation is over, the Solicitor General will have a response for the Hon. Member and Members of the House.

ALLEGED ACTION BY BOARD CHAIRMAN

Mr. John Nunziata (York South—Weston): Mr. Speaker, we are seeking an independent review of the circumstances of this case. Hopefully it will be an independent review. While they are investigating, will they also investigate the further allegation that the Chairman of the National Parole Board approached the Chief of Police for Metropolitan Toronto, Mr. Marks, and requested that Mr. Marks "not go public" on this particular case?

Will the Minister of Justice give us his undertaking that this allegation will also be investigated?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have two observations. First, I do not accept the veracity of any of the allegations. I think the idea of innocence until proven guilty still applies here.

However, the Hon. Member has raised the matter. The committee itself will have an opportunity to analyse and assess the veracity of these matters. Since the matter has been raised, I am sure the Solicitor General is monitoring carefully the proceedings of this independent committee of the House of Commons which is intensively examining some very vexing problems in our country.

I know that the chairman of the committee will bring to the attention of the Solicitor General the views of the committee with respect to the veracity or legitimacy of any allegations. I will take that matter to the Solicitor General myself, to make sure that he addresses the matter in a proper way.

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AGRICULTURE

SPECIAL CANADIAN GRAINS PROGRAM—POSITION OF SASKATCHEWAN IRRIGATION FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Deputy Prime Minister or the Parliamentary Secretary to the Minister of Agriculture. In response to a question on August 31, the Deputy Prime Minister indicated that the Government was investigating why most Saskatchewan irrigation farmers did not receive supplementary payments under the Special Canadian Grains Program while most Alberta farmers did.

Will the Deputy Prime Minister tell us why the discrimination against Saskatchewan irrigation farmers happened in the first place, and whether Saskatchewan irrigation farmers have now received the same supplementary benefits as Alberta farmers?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as most of us in the House recognize, the much appreciated $1 billion Special Grains and Oilseeds Program that was made available to Canadian farmers last year was allocated as a result of consultations with the farm community right across the country. In fact, that was the first time in Canadian history that this had taken place.

Of course, there is no way we can go back and alter the formula which was resolved upon to meet last year's needs. However, as I indicated earlier in response to a question by the Member for Moose Jaw, as a result of representations made to the Government by irrigation farmers and several Members of the House, I am extremely confident that in any future Special Grains Program the needs of all irrigation farmers, depending on whether they must pay a water tax, water licence fee or use a pivot system, will be adequately served.

LEGISLATIVE LOOPHOLES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Government has indicated that some changes are to be made in the Special Canadian Grains Program, if there is such a program. In order to be fair to all producers, will the Parliamentary Secretary assure us that the Government will eliminate the loophole dealing with production zones which allows some farmers to gain extra benefits by simply moving their permit books to a delivery point in a production zone with a higher rate than the zone where they actually farm?

• (1450)

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): As the Hon. Member knows, there have been four meetings with Canadian farm organizations during the course of the last few months, the last being in Winnipeg on August 27. There has been a very conscientious effort to work closely with the industry to ensure that some of the loopholes which have existed in the past—because, indeed, this program was unprecedented in nature—would not be there in the future if the Government is able to provide the incredible financial assistance to Canadian farmers it has been able to provide to date.

Certainly we are conscious of the fact that whenever we create a government program, and many of us, I suppose, wish there was no need for such programs, there are people who will somehow or other attempt to manipulate the system to their advantage. What we are trying to do is ensure first that an adequate amount of financial assistance be made available—quite frankly, I wish the provinces would join in on that more than they have done to date—and, second, that it be directed to those who need it most, in a very legitimate and equitable fashion. I am certain the Hon. Member's question will be very much a part of that consideration.

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[*Translation*]

FREE TRADE

PROCTECTION OF FRENCH FACT—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Maire): Mr. Speaker, my question is for the Deputy Prime Minister and concerns a very important matter. The Deputy Prime Minister is well aware that the overwhelming majority of Quebecers are very sensitive to the French fact and that the *Conseil de la langue française* has expressed the view that free trade could affect in various ways the status of French in Quebec and the related legislation. I would like to ask the Deputy Prime Minister why, in this agreement we now have before us in which the Government has protected our health systems,

national security and consumer interests, it did not also provide Canadian and Quebec francophones guarantees that the French fact would be protected in Canada and that Quebec would still have the right to legislate in linguistic matters?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am only sorry I cannot respond in the French language. I am still not comfortable with it, although working at it. Let me say that there is absolutely nothing in the free trade agreement—nothing whatsoever—that will interfere with the bilingual nature of this country, or the requirements we have in Canada under bilingualism—absolutely nothing. That has been reinforced not only by our trade negotiators but by Ministers from the Quebec Government who have looked at it very, very carefully. I can assure the Hon. Member, and all Francophones in this country, that there is nothing in this agreement that would take away from the bilingual nature of our country.

[*Translation*]

REQUEST FOR GUARANTEES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary. Two Quebec Ministers have said that they expect changes to be made to the agreement and that if these include no guarantee of protection, they would withdraw their support for the agreement. What I would like to ask the Parliamentary Secretary is this. There is of course nothing in the agreement which prevents bilingualism, but why did the Government not ensure that the agreement would include the assurance by the Americans that all products sold in Canada and Quebec will bear instructions in both official languages, and that all documents and instructions for all types of appliances will be written in both official languages? Why did the Government not include this guarantee instead of saying that there was nothing to prevent it? It is essential to have guarantees to make sure that, in ten years, when our children receive an electric appliance from the United States, they will find instructions in both French and English. Why not include this guarantee?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I find it passing strange that the Hon. Member would try to make a political issue out of this.

Some Hon. Members: Oh, oh!

Mr. McDermid: I want to make it very, very clear that there is absolutely nothing in the agreement that would take away from the bilingual nature of our country. Second, this is a trade agreement. It is not a social agreement. It is not a social policy document. It is a trade agreement. It has to do with trade, trade between the two largest trading partners in the world. There is nothing in this agreement that will interfere with the bilingual nature of this country, or the laws affecting biculturalism or bilingualism, whatsoever.

There is no reason to place that in a trade document which was negotiated, because we are talking about trade, we are not talking about language differences.

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MIGRATORY BIRDS CONVENTION ACT

CHARGES LAID AGAINST JAMES BAY AREA INDIANS

Mr. Jim Edwards (Edmonton South): Mr. Speaker, my question is directed to the Minister of Justice and Attorney General of Canada. The Minister will be aware that charges were laid earlier this fall against 10 native Indians under the Migratory Birds Convention Act. These persons reside in the James Bay area. It is a serious question, because the Minister will also know that native people rely on this hunt for their sustenance and have traditionally hunted these lands in the past.

Could the Attorney General please advise the House whether he has had an opportunity to review the matter, and what he intends to do with respect to these charges?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have indeed had an opportunity to review the circumstances in this case and have decided to exercise my discretion as Attorney General of Canada to stay the proceedings.

The past practice has demonstrated a leniency with respect to the enforcement of this provision of the law with regard to our aboriginal peoples. It is not surprising that the Indian people have thought they were quite entitled to hunt in a way that would provide food for them, notwithstanding the rather straightforward provisions of the Migratory Birds Convention Act. Therefore, while I think it is fair to say that the charges would be sustainable, it seems to me that discretion in this case in favour of staying the proceeding is the appropriate course to take with respect to our aboriginal peoples, and I have made that decision.

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CONSUMER AFFAIRS

CHARTERED BANKS—INCREASED SERVICE CHARGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. We have all received complaints from consumers across the country about bank service charges—and I know we can all count on the Commerce—but the fact is that the chartered banks hold a privileged position in our society. Not only do the big five hold virtual control over Canadian finances

but they accumulate exorbitant profits and pay very little in taxes. Meanwhile, these banks can impose anywhere from 55 to 160 different charges, at varying rates and increasing at various exorbitant percentages.

I want to ask the Minister of Consumer Affairs to stand up for consumers for a change. Is the Government going to tolerate the banks abusing their virtual monopoly over Canadians' money by imposing service charges at whatever rate they see fit? Will Canadians continue to subsidize the record profits of Canadian bands, and bail them out from bad investments in developing countries?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): That was a fine speech, Mr. Speaker. In answer to what I think was a question buried in that speech, yes, we are concerned about the new fees and increasing charges which are a relatively new phenomenon. In this regard, officials in my Department are examining and monitoring the situation. We are concerned there be adequate and timely disclosure of these fees to consumers. We are in discussions with the Canadian Bankers Association to see if there will be some voluntary compliance in this regard. We are also having discussions with the Minister of Finance in respect to possible amendments to the Bank Act should that be necessary.

Mr. Speaker: The Hon. Member for Nickel Belt on a short supplementary question.

[*Translation*]

BANKS—FREEZE ON SERVICE CHARGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the same Minister.

Service charges levied by the five major banks have gone up by 29 per cent between 1982 and 1986, whereas inflation has increased by 19.4 per cent. Would the Department be prepared to ask the banks to freeze their service charges until public hearings have been held just so consumer groups and the banks might have an opportunity to study the situation?

• (1500)

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I understand that the Standing Committee on Finance, which is chaired so ably by my colleague, the Hon. Member for Mississauga South, is looking at the issue. I certainly think that it is something that could be examined profitably by the Standing Committee.

As I indicated, we are monitoring the situation. We are talking to the Bankers' Association and having discussions with the Department of Finance about possible remedial action, if required.

IMMIGRATION

NICARAGUA—POLICY CONCERNING MEMBERS OF CONTRA FORCES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Employment and Immigration. It concerns Canada's proposal for refugee assistance to the Contra rebels toward facilitating a Central American peace plan. Given that this initiative was offered by the Secretary of State for External Affairs in Nicaragua on Sunday, dismissed as hypothetical by the Minister for External Relations in Ottawa on Tuesday, and today rejected outright by this Minister in statements to *La Presse*, I would like to ask the Minister this.

Why is the Government conducting immigration and, indeed, foreign policy in such a confusing, contradictory and embarrassing manner? Will the Minister with one clear voice clarify and inform the House and Canadians of what the Government's official policy is on any proposed refugee programs for Nicaragua and, indeed, for the Central American region?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I do not think that there is any confusion or contradiction. The Secretary of State for External Affairs said that this was a hypothetical question. It is clear, and my friend knows very well, what the policy of the country is in terms of refugees. A case-by-case assessment is performed by the Department. Whoever comes into the country has to be considered on a case-by-case basis.

The Hon. Member knows full well that all those accused of violence, whoever they are, will not be accepted. That is something which will not be decided by the Hon. Member or by me; it will be decided by the refugee determination process. I think that the Immigration Act is good. It is not contradictory. It does not contradict what has been said by the Secretary of State for External Affairs.

CENTRAL AMERICA—ARIAS PEACE PLAN—CANADIAN ROLE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. Liberals support the Arias peace plan in Central America. We also believe that any ministerial statements on this very serious matter ought to represent government policy and not reflect personal opinion. Would the Deputy Prime Minister not agree that the Secretary of State for External Affairs is acting in a very bizarre and amateurish way in promoting the idea of troops being used as peacekeepers in that area without first having obtained Cabinet approval?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, perhaps the best approach would be to wait until the Right Hon. Secretary of State for External Affairs returns, since what the Hon. Member is really talking about is second-hand expressions.

Mr. Gray (Windsor West): Attacking the press again!

Mr. Mazankowski: I think that the hon. gentleman would be interested in what the Secretary of State for External Affairs clearly said and in what the policy is. I am sure that he will articulate that policy in a very clear and concise manner next week.

Mr. Speaker: The Hon. Member for Vancouver East. I would just say to the Hon. Member that, given the time, I hope her question will be short.

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VISIBLE MINORITIES

CITIZENS OF CHINESE ORIGIN—PAST INJUSTICES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Justice. Last night on *The Journal* the Prime Minister stated that he wants to be remembered for his tolerance and justice toward minorities.

Some Hon. Members: Hear, hear!

Some Hon. Members: More!

Ms. Mitchell: Yet this is the same Prime Minister who refuses to apologize and to redress past discrimination against Canadians of Japanese origin. His Minister responsible for multiculturalism has been prohibited by Cabinet from meeting to discuss the Chinese head tax.

Why is the Government refusing to meet with representatives of the Chinese Canadian National Council about past injustices against elderly citizens of Chinese origin who were subjected to legislated racial discrimination in terms of the Chinese head tax and the Chinese Exclusion Act? What will he do about this?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am going to surprise the Hon. Member by agreeing with part of her preface. I think that the Prime Minister is probably more sensitive to minority rights than any Prime Minister in the history of the country.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: As a member of a minority group in Canada I am proud to serve under the Prime Minister. I am very proud indeed.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: The Right Hon. Leader of the Opposition laughs. Does he think that this is a joking matter? I think not.

This is a serious question which has been raised by the Hon. Member. Although I do not have details with respect to the specifics concerning any meetings, I do not accept the premise of the question that somehow there has been a prohibition placed on any meeting. I will take this matter as notice. In fact I am sure a response will be given to the Hon. Member by the Secretary of State when the Secretary of State returns to the House.

Ms. Mitchell: A quick supplementary question, Mr. Speaker?

Mr. Speaker: I am sorry. The Chair, as much as any other Member, is constrained by the time. The last question will be a single question. The Hon. Member for Papineau.

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RAILWAYS

COMPETITIVE LINE RATES—EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Hon. André Ouellet (Papineau): Mr. Speaker, in the absence of the Minister of Transport my question is addressed to the Deputy Prime Minister. He will certainly remember that Canadian railways saw the competitive line rates in Bill C-18 as probably the single most important threat to their continued viability. In order to deal with this concern the Minister should remember that the Hon. Member for Lachine, on behalf of the Government, introduced an amendment that would allow the suspension of the CLR, if necessary. Can the Minister now confirm that the transportation annex of the Mulroney-Reagan trade deal now totally nullifies that safeguard and renders the amendment of the Hon. Member for Lachine completely meaningless? What does the Minister intend to do about this?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the position of the Liberal Party has always been very clear. When it comes to dealing with transportation inequities it takes the side of the railways rather than the side of the customers. What this Bill has tried to do is to remove freight rate discrimination once and for all. One of the chronic problems that has affected the regions of the country has been high freight rates and tariffs. The Government has acted very effectively and responsibly on both those issues. I invite the Hon. Member to get onside and to start taking the side of the shippers for a change.

Mr. Speaker: Hon. Members will know that there are some unfinished matters that have arisen over the last day or so. I am prepared to hear Hon. Members at this point. I understand that the Hon. Member for Ottawa West (Mr. Daubney) wishes to make an intervention, and I will hear him at this point. I know that the Hon. Member for Burnaby (Mr. Robinson) will also be seeking the floor. I will, of course, recognize him, and there may be others.

Before we get on to those matters perhaps Hon. Members would co-operate with the Chair in allowing me to recognize the Hon. Member for Windsor West (Mr. Gray).

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I thought it would be helpful for the orderly dispatch of business, before we got on to the matters just mentioned by Your Honour, if I were allowed to ask the customary question as to what business the Government intends to present for the coming week. I would then ask the Chair to recognize the Hon. Member for Davenport (Mr. Caccia) who has a short question about a specific Bill.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, it is our intention to proceed today with second reading debate on Bill C-54, an Act to amend the Criminal Code. Tomorrow will be an allotted day. If Bill C-54 is not finished today then on Monday we will proceed again with it to be followed up by Bill C-87, the customs harmonization Act.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I rise on the business of the House question. I would like to ask the Government House Leader to inform the House today, or at the very earliest opportunity, when he intends to introduce for second reading Bill C-30, an Act to amend the National Parks Act, which, as the Minister probably knows, has been languishing on the Order Paper since December 11 of last year. Can he give us an answer to that question?

• (1510)

Mr. Lewis: The House will know that we have recently debated at length the proposed Environmental Protection Act which is an important environmental matter. That is presently before committee. I appreciate that this is another environmental matter. We are attempting to balance the legislation that we put into committee, and we will proceed with that as soon as possible.

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PRIVILEGE

JUSTICE AND SOLICITOR GENERAL—VISIT BY THE STANDING COMMITTEE TO MILLHAVEN INSTITUTION

Mr. David Daubney (Ottawa West): Mr. Speaker, as Chairman of the Standing Committee on Justice and Solicitor General, I felt I should intervene this afternoon in connection with the question of privilege raised yesterday by the Hon. Member for Burnaby (Mr. Robinson) arising out of our committee's visit to Kingston, Ontario, earlier this week.

From having glanced at yesterday's *Hansard*, Mr. Speaker, my understanding is that you intended to adjourn this matter to permit the majority of the members of the committee, who continued the work in Kingston until last evening, to make representations to you.

Hon. Members will know that the justice committee has embarked upon a major comprehensive review of sentencing, parole, and various other forms of conditional release and related aspects of Correctional Services Canada. As part of that review, we agreed to go to Kingston, Ontario. We spent Monday, Tuesday, and Wednesday of this week visiting various institutions in that region.

As part of our visits to Collins Bay, Millhaven, the federal women's prison, and Kingston Penitentiary, we met with a number of witnesses, inmates' committees, parole officers, wardens at the institutions, representatives of the various unions representing the correctional officers at the various institutions, the John Howard Society, the Elizabeth Fry Society, and many other groups during what was a very hectic schedule this week.

Before dealing with the particular matters raised by the Hon. Member for Burnaby, may I say at the outset that I recognize that it is fundamental to the successful operation of the committees of this place that testimony be as free and frank as possible. To the extent that is humanly possible, committees should be able to get at the truth of the matters they are trying to examine. That is the tradition of this House. I would suggest that it is a tradition given perhaps further meaning by the parliamentary reform that has taken place during the last couple of years.

As chairman of the committee, I have certainly endeavoured to ensure that that objective is reached, and that we obtain the type of candour from witnesses that we should expect. I can tell the House that I certainly encouraged that during all our meetings in Kingston. For example, I insisted on officials not being present at any of the meetings that we held with witnesses. All those meetings were *in camera*. They were private meetings, the proceedings of which will not be part of the reports of our work. That applied not only to inmate committees and unions, but also to wardens; the idea being to create an atmosphere in which all witnesses could testify in a free and uninhibited manner.

No one from the Minister's office, from Correctional Services Canada, from the National Parole Board, either in Ottawa, or in the Ontario region in Kingston, was present at those meetings. In addition, we made special arrangements to provide an opportunity for parole officers to meet separately from their managers. It was at this meeting that one of the heads claimed by the Member for Burnaby arose, and I will deal with that in a minute.

In short, I wish to make it clear to you, Mr. Speaker, and to the other Members of the House, that we made every effort possible in organizing the meetings, and I would suggest in conducting them, to receive candid, uninhibited testimony.

The first matter raised by the Hon. Member for Burnaby relates to the transfer of a certain inmate, one John Avery, from the federal institution at Millhaven, Ontario, to the federal institution known as Kingston Penitentiary.

I will not repeat the facts as set out in yesterday's *Hansard*, other than to refer to the account thereof of the Hon. Member for York South—Weston (Mr. Nunziata) which can be found at page 11175. Generally, I would adopt that statement as my own, other than to elaborate by pointing out that when it became known to us that Mr. Avery, who is a member of the inmate committee at Millhaven Penitentiary, had been transferred to Kingston Penitentiary two days prior to our arrival, as a group we indicated to the Correctional Services officials present at Collins Bay Penitentiary, on Monday morning that we wished to hear from Mr. Avery, if he was still a member of the inmate committee.

We suggested three alternatives: One, he be transferred back to Millhaven; second, the other members of the inmate committee, and at that point we understand there were two who were then at Millhaven, be transferred to Kingston to join him, if that were a preferable option from a security point of view; and the third option that was suggested was that a telephone conference call occur—when we met with the inmates of the Millhaven Penitentiary on Tuesday that there be a telephone hookup with Kingston Penitentiary to ensure that Mr. Avery could be part of that meeting. In descending order those were the options.

We accepted as a committee—the majority of the members of the committee with the sole dissent of the Hon. Member for Burnaby—that for security reasons we had to defer to the officials of Correctional Services Canada. It was their evidence before us that Mr. Avery posed a security risk and hazard were he to be maintained at Millhaven. I remind Members that for two weeks Millhaven has been in a locked-down situation. The prisoners have been on strike and they are locked in their cells for most of the day. I can assure Members that the situation there is tense.

We accepted the security recommendations of the service and deferred to its recommendation which was made after consultation, at least with their regional office, if not with the head office, that the telephone conference call occur. That conference call did occur the day after as planned, and I would suggest that it worked well. The Hon. Member for Burnaby was not at the meeting other than in the very early part, because he had decided to return to Ottawa at or about noon of that day.

The Hon. Member for York South—Weston took part in the meeting. Yesterday, Mr. Speaker, he indicated to you what took place at that meeting, as found at page 11176 of *Hansard*. I think it is worth quoting, since he expressed it adequately. I wish to quote very briefly what occurred during that telephone conference meeting:

> Mr. Avery was on the line from Kingston Penitentiary by way of a telephone hookup. He was able to hear what was happening at that particular meeting. He was able to make submissions. The chairman of the justice committee gave members of the inmate committee every opportunity to make submissions with regard to conditions at Millhaven Institution. Mr. Avery was given every opportunity. I, as a member of the committee, asked Mr. Avery a number of questions. I asked members of the inmate committee a number of questions. Documents were in fact presented to the committee by members of the inmate committee.

In my view, Mr. Speaker, I think it is important for you to know that we received from Mr. Avery and the other members of the inmate committee—and I wish to add parenthetically that there were five members in total of that committee, three members having been added to the committee in recent days—what I would regard as full and frank evidence of the state of affairs at the Millhaven Institution at this point in time, as far as they were concerned, what their concerns and particular problems were, not only in terms of the immediate situation, but some recommendations they had to make on the main purpose of our work which, of course, is corrections, parole, and sentencing.

• (1520)

The testimony was not only frank and uninhibited, I would call it brutally frank from time to time. In my respectful submission, were I to be asked for my view, I would say there was no prima facie case of breach of the privileges of the Hon. Member for Burnaby (Mr. Robinson) established by the incident referred to relating to the transfer of inmate Avery from the Millhaven Institution to the Kingston Penitentiary.

If I can deal now with the second allegation made by the Hon. Member, found in yesterday's *Hansard* at page 11173, it arises out of events which took place at the meeting, to which I referred in my opening remarks, with parole officials in Kingston. I think it is important for you to know that this meeting occurred *in camera* as well, as did the other meetings. Not only that, at the outset of the meeting there was an indication of concern, if I can put it that way, by representatives of the parole offices, who were represented in part by a member of the union representing them, that their testimony was to be considered confidential. The word "immunity" was used for what they had to tell us. We heard from them in a very full and frank way.

I must say I express some regret that the Member for Burnaby felt that he had to raise an issue that was raised in this confidential manner. I express my disgust that in the Question Period today we heard from the Hon. Member for York South—Weston on other matters raised at that meeting, particularly in light of the fact that yesterday in his remarks, in condemnation of the Member for Burnaby, he pointed out that this was a confidential meeting in which the confidence of the witnesses was to be respected. I find that to be totally

distasteful as well as totally inconsistent with his conduct yesterday.

I think it is important that you should know, Mr. Speaker, in connection with the allegation of the Hon. Member relating to intimidation—I believe that is the word he used or implied, and this was made clear I think by the Hon. Member for York South—Weston yesterday—that we obtained no direct evidence on this matter at all. It is, in law, hearsay evidence at best. I have some hesitation in even talking about the nature of it in light of what I view as my commitment to those people not to disclose what took place. We had no evidence on the point raised and upon which the Hon. Member bases his second claim for privilege. No one else was at the alleged meeting to which he refers. No one at the meeting was in a position to provide direct evidence in support of the hearsay evidence of the other witness.

My own sense of this whole matter is that you, Sir, and we as a committee have no evidence of anything more than what I would term the appropriate direction being given to public servants unfamiliar with parliamentary procedure, public servants outside Ottawa who had not appeared before parliamentary committees before. In fact, one of them indicated he had gone to his superiors for advice as to what the parameters were for him to appear before our committee.

It seems to me the kind of direction they got was to set out the customary parameters surrounding the giving of testimony before parliamentary committees by public servants. We know the tradition surrounding that, namely, that public servants do not discuss matters of policy. Matters of policy are to be dealt with by Ministers.

I understand other members of the committee, particularly the vice-chairman, may want to add their own observations on the matter and I hope you will give them an opportunity to be heard because this is an important point and deserves a full airing. I have given you my sense of it as an individual and as chairman of the committee.

May I say as chairman of the committee that I think I am cognizant of my responsibilities, particularly under parliamentary reform, to conduct our hearings and meetings in an impartial and in an even-handed manner. I think I have done that. I want our committee to continue what has been a tradition of acting in a relatively non-partisan manner to try to get at the root of some fundamental problems in the justice system today. We are doing some hard-slugging work of law reform. There are no easy answers to the problems that we are looking at. I hope members of the Opposition will not be deterred by the tough, hard work ahead of us and will try to set aside short-term political gamesmanship to carry on with the work of the committee. I can assure the House and you, Mr. Speaker, that I will continue to remain vigilant to ensure that the image of impartiality is maintained.

May I conclude by saying that I see no case, Mr. Speaker, for you finding a case of privilege arising out of the second incident referred to. We have no direct evidence on it. Let me repeat what I said at the outset. We want to get as complete, full, frank and uninhibited testimony as we can from witnesses as we go across the country. I am not convinced, based on the alleged incident in Kingston, that that basic objective was deterred. Obviously when you are dealing with human nature and human beings there will always be different responses, different levels, at which people will interpret their responsibilities. As far as I am concerned, we were able to do good work in Kingston and we look forward to continuing to do good work as we go across the country.

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, this is the first opportunity I have had to address this matter in as much as being a member of the committee I had a responsibility to hear those individuals and groups that we as a committee agreed to hear. Those hearings did not conclude until 5.30 p.m. yesterday so this is my first opportunity to make comments.

I have to agree with the comments of the chairman of the committee. I think he set out very well the circumstances surrounding the case.

Let me say a few words about the first question raised by the Hon. Member for Burnaby (Mr. Robinson). It concerns the circumstances surrounding the transfer of a Mr. John Avery from the Millhaven Institution to Kingston Penitentiary. You have heard very clearly the circumstances surrounding that. I think those circumstances as set out yesterday by the Hon. Member for York South—Weston (Mr. Nunziata) and by the chairman would lead you I believe, Mr. Speaker, to conclude that nothing sinister or untoward has been done. This was strictly a security question. It seemed reasonable under the circumstances.

Coupled with that, I think you should take into consideration that every effort was made to let us communicate with the individual and we did communicate with him by telephone. It is my understanding that one or more members of the committee had met with the individual. Nothing was done in my opinion to stop anyone on this committee from getting an opportunity to discuss anything with this individual.

There was an allegation that there was somehow something sinister, something covered up, something done improperly with respect to the documents. I suggest to the individual in question that if documents were missing or lost he should have reported that to the proper authorities. There is a significant point that I hope you will take into consideration as well. When we spoke with Mr. Avery by phone he indicated that these were copies of his documents, that the originals were with his lawyer and that he would make arrangements for us to have them from his lawyer. Nothing was being kept from the committee and everything that was done was done reasonably.

• (1530)

May I say, as well on the second point raised by the Hon. Member for Burnaby (Mr. Robinson) on the confidential, *in camera* meeting on Monday, November 23, that the Hon.

Member is asking you, Mr. Speaker, to say that there has been a breach of his privileges because a member in that meeting said that he had been told by his supervisor, who in turn was at a meeting at which he was informed, that something took place. I would suggest that that is not evidence at all; that is nothing. Certainly that would be something the parliamentary committee itself might wish to pursue if it thought it had any basis. However, an unsubstantiated allegation like that is not something of which you, Mr. Speaker, should take cognizance and make a ruling that there has been a *prima facie* breach of the Hon. Member's privilege.

I would suggest to you, Mr. Speaker, that if it were your role to try to track down and investigate every unsubstantiated allegation by the Hon. Member for Burnaby, the Standing Committee on Elections, Privileges and Procedure would be very, very busy.

Mr. Speaker: I will hear from the Hon. Member for Burnaby (Mr. Robinson) in due course. The Hon. Member for London East (Mr. Jepson).

Mr. Jim Jepson (London East): Mr. Speaker, I just want to reinforce what my colleagues on the government side, as members of the justice committee, have very capably said in addressing the facts surrounding our visit to the various penitentiaries and our meetings with the various officials and inmates involved in the penitentiary system.

I think what I find personally repugnant about this whole situation is the obvious political posturing—

Mr. Speaker: I have listened very carefully to the Hon. Member for Ottawa West (Mr. Daubney) and the Hon. Member for Niagara Falls (Mr. Nicholson), and of course I will hear the Hon. Member for London East.

However, in the interests of moving things along without interrupting, perhaps I exercised some latitude in allowing some of the remarks made by both the Hon. Member for Ottawa West and the Hon. Member for Niagara Falls in respect of the Hon. Member for Burnaby.

Whatever Hon. Members may feel, yesterday in his intervention the Hon. Member for Burnaby put forward facts as he thought they were and, except for perhaps some difference of opinion between himself and the Hon. Member for York South—Weston (Mr. Nunziata), was not making any comments concerning the motivation or the dedication of other members of the committee.

As a consequence I think that the Hon. Member for London East could help me by addressing the question of privilege itself. He, like other Hon. Members, was there and I want very much to hear his point of view. However, I would ask Hon. Members to stay away from impugning in any way the motives of other Hon. Members, especially when the Chair must listen to these interventions and decide legal points of procedure. Obviously there can be more latitude exercised when we are in full swing of debate, but we are listening here to careful arguments on a difficult matter and I know that Hon. Members would want to co-operate.

Mr. Jepson: Thank you, Mr. Speaker. I guess what I am trying to say, in synopsis, is that as one member of that committee I had total freedom to meet with any prisoner or any group—anybody involved in the whole process—without management being there to monitor or sanitize those opportunities.

We had opportunities to talk with prisoners in the hole, as they would describe it, or in protective custody, with lifers' groups, inmates' groups, parole officers, case management work officers—virtually everybody involved. There was total freedom.

For the Hon. Member for Burnaby to suggest that this was a fixed arrangement, a sanitized hearing of the various groups, I think is grossly unfair and one which lacks any element of fact.

Mr. Speaker: I know the Hon. Member for Burnaby will resist the temptation perhaps to do other than abide by the very gentle admonitions of the Chair.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I will certainly abide by the gentle and sage admonitions of the Chair, as always.

I wanted to respond to a couple of points which were made this afternoon by my colleagues from the Standing Committee on Justice and Solicitor General. Obviously I will not respond to any suggestion as to motives. I think that Your Honour has dealt with those, and I do not think any purpose would be served by indicating that the reason for this intervention quite obviously is my concern with respect to the integrity of the committee process itself.

I will make a couple of points. First of all, it has been suggested—and it seems to be at the heart of the argument that is made by all three of my committee colleagues—that the information which I brought before Your Honour yesterday with respect to the possibility of an attempt to control or manipulate the flow of evidence to the justice committee in some way should be disregarded because it was not in fact direct evidence; it was not evidence that came directly from an individual who was present at the meeting at which the alleged or attempted interference took place.

Surely it is clear why that particular submission must be rejected by Your Honour. The nature of the alleged wrongdoing in this case is precisely the fact that senior supervisors in the Ontario region allegedly were told that if in any way they were critical of their employer, or if they were critical of the Government or of the policies of Correctional Service Canada, that could affect their future career prospects within Correctional Service Canada. That is the context within which this problem arose.

I would submit, with respect, that it is totally unreasonable to argue that, because one of those individuals who apparently

was subject to that kind of potential threat did not directly come before the committee and speak to the committee of this threat or this attempted coercion, somehow the matter is not serious.

The individuals in question, the senior supervisors in question, appeared as a group with their manager before the justice committee on Monday evening. They were not in any way in a position to make allegations of that nature at that time without, to the best of their understanding, possibly jeopardizing their job.

Of course one always prefers direct evidence. One always prefers the evidence of an individual who was present at a particular meeting. However, I submit, with respect, that it was entirely impossible, given the nature of the alleged pressure which took place, for that to have occurred.

What happened was that an individual who worked with one of those senior supervisors stood before our committee at an *in camera* session and said to the committee, recognizing fully the seriousness of what he was saying, that his supervisor, at a meeting with that supervisor, had alleged that they were subject to this kind of pressure, this kind of potential manipulation, what I have called an attempt to gag or muzzle the witnesses. That individual was not challenged in any way as to his veracity or his credibility by any member of the committee. It was not suggested that somehow he might have been misstating the facts, that his memory might have been flawed, or that perhaps he had it wrong. Members of the committee were free to cross-examine him as they saw fit. That was not done.

I suggest the fact that that parole officer, a professional dedicated public servant, saw fit to raise this concern with members of our committee provides grounds for the finding of a *prima facie* breach of the privileges of Members of the House with respect to the question of evidence and direct evidence.

• (1540)

I now want to comment just briefly on the first allegation I made concerning the transfer of Avery. It has been suggested that everything worked out fine in the end because there was Avery on a conference call from Kingston Penitentiary communicating with members of the committee. It was suggested as well that because I, as one member of the committee, met with Avery there was no attempt at manipulation. There are two key points on that.

First, the remaining members of the inmates committee did not even know, until I informed them about an hour before the meeting took place, that Avery, a key member of that committee, was even going to participate. Second, Avery himself was not even told until I informed him that he would be allowed to communicate with members of the committee.

The final, and in many ways most serious point is that, like any other witness, Avery needed time to prepare properly to make his representations to our committee. He needed his extensive documents. At no point after he was scooped from Millhaven and sent to Kingston Penitentiary did he have as much as one single sheet of paper with him. His documents were conveniently left behind at Millhaven. It was only that morning, when I insisted that his documents be transferred so I could get authorization to see some of them myself, that they were carted over to him. It was literally while he was on the telephone to members of the committee that they brought him his documents in a box. He opened the box, looked inside and, lo and behold, four of his file folders had disappeared.

I suggest that this is a very serious matter and to suggest that somehow he was able to communicate because he was on the telephone with us is just not adequate.

My final point is this. It has been suggested that somehow there has been a breach of the *in camera* tradition of the committee. To that I respond as follows. I recognize as well as any member of the committee the importance of respecting witnesses who appear before an *in camera* meeting. For that reason I spoke directly with both the individual who made the specific allegation concerning his supervisor having been in effect threatened, if you will, concerning his evidence, and with other witnesses immediately following that. I told them that I viewed this matter very seriously indeed, as I know all of my colleagues did. I asked whether it would be appropriate to raise that particular matter publicly, indeed in the House of Commons itself. I received the full consent of that individual and the other individual with whom I spoke to make this matter public. Indeed, he said he hoped it would be made public because he was deeply concerned about the implications. I think that disposes of the suggestion that there was any breach of propriety.

I am not in any way commenting on the other matter raised in Question Period today and certain other allegations made about information conveyed to our committee. The Hon. Member for York South—Weston (Mr. Nunziata) can deal with that, it is up to him. However, in yesterday's Kingston *Whig-Standard* the regional representative of the Public Service Alliance of Canada made some very significant statements on this second aspect of the meeting. I want to close my remarks by bringing this to the attention of the Chair and I will send a copy of this article to Your Honour.

Mr. Bob Boucher, a regional representative of the Public Service Alliance of Canada, told the Kingston *Whig-Standard* this morning that he had complaints last week, from various people working in a range of positions within the CSC, that senior officials were attempting to control testimony given to the parliamentary committee. The complaints were, and I quote Mr. Boucher:

> "that the people who were assigned to meet with the committee were by and large handpicked, and they were advised they were not to be critical in their comments," Boucher said.
>
> He said he hoped the committee would "take into account that people are subjected to covert retribution if they were critical".

Despite the fact that he told people to go and tell it as it is, he said:

> God, if we can't even talk to the people who are running this country freely, there is something drastically wrong with our system.

That is from the representative of the officials who were to appear before our committee. This argument that we could ask all the questions we wanted, we had total freedom to meet with anyone we wanted to meet, is naive. The Hon. Member for London East (Mr. Jepson) is suggesting somehow that it meets the concern. Frankly, it is ludicrous to suggest that because we could ask the questions and go anywhere we wanted there was no attempt made by senior officials to shape the nature of the responses. Surely that is the fundamental issue. That goes to the integrity of the committee process.

I know that the chairperson of our committee wants to ensure that as the committee travels across the country, it receives evidence without fetter or restriction. The Hon. Member for York South—Weston has said he does not intend to participate any further in the hearings of this committee. That is the decision of members of the Liberal Party and they can defend it.

I reiterate that my concern is for this committee to do its job properly and there must not be any suggestion, directly or indirectly, of interference in the nature of evidence it receives. We heard a rather pathetic warning from the chief Crown Attorney of Ottawa on the eve of our visit to Kingston, Mr. Andrejs Berzins. He warned us there would be attempts to shape or control the evidence given to our committee and to beware of those attempts. I am afraid that this is exactly what may have happened in Kingston, in the Ontario region, and it is for that reason I believe a *prima facie* breach of our privileges has been established.

I hope that you rule that a case has been made which at least requires further investigation by the appropriate body of this House, the Standing Committee on Elections, Privileges and Procedure, and as I indicated yesterday, I am certainly prepared to move the appropriate motion should Your Honour so find.

Mr. Speaker: I think I should say to Hon. Members again, in the interest of ensuring that the public knows what this has been all about, that the Hon. Member has raised a serious matter with respect to whether or not certain witnesses working for the Correctional Service of Canada who appeared in front of the standing committee were interfered with in some way by their superiors with respect to what they should or should not or could or could not say. That is the essence of the question the Hon. Member for Burnaby (Mr. Robinson) has raised, and he cited two particular examples. There has been considerable comment from other Hon. Members with respect to whether or not the facts as suggested by the Hon. Member for Burnaby are accurate.

I will consider very carefully the interventions I have heard. The task for the Chair is to consider this matter carefully, of course, and decide whether or not a *prima facie* case of privilege has been established. I think it is important to keep repeating that privilege in this place is something which affects the ability of a Member to carry out the duty of being a Member of Parliament. Someone said that, in its simplest and perhaps most dramatic way, it is something that interferes with the right of a Member to exercise his undoubted and ancient right of free speech. There are of course some variations on that scene. The Hon. Member for Burnaby suggests that in this case, if witnesses have in fact been tampered with by their employers, the privilege, not only of the Hon. Member but of all Hon. Members on the committee, has been affected because, if such is the case, they would not be able to get all the information they ought to have.

• (1550)

That is the essence of the complaint. The Hon. Member for Burnaby said that this would be tantamount to contempt of the parliamentary committee. Other Hon. Members have said that they do not have the same view of the facts as the Hon. Member for Burnaby. That is a matter which I will have to take into account.

I shall give this very careful consideration. I might indicate to Hon. Members and to the public that I have given much more latitude in listening to this case than I would ordinarily because the charge is that senior public servants, or middle rank public servants, or some public servants, tried to influence, one way or the other, the evidence that other public servants who were their subordinates would give to a standing committee. That is the charge and it is a serious one and I have given more time to this particular matter than I would ordinarily.

I hope that Hon. Members realize that the general rule is that the Chair is really not in a position to interfere with the affairs of a committee. I hope Hon. Members will not take the extensive latitude which I have extended in this case as normal every time they believe they have some complaint about what happens in committees. I want to re-emphasize that, generally speaking, Members with a complaint should go back into the committee and sort it out there.

However, the charge here is a very serious one and I will have to consider whether there is sufficient evidence for me to rule that there is a *prima facie* case of privilege. That is what I am charged to do under the rules of the House and that is what I will consider. However, I want everyone to understand clearly that the latitude given in listening to representations in this case will not necessarily be extended in every other case.

I know that Hon. Members who may not be as happy as they might be with what happens in committee have an understandable urge to bring the matter to the floor of the House. However, I urge them, in most cases, to go back into the committee and try to work it out there.

In any event, I thank all Members for their interventions. The allegation is serious and I will give it very careful consideration and report back to the House as quickly as possible because I think a ruling on my part might be helpful to the entire committee which, after all, is charged with very serious responsibilities.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I have the honour today to address the House to raise a matter of common interest and fundamental significance. I am talking about improving Canadian legislation on pornography which our Government views as a priority. Bill C-54 reflects the Government's commitment to pass legislation to fight against pornography in an effective manner, and to insert in the Criminal Code the relevant provisions it so badly needs.

[*English*]

Our legislative response is aimed at ensuring the dignity of the individual in Canadian society. All Hon. Members will agree that we must take the steps necessary to protect our children from gratuitous violence, whether emotional or physical, and must protect individuals from degradation and exploitation.

I do not need to remind Hon. Members of what an insidious and pervasive problem pornography is. It degrades the men, women, and children who are portrayed as well as those who are exposed to it. This problem was highlighted by the Fraser Committee which studied both pornography and prostitution and made more than 100 recommendations. The Fraser Committee called for Criminal Code amendments as well as other steps to deal with these two problems.

All Hon. Members realize that the time has come to amend the Criminal Code to deal with child pornography and with material which is sexually violent, exploitative, and degrading. We all recognize that this material is unacceptable.

Bill C-54 is the result of extensive consultations with interested groups and individuals. Much consultation preceded Bill C-114 introduced by my predecessor in 1986. This Bill has further benefited from the public input received since that time.

[*Translation*]

I received representations from spokespersons for women's groups, religious organizations, artistic circles, museums and other associations concerned over the proliferation of pornography. In certain cases, I met with these people. Some Hon. Members have also conveyed to me many observations coming from their constituents. I have also received quite a few letters on this issue from the general public.

As a Government we listened to interested people and groups, and we took into account the often diverging opinions they expressed. So we are showing leadership on a question of national interest whose solution is not easy to come by.

[*English*]

The words "other sexual activity" used in the definition of pornography in Bill C-114 have been deleted from this Bill. We have moved to deal with the worst forms of written and audio pornography which, I emphasize, advocate, encourage, promote or incite sexual acts with children, sexually violent or degrading conduct, bestiality, incest or necrophilia. We have moved to deal with the worse forms of "dial pornography".

At the same time we have responded to concerns of the artistic community by ensuring that a judge shall find an accused not guilty and shall declare that the material that formed the subject matter of the charge is not pornography where the defence of artistic merit is successful.

These proposals represent a very real improvement over the current state of law. Many critics have called the obscenity law vague and imprecise. It may interest Hon. Members to recall and reflect upon the fact that Section 159 of the present Criminal Code defines obscene material on the basis of "undue exploitation", the only test of which is community standards as interpreted by the courts on a case by case basis. The only defence explicitly provided in the current law is that of the public good, on which there is little developed case law. The maximum penalty in the Criminal Code at present for engaging in the production and distribution of obscene matter is two years in prison. This is true even in those cases of the most extreme portrayals of sexual violence and child pornography.

By contrast, Bill C-54 defines pornography as precisely as possible and clearly sets out for the first time defences such as those based on artistic merit or scientific, educational, or medical purposes. The criminal law must be capable of consistent application across Canada. Penalties for dealing in pornography are provided in Bill C-54 to reflect the seriousness of the conduct involved. Ten-year maximum sentences are available where child pornography or pornography involving sexual violence is involved.

• (1600)

This Bill also includes a definition of erotica, meaning visual matter, the dominant characteristic of which is the depiction of certain parts of the body in a sexual context or for the purpose of sexual stimulation of the viewer. This material would be available but controlled in its access to children and its public display.

Those critics and commentators who have equated this definition with nudity are simply wrong. The definition is clear in requiring a dominant characteristic, a sexual context or the purpose of sexual stimulation. Those who have made extravagant claims that cherubs will need to be painted over, clearly do not understand the Bill.

These claims are some of many made by those who have not taken the time to consider this Bill carefully or to follow the current state of the law. For example, there are those who say that this Bill takes the Government back into the bedrooms of the nation. This charge is absolutely false. We are not in any sense proscribing conduct between individuals in private. Rather, we are coming to grips with the public exhibition, trafficking in sexual violence, degradation, child pornography and exploitative material.

Indeed, the recent decision of the Supreme Court of Canada in the *Video World Ltd.* case, which affirmed a decision of the Manitoba Court of Appeal, shows the ambit of the current law. In that case, certain films were at issue which showed vaginal intercourse, oral intercourse, anal intercourse and masturbation, among other acts portrayed. The court, under the current Criminal Code provisions, had no hesitation in finding this material to be obscene.

Those who claim that the Government is turning back the clock should familiarize themselves with the *Video World Ltd.* decision. Bill C-54 is in step with contemporary community standards and levels of tolerance. The Canadian public expects a strengthening of the present law, not greater licence to trade in the exploitation of private acts.

While the Government has shown its resolve to deal effectively with this type of material, and has suggested penalties which clearly show that its dissemination will not be tolerated, we have also been vigilant in ensuring that freedom of expression under the Charter of Rights and Freedoms is safeguarded. Canadians expect that creative expression which has flourished in our nation should continue to enjoy an environment which will allow for its further development. With this the Government fully agrees. While Bill C-54 attacks hard core pornography, it also effects many innovative and helpful changes to the law which are meant to recognize the important concerns of the artistic community.

These proposals represent a reasonable balance. There is general agreement on the major objectives of the legislation.

[*Translation*]

I seek your support for this Bill. Hopefully, Mr. Speaker, this measure will be referred to the legislative committee as soon as possible. I know that both Opposition Parties endorse its basic elements.

[*English*]

This is a time for Members of Parliament from all Parties to work together to deal effectively with these exploitative, hateful, degrading and dehumanizing representations. Let us work together to send out the signal that we have strengthened the criminal law in order to curtail the trade in pornography while remaining sensitive to the needs of the artistic community and respecting freedom of expression.

I believe the time has come for us to debate this Bill in a serious manner. It is time for Members of Parliament, whether on the government side, or indeed in the opposition Parties, to come forward and let us know precisely where they stand with respect to this particular issue.

We have heard the justice spokesman on behalf of the Liberal Party indicate his support of the major portions of this particular legislation. He has indicated that he has some concerns with respect to the provisions dealing with depiction and portrayal of explicit sexual activity.

We know the position of members of the New Democratic Party. I understand that they do not support this legislation. However, I will want to know during the course of this debate where members of the New Democratic Party stand with respect to the provisions which, for the first time, specifically and squarely address the question of portrayals of damage and injury, cruelty and degradation to women. I want to know where they stand with respect to the question of curtailing the exploitation of children and child pornographic portrayals in Canadian society.

These are important issues that we must address. I will cheerfully accept constructive criticism and suggestions. It will not be good enough for members of the Opposition to say that they are generally in favour of laws with respect to child pornography and enacting tougher penalties with respect to the degrading portrayal of women and the exploitation of women in pornographic terms, but will hijack the Bill and prevent it from going to a committee for thorough study because they are unclear about a certain clause.

I suggest to Hon. Members sincerely that the Canadian public will not tolerate any equivocation. They want to know the criticisms and precisely where the opposition Parties stand on this issue. They will want to know their solution.

I wait with some interest to hear whether or not members of all Parties will have constructive suggestions. I am very interested in the parliamentary process, and this is the time for the opposition Parties to inform us.

I do not believe we can simply rely on the present law. If there are concerns with respect to this legislation, I think one indeed could have some concern about the present provisions of the Criminal Code. The provisions in the Criminal Code with respect to pornography presently come under the general section dealing with obscenity. We have defined and targeted exactly the kind of offensive matters with which we want to deal under the law. I suggest that those who are interested in freedom of expression would want to have a clear definition of what is meant by pornography in a legal sense.

Let me refer to the present provisions of the Criminal Code, and I ask Members of the House to consider whether or not

they believe the present law is satisfactory. Section 159(1) states:

> Every one commits an offence who
>
> (a) makes, prints, publishes, distributes, circulates or has in his possession for the purpose of publication, distribution or circulation any obscene written matter, picture, model, phonograph record or other thing whatsoever, or
>
> (b) makes, prints, publishes, distributes, sells, or has in his possession for the purposes of publication, distribution or circulation, a crime comic.
>
> (2) Every one commits an offence who knowingly, without lawful justification or excuse
>
> (a) sells, exposes to public view or has in his possession for such a purpose any obscene written matter, picture, model, phonograph record or other thing whatsoever,
>
> (b) publicly exhibits a disgusting object or an indecent show,

● (1610)

Let me interrupt myself in reading these particular provisions to point out that this is now the present law of Canada. The section continues:

> (c) offers to sell, advertises, publishes an advertisement of, or has for sale or disposal any means, instructions, medicine, drug or article intended or represented as a method of causing abortion or miscarriage, or
>
> (d) advertises or publishes an advertisement of any means, instructions, medicine, drug or article intended or represented as a method for restoring sexual virility or curing venereal diseases or diseases of the generative organs.

The third clause of that particular provision states:

> (3) No person shall be convicted of an offence under this section if he establishes that the public good was served by the acts that are alleged to constitute the offence and that the acts alleged did not extend beyond what served the public good.

This is the defence of public good. As I indicated in my remarks, this does not give us any guidance in terms of what defences are available to the average Canadian citizens, whereas the new legislation deals specifically with those defences. Clause 5 states:

> For the purposes of this section the motives of an accused are irrelevant.

This is the present law and I would like people to dwell on it. I hope the Hon. Member for Outremont (Mrs. Pépin) is not one of those who wants to stand still and not move ahead. I know she is more progressive than wanting to rely on this particular legislation. She should be the one, speaking as she does on behalf of her own Party, who would applaud the direction in which this legislation is going.

I would like to read clause 8 to give Hon. Members a flavour of what is provided for in the present law:

> For the purposes of this Act, any publication a dominant characteristic of which is the undue exploitation of sex, or of sex and any one or more of the following subjects, namely, crime, horror, cruelty and violence, shall be deemed to be obscene.

I come back to my original proposition that this legislation follows a very intensive examination of the question of pornography by a commission which was established by the predecessor Government, headed by Mr. Paul Fraser, a past President of the Canadian Bar Association and a lawyer of distinction from Vancouver, British Columbia.

The committee travelled extensively with respect to this matter and made recommendations which I think indicated that we should in fact increase substantially the sanctions with respect to offensive material which goes against those levels of portrayal and depiction, including child pornography, the exploitation of children and the degradation of women. That has been the subject of agreement of members from all Parties.

I want to remind Hon. Members of the other provisions in the definition of pornography which deal with the explicit depiction of sexual activity. The Supreme Court of Canada has declared itself at the present time with respect to the law and has found that material to be a contravention of the present obscenity laws. These are the facts that I believe should be kept in mind by Hon. Members when they address this particular legislation.

There has been, as I have said, criticism from a number of critics who have dealt with this particular legislation that this is somehow going to create new difficulties. I reject those criticisms absolutely. I say to Hon. Members that what we now have is an important advance in the law. We have precision in what we are in fact sanctioning as far as public behaviour is concerned. No one in this House is more supportive of the concept of freedom of speech and freedom of expression than myself. That is an important concept and should always be kept at the forefront of all of our points of view in dealing with any legislation. But freedom of expression and freedom of speech do not mean unfettered speech. Where actions of any person in Canada cause injury or damage to their fellow citizens, it is the principle of law which has been in place throughout the history of our country, and continues to be the situation, that this type of behaviour is unacceptable and should be subject to sanctions under the Criminal Code.

Pornography is a form of hate propaganda. It is hate propaganda against the integrity and importance of the individual. That is precisely what we have in this legislation. We say that where there is legitimate purpose, whether it be artistic, scientific, medical or educational, these matters are not covered as far as this particular legislation is concerned. This type of portrayal is absolutely acceptable. Where the main purpose is exploitative and is of itself a degradation of the individual's dignity, where it is a trivialization of the individual or exploitation of the individual, this is the type of portrayal and depiction I think all of us would want to address in the legislation.

I simply say in terms of Bill C-54, that I am interested in having a good examination of this particular legislation in the committee of the House of Commons. I am interested in hearing precisely where Members of Parliament from all Parties stand with respect to this matter. If they feel they have some constructive suggestions, they can rest assured that I, for one, will be listening with great interest. However, if the position of those members is that they are not going to give

constructive alternatives, that they will attempt to defeat this legislation, I will work as hard as I can to pass this legislation because I think it is important that we in Canada move ahead in this area.

I look forward to the matter being dealt with in a reasonably expeditious manner on the floor of the House of Commons. I will listen with great interest to all Members. I think it is important for us to move this to committee stage. There are a number of groups and individuals who will want to make their point of view on this particular issue known.

Perhaps I could just say that there has been a good deal of interest from the general public in this matter. I have received a great deal of correspondence which has been in support of the legislation. There has been some criticism with respect to the legislation which I have attempted in each case to address. I have attempted to meet with people. I have responded to correspondence pointing out that many of the criticisms are in fact dealt with effectively by this legislation. I am very anxious to have this matter proceed as quickly as possible. I ask Hon. Members to give this matter serious attention so we can get through the debate as quickly as we can. The Hon. Member from Outremont will have an opportunity to speak. Every time she makes an intervention I think it is another intervention of support for this legislation and I appreciate it.

Mrs. Pépin: No way.

Mr. Hnatyshyn: She only moves me to carry on and plead with the Hon. Member to convince the rest of the members of the Liberal Party to take a consistent view of this legislation. I would be very interested to hear from the justice critic that he supports the general thrust of this Bill. I am interested in hearing his solution as I am interested in hearing the solutions of the Hon. Member for Outremont with respect to how certain provisions should be phrased.

• (1620)

As was pointed out by the Fraser Commission, nothing can be gained from the Government not moving to change the present law. It was a commitment of the Government that we would move ahead with reasonable legislation to attack this odious type of hate propaganda which is in existence in our country. We will do it in a way which respects the freedom of expression of Canadians and which allows Canadians to say that as far as their respect for their fellow men and women in Canada is concerned we have a law that meets the test of reasonableness. It is a law which will be tough on those areas of gross behaviour that are unacceptable to the majority of Canadians. It will say to Canada that we in this Parliament have finally come down to deal with serious questions so that we can go forward and say that we in fact have made Canada a better place in which to live.

[*Translation*]

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I find no pleasure in having to deal with such a repressive law which takes us back to the Victorian era. In order to express my views, I would like to quote from an article that came out in *La Presse* on May 7, 1987, under the Lysiane Gagnon's signature. This article very well reflects my views and feelings about Bill C-54 now before us. And I quote:

> Here we go again. Straight ahead to the Victorian era, on that old puritan bandwagon of Tories who are back with their anti-pornography legislation.
>
> A legislation that is just as moronic as it is repressive, that will make Canada the most puritan country in the Western world. Because who ever heard of a country where the visual representation of a couple doing what is done regularly in the most ordinary families, and indeed what our governments are encouraging us to do, since it is the only way to increase the birth rate?
>
> This legislation introduced by the Minister of Justice (Mr. Hnatyshyn) is a true reflection of that pathetic exercise by a government which is prepared to do anything, however ridiculous, in order to please the Conservative rightists and the bigot or naive pressure groups who believe censorship will eliminate women and child abuse.

In this legislation the Conservative Government is being overly prudish, to put things mindly . . . it fails to exercise the openmindedness expected by the majority of Canadian men and women.

Material involving scenes of violence and degradation must be banned. But dragging the Government back into Canadian bedrooms, including libraries, book stores, museums and art galleries, I find unacceptable, Mr. Speaker.

Also, normal sexual acts between willing adults have nothing to do with pornography.

Pornography and eroticism are two things quite far apart, a fact which Bill C-54 seems to ignore.

[*English*]

The flow of harmful pornography across our border must be stopped. Pornography gives us an image of women, children and men sexually so distorted that it warps people's views and actions. The anger, frustration and violence emanating from this material is overwhelming.

What does pornography tell our society? What messages can we take from the existence of this material? Pornography tells us that women and children are instruments for the pleasure of men. It tells us that violence towards women, children and men is socially acceptable, even normal. It tells us that women and children are sexually insatiable, that they accept, even enjoy, physical abuse and degradation. Pornography tells us that sex is power and most fun when one controls and coerces the other person.

To whom are these messages being transmitted? Who are they affecting in our society? The highest users of pornographic materials are boys between the ages of 12 and 17.

[*Translation*]

It must be remembered, Mr. Speaker, that oftentimes parents pass their problems onto their children, and I explain—since parents are too embarrassed to talk about sexuality, children fall back on pornographic video tapes and magazines.

[*English*]

This is where many boys get their sex education, and many think that this is normal sexual activity. In a York University study conducted recently 25 of the young men interviewed said that they would commit rape under certain conditions. In women's shelters and among rape victims one will often hear that these victims were forced to imitate *Deep Throat* or other violent pornography.

In a Queen's University study it was found that one-third of child molesters and rapists questioned used pornographic material to arouse them before and during sexual acts. So pornography is bad. It has an insidious effect on our society. Its availability should be controlled. The problem consists in deciding how to balance an individual right to freedom of expression with the obvious harmful effects of pornography. Where should we make the cut-off? Where should we put our foot down and say, "You cannot watch that or read that"?

The first problem consists of defining pornography. The existing law uses an obscenity standard by which the courts decide what is or is not obscene based on community standards. Everyone pretty much agrees that this is too vague and inefficient and places too much importance on censorship. It is obviously not stopping the harmful pornography from spreading across Canada.

The Conservative Government's Bill C-54 goes to the other extreme. Its aims are honourable and its intents justified, but its method is repressive. Bill C-54 replaces the existing obscenity standard with a very detailed definition of pornography. This definition includes physical harm, sexual violence, child pornography, bestiality, incest, as well as masturbation, lactation and sexual intercourse. Pornography seems to include anything sexual. This puritanical Bill includes sexual intercourse in the same category as bestiality and sexual violence.

Bill C-54 also makes a distinction between pornography and erotica. Since pornography includes every type of sexual activity, erotica seems to be defined as anything depicting nudity. In 1987 does this seem a realistic way of representing our sexual mores? Are we not regressing back to the Victorian age with this Bill?

Is human sexuality that dangerous? Is the Conservative Government saying that human sexual relations can never be depicted as healthy and loving? Is the Government confusing sex with violence and hate? I believe that we need to attack pornography, but that does not mean attacking sexuality.

In a recent poll it was found that 69 per cent of Canadians feel that Bill C-54 is too puritanical and that it goes too far. This Bill is moralistic. Its primary concern is with the effects on the moral behaviour of the population. Is that how the Government proposes to protect society from harm, by introducing legislation that disregards the freedom of expression and the liberties accorded to each citizen under the Charter of Rights?

• (1630)

The artistic community fears that warning signs will have to be posted in art galleries and theatre entrances if this Bill is passed. Many exhibitions and theatrical performances will become 18 and over X-rated. Painters such as Picasso will be for adult entertainment only. Movies such as *Not a Love Story* and *Lolita* will be prohibited. Librarians also fear that their shelves will be empty under Bill C-54. There are many classics that include intercourse, masturbation, and sexuality between minors, for example, *Romeo and Juliet*, that one might be forced to produce age of majority cards to enter the library.

[*Translation*]

Their fears are not unfounded, Mr. Speaker, because when we realize that the police will have to determine what is pornography and what is art, there are some serious questions we should be asking ourselves. If the police enforce the provisions on pornography like they enforce those on prostitution, this legislation could be dangerous.

I also would like to recall an article that appeared in the media on October 10, about RCMP officers who seized forty-two colour slides from a women's group against pornography, on the grounds that they were showing pornography. In fact, this was simply an educational program these women were putting on across Alberta to demonstrate what pornography is and what the difference is between pornography and erotica.

All these documents were seized, and these women are now waiting for the provincial solicitor general to decide whether the case they will come before the courts or not.

Mr. Speaker, this is an example of the kind of mistakes the police sometimes make, especially when they are asked to do things they are not equipped to do.

[*English*]

When we are so concerned that our children watch too much television and video, it is ironic that we might turn them away from books if we start censoring strictly. Educational material on AIDS and other sexual diseases is so explicit it could also be banned.

Bill C-54 simply does not meet the needs of Canadian society in the 1980s. I believe that we can stamp out harmful pornography without getting rid of erotica and sexuality. We need a different definition of pornography. The Fraser report of 1985 provided us with a moralistic view on pornography. It is not what the Minister was saying earlier; they have not followed the recommendations of the Fraser Commission.

That Commission proposed three tiers of punishment for pornographic material. The first and most severely punished tier would be sexually explicit material where actual harm was caused to the participants, or material which involves minors. The second tier to be severely punished would be material showing sexual violence, abuse, or degradation. The third tier would deal with sexually explicit material or erotica showing no violence or abuse. Laws would be passed as to how and

where it could be made available to those interested. Punishment would only come if it was ever made available to minors.

In my view, anyone manufacturing, distributing, selling, or displaying any material that is harmful, violent, or degrading would be severely punished. But sexual material without violence would still be made available discreetly to those who want it. This position maintains a balance between freedom of expression, and banning harmful pornography. It maintains individual liberties, where Bill C-54 does not.

We must make a distinction here between adults and children. Any pornography or erotica involving or being made available to children must be controlled. But adults must have access to erotica, if they so wish. Individual liberties are guaranteed in the Constitution as long as they harm no one else. Individuals should have access to non-violent sexual material.

Bill C-54 gives maximum penalties of up to 10 years, with no defence available for those involved with the manufacturing, distribution, or rental of child pornography or violent pornography. Is it right to give the same penalty to the manufacturer of child porn and the man at the cornerstore who rents the material? Are police really going to arrest every video store owner who will face up to a decade in prison? I propose that there be different sentences for different levels of involvement in pornography.

Bill C-54 puts the onus on the manufacturer, distributor, or seller to prove that his or her material is not pornographic. Does this not go against our principle of presuming innocence until proven guilty? Is this not against Canada's justice system?

Under Bill C-54 materials displaying masturbation, ejaculation, or sexual intercourse are offences which attract terms of up to two years. Those materials should be discreetly displayed. Municipalities that control zoning and licencing should decide how erotica should be displayed and where it should be made available. In this way citizens will have more flexibility in deciding how they wish to deal with this material in their own towns.

Free trade also becomes an issue when one realizes that 85 per cent of the pornography is imported from the United States. Only 3 per cent of the material is made in Canada. How will we stop pornography from flooding our borders under a free trade agreement? How will we control the magazines, television programs, and the pay-TV and satellite emissions? We already have a problem controlling their access now. I ask the Government to tell the Canadian people how this will stop under free trade. We are talking about a $12 billion to $50 billion business. This is not something that will stamped out easily.

We welcome that portion of the Bill, Clause 3 on page 10 amending Section 281.1(4) prohibiting hate literature against an identifiable group defined by sex.

So far we have seen that violent, degrading and child pornography do have profound effects on our society. We have seen that 69 per cent of Canadians reject Bill C-54. Why? Because Canadians want to prohibit pornography, but they also want access to non-violent erotica which does not involve children.

Let us go back and examine the worthy conclusions of the Fraser report. Let us examine the effect that Bill C-54 could have on cultural, artistic and literary expression in Canada. Let us not be morally subjective when dealing with this issue, but let us clearly stamp out violent and degrading material. Let us bring this legislation out of the Victorian age and back into the 1980s.

[*Translation*]

Mr. Speaker, I would like to mention an article that appeared in *Le Soleil*, which said that the dividing line between pornography and erotica should be defined by the Government, so that more realistic criteria could be set. The legislation creates a dilemma in that it is strict where it should be but at the same time too strict where it should not be strict at all. It is simply not attuned to the present situation in Canada.

There was also an editorial in *The Globe and Mail* on November 20, which said:

• (1640)

[*English*]

> Bill C-54 is praiseworthy for its attack on violent pornography and the sexual exploitation of children, but it needs finetuning to allow wide public access to sex education, erotic art and expressions of human sexuality.

Creating criminal sanctions against the use and abuse of pornography is necessary today given the point to which it has infiltrated our society. But we should never forget what this material represents. It represents the anger, the frustration, the sexism and the alienation in Canadian society. Until we change people's attitudes toward sex, toward women and children, we will never get rid of the desire for violent and child pornography in Canada.

[*Translation*]

The Bill is unacceptable in its present form. It must be amended. We must discuss and adopt legislation to deal with violence and degradation, but we must also find another definition for pornography, because at the present time, the only positive point in this Bill is the one that concerns direct exploitation of women and children through pornography. I think the Government would do well to retain only the first part of this Bill. As for the rest of the Bill, I do not think it is worth discussing.

[*English*]

We need to protect children, not to be treated like children.

[*Translation*]

I feel the present Bill treats us all like children. I think the federal Government should take a far more educational and preventive stance with respect to the sexual exploitation of women and children, as opposed to the position taken in this Bill. The first part of the Bill is acceptable, while the second certainly is not.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Kenora—Rainy River (Mr. Parry)—Trade—Softwood lumber export tax/Closure of sawmills; the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Official Languages Act—Government's alleged fear of backlash in the West—Request for clarification/Allegations concerning Act—Government position; the Hon. Member for Windsor—Walkerville (Mr. McCurdy)—Science and Technology—Sale of Canadian company to American corporation/Transfer of technology.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to participate in debate on what is one of the most significant and important pieces of legislation to come before this House for many years.

The Minister of Justice (Mr. Hnatyshyn) in speaking to the legislation suggested that its purpose was to protect Canadians from violence, degradation, and sexual exploitation of children. No Member of this House would in any way disagree with the fundamental importance of achieving those objectives. But in the guise of attacking violent, degrading and child pornography the Government has brought forward a piece of legislation which is profoundly dangerous and which, in fact, is a significant step backwards for Canadian society.

Bill C-54, instead of focusing as it should on violence, degradation and exploitation of children, represents an approach which is dangerous, puritanical and which is a right-wing obscenity itself.

[*Translation*]

Indeed, Mr. Speaker, pornography as defined in this Bill includes any sexual relation whatsoever. Mr. Speaker, that is the approach of the moral majority in Canada. That approach will make Canada the most puritan country in the Western world. In fact, it is an attempt to please the right wing extremists in the Conservative Party and pressure groups within the right wing Conservative caucus.

Mr. Speaker, what we have here is an effort to give a little gift to the extreme right wing of the Tory caucus.

[*English*]

I would note that while there has been a great outcry across the country from all sectors of the community against this legislation, there have been one or two voices speaking out in favour. One of those urging the Government to move forward on Bill C-54 is Lynne Scime, National President of REAL Women of Canada. What does she say about Bill C-54? She says:

> Out of the dark shines a ray of hope in the form of Justice Minister Raymond Hnatyshyn's Bill C-54. At long last, a truly conservative Bill from the federal Government!

One of the Conservative dinosaurs to whom I have referred applauds that kind of mentality from REAL Women of Canada. She goes on to say:

> Now that Hnatyshyn has said what we wanted him to say, it's up to us to get co-ordinated and urge him to hold firm.

There are alternatives, Mr. Speaker. We in the New Democratic Party recognize pornography for what it is. It is a form of hate literature directed against women. Pornography tells lies about women. It robs them of their dignity and of their humanity. It reduces women, in effect, to vaginas and breasts. Ultimately it is misogynistic. It is a multimillion dollar industry which profits from the promotion of this kind of hatred. It is one with which we want to have nothing whatsoever to do, and we will do everything we can to discourage and prevent that industry from profiting.

The New Democratic Party has called for some time for tough legislation to deal with material, and I quote now from our policy: "which condones violence, coercion, abuse and degradation in its depiction of human beings". As well we have called for action on the production and distribution of material which portrays or promotes the sexual exploitation of children. We have called for severe penalties for offenders. Indeed, it is in that vein that we will be attempting, during the course of committee study on this legislation, to bring forward amendments to reflect these important policies. Certainly if the Government should have a sudden change of heart and turn its back on the right wing of the caucus, on the extreme zealots in the fundamentalist movement in Canada, on the puritans who are fundamentally anti-sex in their approach to this question, if the Government should buckle up the courage to recognize

that there is a distinction between erotica and pornography, we would be proud to stand in our places and support legislation that reflects that policy. But I am not holding my breath, Mr. Speaker.

• (1650)

Imagine what the Government has put before us in this piece of legislation. I want to give an example of exactly what are the implications. An image of a man and a woman, two adults engaging in consensual love-making, will be illegal under the provisions of this Bill. Those who distribute that image or that video will go to jail. They will be subject to a term of imprisonment for two years. An image of two adults making love consensually and equally will be illegal.

However, another image of those same people, only this time the man has a chain-saw in his hands and he is brutally violating the woman, hacking her to bits with the chain-saw, an image of blood, gore, and violence, will be entirely legal under the provisions of Bill C-54.

What utter hypocrisy. What utter dangerous hypocrisy on the part of a Government which says that it is concerned about violence and degradation. It wants to say that if we depict adult sexuality it is a crime in Canada today, yet if we depict violence, murder, or illegal acts there is nothing wrong with it. What kind of twisted mentality is it? What kind of puritan, Victorian, repressive mentality is it that says that it is okay to show a man hacking a woman to bits with a chain-saw, but it is illegal and we go to jail if we show that same man making love to the woman? That is what this piece of legislation is all about.

How many Canadians have asked for that legislation? It was roughly 20 years ago that a former Prime Minister said to Canadians that the state had no business in the bedrooms of the nation. He was right, but what the Conservative Government would do is to take the state, not just back into the bedrooms of the nation, but into the living-rooms, the libraries, the museums, and the art galleries of the nation. To whom is it responding? It is certainly not the witnesses who appeared before the Fraser Commission.

[*Translation*]

As my colleague from Outremont (Mrs. Pepin) has indicated, many witnesses who came before the Fraser Commission asked for severe penalties for violence, degradation and child pornography. However, the Fraser Commission has recommended to make a fundamental distinction between pornography and erotica.

But, Mr. Speaker, what does a Conservative Government consider as erotica? Erotica is nudity, period. That's all. Incredible, Mr. Speaker! They have completely ignored the recommendations made by the McDonald Commission.

[*English*]

The Government has brought forward legislation which has caused profound concern in a broad cross-section of the community. The National Action Committee on the Status of Women, a very respected umbrella organization including over 200 groups that are deeply concerned about pornography and the lies that it tells about women, has strongly condemned Bill C-54. It has urged the Government to go back to the drawing-board, to start again and bring forward legislation which reflects our concern about violence, degradation, and child pornography.

At the same time the Government has raised serious concerns in the artistic community. For example, I note the remarks of the artistic director of Toronto's Théâtre Passe Muraille, Clarke Rogers, who recently said the following:

> —all that you do is intimidate artists and encourage self-censorship in the name of economic survival. If you are constantly being threatened by big legal bills, creativity is bound to suffer.

Of course there is a danger of self-censorship in the artistic community.

[*Translation*]

There is a danger of self-censorship by artists who are not wealthy because in our society artists are often poor, they are needy and they will suffer from this legislation.

[*English*]

This Government claims to be concerned about violence against women and degradation. Some of the greatest violence which can be perpetrated against women and children is the violence of poverty, the violence of sexual assaults, and the violence of beatings. However, this is a Conservative Government which has cut back on the funding for sexual assault crisis centres. It has cut back on the funding for centres to assist women who are victims of violence. It has cut back on programs to deal with sexual abuse of children, and it claims to be concerned about violence.

Pierre Berton put it well, as he so often does in his eloquent writings, when he said:

> Under the hypocritical guise of saving us all from "kiddie porn", the yahoos and rednecks who run our lives have managed to turn the clock back and inform us that sex is naughty and we must be protected from it.
>
> This is the thrust of the amendments to the Criminal Code on pornography that have just been placed before Parliament. In order to protect our children, we are all being treated like children. I, for one, resent it.

Well, so do I, Mr. Speaker. So do members of my caucus, so do members of the New Democratic Party.

I was pleased to hear the remarks of the Hon. Member for Outremont (Mrs. Pépin) in opposing this legislation. She indicated her support for the thrust of the recommendations of the Fraser Commission. However, I must say that I was somewhat surprised to hear those remarks, because the official spokesperson for her Party on justice has taken a very different position. The Hon. Member for York Centre (Mr. Kaplan) does not agree with the Hon. Member for Outremont. He has said that the undue exploitation of sex should remain illegal in Canada. According to the Liberal justice critic, images of

adults engaging in sexual activity should continue to be criminal.

I note that the Hon. Member for York Centre did not lead off the debate on this particular Bill. I am pleased that the Hon. Member for Outremont, the spokesperson on the status of women for that Party, has taken a strong stand. I hope that she, and not the Hon. Member for York Centre, in fact reflects the position of the Liberal Party on this serious issue. If the Bill is passed, it will ultimately make Canada the most culturally repressive nation of the western democracies.

Because time is running out at this stage, I will close by indicating that I intend to propose, at the conclusion of my remarks, an amendment which would call upon the House to decline to give second reading to Bill C-54 because it fails to define clearly pornography as material that condones violence, coercion, abuse, and degradation in its depiction of human beings, or that portrays or promotes the sexual exploitation of children, and also because it does not distinguish pornography from material of an artistic, literary, educational, or scientific nature in a fashion acceptable to the Canadian public including artists.

It puts a burden on artists to defend the merit of their works. It reverses the onus. Surely that constitutes a serious assault on the basic freedoms set out in the Charter of Rights and Freedoms.

I will be proposing that amendment at the appropriate time, at the close of my remarks. At this point I would like to indicate once again the deep concern which we as New Democrats have with the importance of bringing forward legislation to tackle real, violent, degrading child pornography, but legislation which fails to make that fundamental distinction, we will certainly vigorously oppose.

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

• (1700)

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

THE OFFICIAL DESIGNATION OF NOVA SCOTIA ACT

MEASURE TO ENACT

Mr. Pat Nowlan (Annapolis Valley—Hants) moved that Bill C-217, an Act respecting the official designation of "Nova Scotia", be read the second time and referred to a legislative committee.

He said: Mr. Speaker, as some Members may be aware, this is one of my pet personal projects. It has a great deal of significance. It is a simple Bill: one page, one paragraph really. As I made clear at the start, the Bill is for the proper use of proper nouns. It is as simple as that. It is not anti-anything. It is not anti-English or anti-French. It is not negative English or negative French. The fact of the matter is that my province is known as Nova Scotia. It was given by a grant of King James the First in 1621. I do not know, perhaps in those days a lot of people did not speak English or French. To avoid confusing people, they chose Latin. Nova Scotia is a Latin name. Translated to the English you get New Scotland. From New Scotland you get *Nouvelle-Écosse*.

I have been trying in a quiet way since I became a Member of this House to have the official designation be that of Nova Scotia in federal documents. I am not asking to repeal or change all documents. However, since this Parliament has been looking very much to the future in many ways, be it the Meech Lake Accord or free trade, we should recognize the reality of proper nouns in the proper place. That is, Nova Scotia is Nova Scotia. It is not *Nouvelle-Écosse* and it is not New Scotland. That is the whole purpose of this Bill.

I may come at this in another way in another session. If we are not going to have the proper use of proper nouns, then I am going to bring in a Bill to make sure that every name is bilingualized. Then we can really corrupt the language, be it English or French. If you are going to accept some of the reasoning I have heard in the past from people who have spoken against this Bill, that you have to be bilingual, then we should do that. I am all for bilingualism. I have voted for every bilingual Bill in this House—

[*Translation*]

—and supported French wholeheartedly, and I wanted to speak French today.

[*English*]

The next time I bring in this Bill I hope to speak all in French. I want to try to get rid of the canard—and I will come back to that word—that this is anti-anything. It is for something. It is for the proper use of proper nouns.

My name is John Patrick Nowlan. That is J-O-H-N, not Jean. The name of my good friend, the Hon. Member for London East (Mr. Jepson), is James Jepson; it is not Jean Jepson. Wolfville is my home town; it is not Ville de Loup. Grand Pré is the ancestral home of Longfellow's romantic *Evangeline*. That is three miles from my home town. We are proud to call it Grand Pré. We do not call it Grand Meadow. My mother was born on Canard Street. We do not call it Duck Street. You know this better than I, Mr. Speaker, because your fluency in both languages makes me pale by comparison. I commend you for it. However, you have a heritage that perhaps I was not exposed to.

We have a man in the front benches, the Hon. Marcel Masse. If we are going to be bilingual, then let us make it Marcel Sledgehammer in English. That is the way it is. The Prime Minister (Mr. Mulroney) comes from a historic place on the North Shore called Baie Comeau. I do not think he

wants to see a Bill go through this House which says that Baie Comeau should be Comeau Bay.

In essence, what I have been trying to do here in my own small way is to have my province designated as Nova Scotia, period. Nova Scotia has a rhythm to it, a romanticism. Tourism is a big thing in Atlantic Canada and there is a certain romanticism to Nova Scotia.

This Bill does not penalize anyone who wants to use Nouvelle-Écosse. There are a lot of Acadians from my province and people from *la belle province* who feel more comfortable using Nouvelle-Écosse. Let them use it. This does not penalize anyone. It is for the proper use of proper nouns. Nova Scotia is Nova Scotia.

I mentioned my good friend the Prime Minister because he and I share many things. Many years ago I worked on the railroad. At that time, long before the Prime Minister had an interest in the Iron Ore Company of Canada, I was part of the survey crew that laid the centre line for the railway which went from a place called Seven Islands up to Schefferville, a brand-new town. During my lifetime, quite properly, Seven Islands became Sept-Îles. The reason I got on to this issue of Nova Scotia was that the then Member for Trois-Rivières would rise on a point of order every time Three Rivers was mentioned. He would hold up the charter of Trois-Rivières.

[*Translation*]

His name is Mr. Mongrain, I believe. Yes, I am thinking about Mr. Mongrain, the Member for Trois-Rivières.

[*English*]

Every time an Anglophone mentioned Three Rivers when he was in the House, he would stand and make his point. I got a ticket in Three Rivers many years ago and I was called to the police station. It was called Three Rivers then. Now it is Trois-Rivières. I say that Trois-Rivières is the proper noun in the proper place. Sept-Îles is the proper noun in the proper place. The same thing is true for Nova Scotia.

We have some other beautiful provinces in this land of ours. We do not translate the name Ontario. That is the Iroquois word for "beautiful lake". We do not call it *le bel lac* or whatever. Quebec is Algonquin for "where the river narrows". Manitoba is Cree for "the spirit of Manitou". Saskatchewan is also Cree for "rapid current". We accept them for what they are, proper nouns in the proper place. We do not try to translate them, and I am trying to focus attention on the fact that I am not trying to be anti, I am trying to be positive with respect to the proper use of proper nouns. I want to maintain the romanticism of Nova Scotia forever. I do not want it diluted by translation.

The Americans coming up here are sometimes confused about a place called Nouvelle-Écosse when we have been advertising Nova Scotia. That is a practical problem, but it is deeper than that.

What about the capital? How many Members appreciate the fact that Ottawa is Algonquin meaning "to trade or barter". A very proper name in view of the fact that the House of Commons is here, and I guess we trade and barter.

I am asking Members not to talk this Bill out this time. I am, I guess, trading and bartering to get this Bill to committee where Hon. Members will come to understand that nothing horrific will occur if we use the proper noun in the proper place. It is as simple as that.

• (1710)

There is a Member on our front benches who used to be a Minister, Roch La Salle. If we want to translate and bilingualize everything, why do not we call good old Roch "Roch the Room"? We could call my good friend, the Minister of Agriculture, John Wise, "Jean Lesage". Let us be consistent.

I am going to continue to bring this before the House as long as I am here. If I cannot get this done one way, I will bring forward a Bill which will put Members on the spot to ensure that every name is bilingualized.

One of our great Speakers was Jeanne Sauvé. I had some problems with her from time to time. I did not think she was a great Speaker, but she is a very fine Governor General. Sauvé is a perfect name for a Speaker. Let's bilingualize it and call her "Jean Saved".

The name Nova Scotia was given to us by the Charter of King James I in 1621. It is in the original BNA Act. We in this Parliament, with some division, have just passed the Meech Lake Accord which brought Canadians together and brought Quebec into the Constitution. It recognizes the distinct society which Quebec is. I understand that. I have some problems with the promotion of it as a province, but I have no problem at all with the preserving and protection of a distinct society. However, what is good for Quebec as a whole in terms of a distinct society is good for Nova Scotia in terms of its name. The name Nova Scotia is distinct.

I ask Members not to talk this Bill out but to refer it to committee. I am not asking that we go to expense or that we roll back all the legislation and regulations. However, I am asking that we recognize the use of proper nouns in their proper place.

I believe I have illustrated the fact that we will have some very oddball situations if we bilingualize every proper noun. A word is a proper noun because it is a name, and it should not be bilingualized. The names of some of the provinces can be translated from English to French, from British Columbia to *Colombie Britannique*, from Newfoundland to *Terre Neuve*, or from Prince Edward Island to *Îsle du Prince Édouard*. I frankly think it is wrong to translate those proper names, but I do not argue that case. However, Nova Scotia is neither English nor French. It is Latin, and Latin it should stay because that is the proper use of a proper noun.

Nova Scotia

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I listened with great interest to the words of the Hon. Member. Coming from Nova Scotia myself I take great interest in Bill C-217. I understand the Hon. Member's point of view. To most Nova Scotians Nova Scotia is, of course, Nova Scotia. Nova Scotia has a very proud tradition, as the Member said, dating back to the Charter which was granted many years ago. He mentioned the changes of names which have taken place in Canada, Seven Islands to Sept-Îsles and Three Rivers to Trois Rivieres.

We have done the same thing in Nova Scotia. In fact, the oldest permanent settlement in North America was founded in the Annapolis Valley in 1604, four years before the founding of Quebec in 1608 by Champlain. In fact, Champlain was one of the founding group of the settlement which was initially called *Port Royal* on the Annapolis Basin. They experienced very difficult winters there and established an organization which is still known as the Order of Good Cheer. We have, however, changed the name from *Port Royal* to Port Royal.

One of the most important French forts and strategic points in Canada was at what is now Louisbourg. Louisbourg was founded by the French to guard against British attacks by both Britain itself and New England forces in the Gulf of St. Lawrence and to guard the entrance of the St. Lawrence River. It was founded in 1713 and captured in 1745 by New England forces and again in 1758 by a British army under the command of General Wolfe. Of course, Louisbourg was not originally called Louisburg but Louisbourg after King Louis of France. We changed that name after it was taken by the English in 1758. It certainly was not called Louisbourg anymore, but Louisburg.

We in Nova Scotia have made our own changes. That situation does not exist only in Quebec. We have French translations for a lot of the provinces in Canada, *Nouveau Brunswick* for New Brunswick and *Colombie Britannique* for British Columbia. Therefore, Nova Scotia is not unique in that regard except that Nova Scotia is not English but Latin. There is a distinction in that regard. That is not to say, however, that the French language cannot translate Latin as well as it can translate English. Nova Scotia in Latin, of course, means New Scotland and the French translation is very accurate. Therefore, the French language has not really changed the meaning, only the language and I think it has respected the name.

This country takes pride in having two founding peoples and two languages, and I think it is of paramount importance that all Canadians respect the bilingualism of this country. I believe that to say that we will not allow French-speaking Canadians to call Nova Scotia by the name they have called it for many years is an infringement on their rights considering that they have accurately translated the name since Nova Scotia was founded by the French in 1604.

Perhaps the Hon. Member can tell me exactly what the feelings of the Acadians in Nova Scotia are with regard to this particular Bill because I think that is very significant. If they wanted Nova Scotia referred to as is requested in this Bill, Nova Scotia, that would have a great deal of impact on my thinking. I have not done the research which the Hon. Member has done so I do not know what the Acadians want. However, until I know their thinking on this issue I think that to change it may be a presumption on their wishes, which I would not want to make at this time.

Mr. Jack Harris (St. John's East): Mr. Speaker, I am pleased to rise to speak on this Bill put forth by the Hon. Member. I find it somewhat strange that the Hon. Member has put so much effort into trying to tell French-speaking people what words to use and how to speak their own language.

• (1720)

The Hon. Member has brought similar Bills before the House of Commons on previous occasions. Apparently he had no support from the francophone Members of the House and, indeed, the Member who just spoke was very interested in knowing what Acadians thought of this Bill. I am pleased to be able to tell him.

The organization of Acadians, known as *La Fédération Acadienne de la Nouvelle Écosse* say that the choice of what to call Nova Scotia is theirs. Francophones have called Nova Scotia by the name la Nouvelle Écosse for as long as it was known as Nova Scotia by Anglophones.

I do not believe this House should tell people how to speak their own language. It would be very different if this were a long-standing error that the Government had made.

The Hon. Member suggests that since the name Nova Scotia is Latin, it ought not to be translated. I suggest to him that many words in the English language have their roots in Latin. When I consider this Bill, I wonder if it is the *terra incognita* of the Hon. Member's mind that makes him make such an effort to bring this Bill before the House.

The real problem facing francophones in Nova Scotia does not include the designation of the name of the province, rather, it is getting proper services in French.

The organization FANE and Acadians in Nova Scotia generally, as well as my Party in that province, have made great efforts to obtain services and an official languages policy in that province. While such a designation has apparently been achieved, it is somewhat less than desirable.

I am surprised that the Hon. Member would persist with this type of legislation rather than fight for the rights of Acadians and francophones in general in Nova Scotia. There are approximately 30,000 people in Nova Scotia who have French as their mother tongue, and approximately another 8,000 with French and English as their mother tongue. This represents 4.5 per cent of the population of Nova Scotia, which is a significant portion of the province which has been fighting for improved services and recognition by the provincial

Government. That group refers to Nova Scotia as la Nouvelle Écosse.

The Hon. Member states that the BNA Act was written in English, for which there was never an official French translation. That does not matter. We must respect the rights of people who speak any language to choose how they will refer to a province, a river, a company or a country. There are French names for Great Britain, England, Germany and many other countries that are different from the names used by the people of those countries. I suggest it would be very high-handed for this House to consider passing a Bill that would require French speaking people in this House, in referring to Nova Scotia, to use words which are of the Member's choosing and not theirs.

I do not believe there is any reason why the House should pass a Bill that would force Members to refer to an area in a language that is not of their own choosing.

There are many places in my own province that are referred to in English, Basque, Portuguese and French. These places were given those names by the people who travelled to Newfoundland, fished in Newfoundland and worked there. These places are referred to in English and in French.

My province is known as Terre Neuve by the French-speaking people.

This Bill is a waste of time for the House. It is trivial, frivolous and pedantic. It ought not to receive the support of the House.

[*Translation*]

Mr. Edouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, I would like to make a few comments about Bill C-217 on the official name of Nova Scotia, which is sponsored by the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan).

The Hon. Member, who is a good friend, told us earlier how certain phrases can be translated from French to English, but I am convinced that he forgot a very important one. Mr. Speaker, I am not taking this example because he sits with the Opposition, but if we were to translate the name of the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) into English, we could end up with something like "bad pig". Unfortunately, there are certain things which can be translated and others which cannot.

Then, there is our friend, the Hon. Member for La Prairie (Mr. Jourdenais), whose name could be translated as "A day was just born". Naturally, we can all play these little word games, Mr. Speaker, but the fact is that, as everyone knows, this Bill has been before the House four times without being approved. I believe that this fact by itself is an indication, and I shall come back to it. Since it has already been before the House three times, the Members who were there had the opportunity to hear many arguments for or against the Bill, and those who were not always have the possibility of reading *Hansard*.

As we know, this Bill is quite simple. Its purpose is to ensure that the official designation of Nova Scotia remains "Nova Scotia" in legal acts in both French and English. The reason given by the sponsor is quite logical. When King James I gave that land to Sir William Alexander in 1621, the act of transfer designated the land under the Latin name of "Nova Scotia". The Hon. Member pointed out that, while official bilingualism leads us to translate certain geographic names from French to English and vice versa, we have no reason to do so for Latin names, no more than for the many native words which are so characteristic of the geographic designations in this country.

In terms of linguistics, since this is really what concerns us here, I would first like to mention that when the term "*Nouvelle-Écosse*" is used in French, it is not meant to be a Translation of the term "Nova Scotia". Rather, I would say that it is the manner in which the French language refers to the same reality, just as it does in the case of many other realities, geographic or other. For example, when one uses the term "Germany", also of Latin origin, in English, or the term "*Allemagne*", which is also derived from Latin, in French with the same meaning, one does not usually stop to think that the Germans themselves call their country *Deutschland*. Obviously, the same can be said of a great number of other countries and regions of the world. What would be at the root of such a strange phenomenon? I cannot really say and in fact I would rather leave that to linguists and etymologists. However, I believe that even a layman can draw a few useful conclusions in terms of this debate.

The example I have just given shows that if geographic names can be so different from one language to the next it would seem to be mainly for historical reasons, given the fact that the terms "*Allemagne*", "Germany" and "*Deutschland*" have absolutely nothing in common except that they refer to the same reality. It seems also that the strength of usage and tradition as well as a certain emotional dimension, which may of course vary from one culture to another, also play a major role. I would even go further and add that the various designations which have stood the test of time are often the mark of the historical fame which those territories have gained. It could be said that cultures acknoweledge one another in this way. Even if we are dealing here with proper nouns, these terms have become part and parcel of a language.

It may also be noted that this is often explained for strictly phonetic or graphical reasons. To use a striking example, the great country that we call in French "Espagne" and in English "Spain" is being called "España" by its own citizens. The same thing for "Italie", "Italy" and "Italia".

Coming back home, I was suggesting earlier that "Nouvelle-Écosse" was the French way of designating the beautiful province of the Hon. Member for Annapolis Valley-Hants. Secondly, the terms "Nova Scotia", although originally latin, certainly are no longer perceived as such, so much so that latin

is a "dead language", but rather as the English name of the same province. Would it be that such a difference between the two languages stem from historical and emotional reasons, or simply from phonetic reasons as I just explained? I am not quite sure about that. But I have a feeling that it is both, which is healthy in a country that is committed to bilingualism.

Official bilingualism indeed is one of this country's basic values and features, and in order to be practical, it implies that all Canadian men and women, with the highest respect for the cultural nature of our two official languages, can make compromises that at times may appear acrobatic if we are to survive as a bilingual nation.

Therefore, I would urge all Members in this House to think about all the implications of this measure if it were enacted. I remind them also, as I said at the beginning, that this House has already considered this Bill on three previous occasions, each time the debate giving rise to an impassioned discussion but the House has fortunately approved a time-honoured use and has thus avoided a storm in a teacup.

We always try of course to be quite rational, but we are politicians by profession and we know very well that in such instances we have to take into consideration human feelings and emotions. Otherwise, it would be useless to convince our fellow citizens to send us here to deal on their behalf with all kinds of issues and reach all sorts of decisions, since we could quite easily today have machines do the work.

Mr. Speaker, this Government four years ago entered into an important process of national reconciliation and the recent Meech Lake constitutional agreement is undoubtedly the most significant phase.

With respect to the proposal made by my friend, the Hon. Member for Annapolis Valley—Hants, I would say that it is infinitely more important at present to see that the newborn child will survive rather than fight about the name which we would have liked to give him, since it could seriously affect its psychological development.

• (1730)

[*English*]

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am honoured to rise to speak on the Bill of my hon. colleague, the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan). He knows as well as I do that usually in this House when a Member of Parliament rises to ask for a change of name, it is the kind of thing which passes very quickly. The Hon. Member has been working very hard on this Bill, I know. I have been in this House not quite as many years as he, but I have watched him raise the subject matter of this Bill a number of times with much sincerity. I have reread those debates with interest.

The Hon. Member has tabled a proposal which would ensure that the current English designation for the Province of Nova Scotia would also be the official French designation. Without a doubt, the Hon. Member is sincere. Hon. Members recognize that sincerity. He has made many contributions to this House as well as to his constituents and to Canada over the years. I have no doubt he proposes this Bill as a concerned and dedicated Canadian. I am sure that he followed his conscience and put forth this idea because he truly believes that it would be in the best interests of his home province.

• (1740)

While I do not wish to go on record as proclaiming that I am not against the proposal—being from Alberta I am not totally understanding of the full reasons behind the Hon. Member's Bill—I do want to enter into the debate. I am opposed to change for change's sake. It is useful sometimes to allow certain changes to go on in society with proper and good reason. There are many reasons for changing the names of places. What we are trying to ascertain here is the nature of the Hon. Member's reason for proposing the said Bill and whether he provides a sufficient case for changing the official name of Nova Scotia. In order for this name change to be accepted in the House there must be a very compelling reason behind it. Canadians will demand a logical and convincing reason to justify the amendment proposed in the Bill.

I fully realize that the Hon. Member has put forward a number of examples. He has attempted to demonstrate that the purpose of his proposal is to deal with the important process of using proper nouns to designate places in Canada. Furthermore, he has argued that his Bill has nothing to do with the bilingualism question, although the Hon. Member has claimed that *Nouvelle Écosse* is a misnomer. I am sure that many Hon. Members would agree that the term, which has been used for some 300 years, is indeed the proper use of a proper noun.

I would like to review the reasons which the Hon. Member has given to justify his proposal. More specifically, I wish to determine whether they provide a convincing argument in support of his Bill.

The Hon. Member has asserted that Nova Scotia is a Latin term and therefore is not translatable into either French or English. He has also said that if Nova Scotia had been called "New Scotland" under the British North America Act and under its original charter, then in our day of bilingualism the appropriate Translation would in fact be *Nouvelle Écosse*. Although the Hon. Member's logic flows from the very best of intentions, I am not so certain that it is consistent with historical facts.

Let us assume for the sake of argument that a people, French Canadians in this case, had used a proper noun to designate a certain location for some 300 years and that this name had become an integral part of their history and culture. Let us assume further that this people had a copious quantity of official documents which used that particular expression—the Treaty of Utrecht of 1713 and the Constitution Act, 1982,

among others. Would it not therefore be fair and reasonable to assume the name of that place to be legitimately what a people have always called it?

My colleague has also drawn our attention to the Cities of Trois-Rivières and Sept-Îles. Hon. Members will recall that both municipalities had certain problems dealing with the appropriate designation of their towns. Back in the mid-1960s when the Hon. Member for Annapolis Valley—Hants was a rookie, and I cannot quite remember that because I came here in the 1970s when he was a veteran, the Hon. Member for Trois-Rivières, Mr. Mongrain, would rise on a point of order and bring proceedings to a standstill every time an Anglophone Member of the House referred to his home town as "Three Rivers". Similarly, the Hon. Member from the riding which encompassed Sept-Îles at that time, Gilles Grégoire, would also rise on a point of order every time his town was called "Seven Islands". Those points were made and subsequently accepted.

Although Trois-Rivières and Sept-Îles both benefit from the appropriate designation now, the Hon. Member fails to mention that there was strong support in favour of using those designations within the respective constituencies. People from both towns demanded that the proper designation be used. We have heard a number of Members who come from Nova Scotia speak on this matter. They have said that they see no demand either on behalf of the people of Nova Scotia or from the Legislature for changing the province's official designation.

Another thing we must ask ourselves is whether it is within the jurisdiction of the House to impose such a change on the people of Nova Scotia.

The Hon. Member supports his argument by pointing out the designation of other places such as Manitoba, Quebec and Saskatchewan. He quite rightly says that these names are neither French nor English and as such are not translatable. However, he fails to recognize that these names have remained that way because of their widespread use. Would it not be safe to say that *Nouvelle Écosse* has also benefited from widespread use and that therefore it is perfectly legitimate? After all, the expression does go back nearly 300 years.

The Hon. Member has said before in this House that he takes great pride in Nova Scotia. The province, he says, has a fine Scottish heritage as exemplified by the celebration of the Meeting of the Clans and by the province's own distinct tartan and kilt.

Another reason which the Hon. Member has given for putting forward this Bill is the profound respect he holds for his province. It is my understanding that the Hon. Member thinks that the use of the expression *Nouvelle Écosse* makes a mockery of bilingualism. My colleague feels that the expression translates a proper noun, which has the strength of history behind it, and that it does so without the popular consent of the people who believe in their heritage, and that it is therefore are improper use of a proper noun. He uses as examples to support his allegation the Charter of 1621 by which King James granted Nova Scotia to William Alexander, and the Proclamation of Queen Victoria which brought Canada into nationhood. Both documents referred to the province as "Nova Scotia" exclusively. I believe, as I have already said, that such arguments fly in the face of historical facts which support the legitimacy of *Nouvelle Écosse* as a proper designation for the province.

The only practical benefit, I suppose, that the Hon. Member brings forward might be the administrative simplicity of using a single standardized name such as we do for Saskatchewan, Quebec and Manitoba. But it is easy to see that all administrative benefits would be lost when we try to change documents in the future such as maps, legal documents and so forth.

I have very much enjoyed the debate of the Hon. Member on his Bill. I have listened to it a number of times. I appreciate the opportunity to speak to his Bill because I know that he feels strongly about it and that he represents his area and his people very well.

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister responsible for Multiculturalism): Mr. Speaker, I think the Hon. Member for Louis-Hébert (Mrs. Duplessis) did not hear and I should like to give her the floor.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology): Mr. Speaker, I welcome this opportunity to take part in the debate on the official designation of the Province of Nova Scotia, and I want to thank the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) for tabling this Bill. The Hon. Member has given us a clear demonstration of the fact that in this Chamber, as in the rest of the country, we are entirely free to express our own views and opinions. I am sure Hon. Members realize how important it is to give this proposal full and fair consideration and to do so as quickly as possible.

In my mind, the purpose of this Bill could be defined as follows: Every time the words "Nova Scotia" appear in any act, regulation, legal document, report, contract, lease, licence or other document, the proper designation of the province in both official languages should be "Nova Scotia". More specifically, the purpose of the Bill is to maintain officially the Latin words "Nova Scotia" in all documents, whether drafted in English or in French.

Although the Hon. Member for Annapolis Valley—Hants stressed the fact it was a matter of semantics, not of bilingualism, I hardly see how the latter issue could be ignored in this case. Any change in the official designation of Nova Scotia, as proposed in this Bill, could be construed as a discourtesy to that part of the population of this province that is of French ancestry.

Mr. Speaker, the question before the House today goes straight to the heart of Acadian history. To state that the designation "Nouvelle-Écosse" is not proper, is to ignore the

political, social and historic reality of Canada. It could also be seen by some as a symbolic affront to Acadian culture.

Furthermore, substituting the words "Nova Scotia" for the words "Nouvelle-Écosse" could be seen as an attempt to rewrite history. If this proposal were approved, French history books containing the words "Nouvelle-Écosse" would become obsolete. Historical, legal and geographical texts would also have to be changed, and the cost would be prohibitive.

There are many considerations justifying the French designation "Nouvelle-Écosse". It is the name we find in the Treaty of Utrecht—my hon. colleagues mentioned this earlier— under which France ceded the province to Great Britain in 1713. In fact, the province was a French colony from 1667 to 1710 and was originally called "Acadie". A French-speaking community still exists and prospers to this day.

I realize the Hon. Member for Annapolis Valley—Hants has some very sincere and legitimate reasons for tabling this Bill. It is clear this Bill is a pet project. In fact, I believe he initially tabled the Bill in 1977, and did so several times subsequently.

While my colleague is undoubtedly sincere, I would like to bring to his attention that one of the strongest arguments against that proposal is the existence of a large francophone minority in Nova Scotia. As we all know, Mr. Speaker, the French were expelled from their homeland, Acadia, in the 18th century and it was only with the greatest difficulty that some of them managed to come back. As I just said, the French language and culture have managed to survive in spite of all difficulties in what was left of Acadia. Although I recognize that the Hon. Member supports the efforts to maintain the French culture in Acadia, changing the official name of Nova Scotia would make things even more difficult in that regard.

I am sure the Hon. Member has some very good reasons to put forward his proposal. For example, a single designation would have obvious benefits in terms of streamlined administration because it would be immediately recognizable by all and would not have to be translated. However, there is a problem as I have already mentioned. If that proposal went through, one of the official languages would seem to be neglected. I would like to remind the Hon. Member that the designation "Nouvelle-Écosse" has been in official use ever since the King of France gave away Acadia to the British. In the end, what might at first seem to be a good idea would raise more problems than it would yield benefits. I believe it is futile to bring in a legislation in order to change the official designation of a geographical area and to ignore history and traditions.

I feel it is my duty to tell the Hon. Member—and I do not question his sincerity or his motivations—that there is no reason to believe that the designation "Nova Scotia" will be willingly accepted. The French name "Nouvelle-Écosse" has been fixed by usage and is now part of the linguistic heritage that is shared by all francophones across the country.

Over the years, the expression "Nova Scotia" came to be the English designation of the province. It was accepted by the English because of its cultural connotation and also because the Latin language was predominant in the English court in 1621 when King James the First granted William Alexander the Charter for Nova Scotia. Since then, the name of the province could have been changed for New Scotland, but that has never been done and Nova Scotia has remained the official designation of the province in the English language.

Francophones surely prefer to continue using a clearly French name which, as it happens, has been in use for centuries.

I should like to remind the Hon. Member for Annapolis Valley—Hants that some people do like the French name of his province. It has a familiar ring in all regions of Canada where people speak French, and they certainly would not understand why only the Latin name should be kept. Besides, the French name gives the province a double appellation, English and French, so that Canadians of both cultures feel at home there. Not only would the adoption of the suggestion of the hon. Member for Annapolis Valley—Hants give rise to unsatisfaction in his province, but it would also create a saddening impression among francophones.

For some time now Canadian citizens have been showing signs of a new spirit of agreement and expressing their desire to coexist in harmony. Innocuous though the proposition under study may seem, changing such a magnificent French name as Nouvelle-Écosse might be misinterpreted by certain inhabitants of the province who bear it, not to mention the rest of Canada. I would therefore advise my colleague to reconsider seriously his suggestion to change the official name of the Province of Nova Scotia.

Mr. Speaker, I am particularly sensitive to the cause of francophones outside Quebec and I think they might feel harmed by this measure. As I see it, there are enough reasons to reconsider this proposition and withdraw the Bill. Our magnificient country owes its heritage to more than one community, as evidenced by the presence in this House of French- and English-speaking Members, and we must become aware of our cultural diversity and the distinctive character it gives our country. So let us acknowledge the wealth of this heritage and take it into account so that together we may better prepare the future of this country.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, I would like to take the few minutes remaining to say a few words about Bill C-217 standing in the name of my colleague for Annapolis Valley—Hants (Mr. Nowlan). Many things have been said about names that were changed to make them bilingual, but the hon. Member hit a very sensitive chord when he spoke about Roch La Salle and John Wise.

Mr. Speaker, I have the same problem as my colleague who finds it difficult to live with the term "Nouvelle-Écosse" instead of "Nova Scotia". For my part, as a francophone, I prefer "Nouvelle-Écosse", but that is the opinion of a francophone. As for my own name, it changes according to where I am at the time. When I am in Quebec, I am called "Vincent Della Noce". When I am with English-speaking people in the United States or in Quebec, I am called "Vince", and in my own community, I am called "Vincenzo". At times, and this is what I dislike most, often in my own community—

An hon. Member: Vinny.

Mr. Della Noce: —in certain places, I am called "Vinny", and at my parents and grandparents—I never knew why—I am called "Jimmy". It sometimes is a problem for me to know which name to use. However, I must point out to my hon. colleague that there is a body in Canada which deals with geographic designations, and this matter should be left up to them, because to change a name, you need the permission either of the province or of the federal Government.

I know that I have no time left, Mr. Speaker, but I preferred to let my colleagues speak. I would have liked to say more because I had made some notes, but it is now 6 o'clock.

• (1750)

[*English*]

Mr. Deputy Speaker: The hour provided for the consideration of private Members' business has now expired.

Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

TRADE—SOFTWOOD LUMBER EXPORT TAX/CLOSURE OF SAWMILLS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity today to raise, under the provisions of this Standing Order, the reply given to me on a question that I asked regarding the softwood lumber tax on October 14, 1987. I am pleased to see that the Hon. Member for Brampton—Georgetown (Mr. McDermid), who made the initial attempt to answer my question, is again in the House. I find that one always gets a better response from a Minister or a Parliamentary Secretary who is forced to come back a second time and defend what he said or avoided saying the first time around.

There were really two parts to the question that I asked on October 14 which the Parliamentary Secretary to the Minister for International Trade did not address. I want to give him the opportunity to address those points clearly and succinctly today and I intend to give him adequate time to do it.

Let me speak about the 15 per cent softwood lumber export duty which the Government agreed—let us use the polite form—with the U.S. Government to impose on Canadian exports of softwood lumber. This was done without any rhyme or reason in the legitimacy of such a charge but simply because this duty was being widely demanded within American lobbying and business circles and within the congressional institutions of the U.S. The 15 per cent export tax that Canada agreed to impose was, as I understood it at the time, imposed as a result of a protectionist measure. It was implemented in Canada at the behest of the U.S. rather than in the United States at the behest of that Government. I understood that the Government had implied clearly to Canadians that the duty would be abolished when a free trade agreement was reached with the United States.

I want the Hon. Member for Brampton—Georgetown to be perfectly clear for the people of Canada, many of whom depend on softwood lumber, which is part of our largest industry, the forest industry, and say whether or not the Government told Canadians at that time that the 15 per cent duty would be removed when a free trade agreement was introduced. That is the first point on which I would like the Member to be very clear with Canadians.

Second is the point raised by the Prime Minister (Mr. Mulroney) in a speech outside this place concerning adjustments for areas which are negatively affected by free trade. I would like to hear from the Parliamentary Secretary whether areas that depend on softwood lumber, some of which have been affected by the 15 per cent tax—I am sure the Hon. Member will grant me that—are going to qualify for the adjustment program to which the Prime Minister made a reference in a public speech.

Finally, there is a matter which concerns the accuracy of the record of the House. I am, therefore, somewhat reluctant to mention it but I feel it is essential to do so in the interests of clarification. I understood, although *Hansard* does not show, the Hon. Member to have stated that 14 mills have closed down as a result of the softwood lumber export tax. I do not wish to presuppose his analysis, as a result of something or another. If there were not 14, I would like the Member to say so and if possible tell us just how many there were.

I had the opportunity on November 17 to list some of the mills which had closed down and which, in the opinion of the management of the mills, had been forced to shut down largely because of the impact of the 15 per cent export tax. Those mills are the Terrace Bay mill; the Longlac mill; the Spruce Falls Power Paper mill; the Smooth Rock Falls mill; the Ainsworth Lumber Company in Savona, B.C.; the Kimberly-

Clark mill in Nakina and the McKenzie Forest Products in Hudson.

• (1805)

There was a clear imputation of inefficiency left on the record by the Hon. Member. I want him to confirm it or to withdraw it. He said:

> Mr. Speaker, if the Hon. Member were fair and looked into the mill closings, of which I have a record here, he would learn that the mills which have closed down had been operating for quite a period of time at a loss. They were inefficient mills.

I just want to have the assurance of either a confirmation or a withdrawal of that statement, in addition to the clarifications mentioned previously.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Hon. Member has brought some new wrinkles into the original question which he raised in the House of Commons on October 14, 1987. I am glad that he finally got around to continuing his question so that I might briefly answer it.

To my knowledge there was nowhere that anyone at any time said that the free trade agreement, which we were negotiating with the United States, would wipe out this tax. This was a memorandum of understanding which was written back in 1986 and negotiated in late 1986. To my knowledge I do not know of anyone who said that the free trade agreement would wipe out this 15 per cent tax.

Let me refer to what has been said, since the free trade agreement was reached, by legal experts both in Canada and the United States. This matter came up again with the free trade agreement in the binational arbitration or appeal committee, and on a decision of Commerce it was indicated that it would be thrown out, that it would not happen. The Hon. Member knows that the memorandum of understanding was brought about because the United States softwood lumber industry had laid charges against Canada, the same charges which it laid in 1983. The same people made the decision based on the same facts. The only thing is that they made a 180-degree turn, a different decision. The decision at that time was against Canada.

What had changed? It was only one thing—the political protectionist winds in the United States. The Government negotiated a memorandum of understanding where, instead of a tax or a duty being placed in the United States and it getting the money, the money was kept in Canada and returned to the provinces that owned the resources. As a matter of fact, it was a considerable amount of money. That money could be used by the provinces at their discretion. It was our desire that they would use it to enhance the forestry industry with reforestation. If in fact mills were closed down, they could use the money for adjustment purposes to help the workers.

The Hon. Member talked about mills which had closed down. He said that there were some 14 or 15 mills. I know that the records are kept in the Department of the Minister of State for Forestry (Mr. Merrithew). I have seen the latest list recently, and I do not remember 14 or 15 mills. However, when we analyse those mills that have closed down, we find that it was not because of the 15 per cent export tax. That may have been a very convenient excuse for some of them to use, I do not think there is any question about that.

If he takes a look at the reasons they closed down, I think the Hon. Member will find that they closed down for a number of factors—adequacy of supply, corporate rationalization, and internal reallocation of manpower. All these decisions took place in the closures.

Let us take a look at the statistics, at what has happened in the export of softwood lumber in Canada. We have had a record in exporting softwood lumber around the world. In the United States it has dropped about 3 per cent to August 1987, but it has increased 25 per cent to Japan and 60 per cent to the European Economic Community so far this year.

• (1810)

Over all, our exports are up over last year so the softwood lumber industry is having a record year and doing extremely well. It has not lost its place but has gained. Ontario is exporting more this year to the U.S. than it did in 1985 by some 30 million board feet. The softwood lumber industry in Ontario has not been damaged. Our exports have increased. The opposition Parties are always saying we should broaden our exports. We are doing just that, both in Europe and Japan. The Hon. Member should be up on his feet congratulating the Government for the action it has taken in promoting exports around the world.

[*Translation*]

OFFICIAL LANGUAGES ACT—GOVERNMENT'S ALLEGED FEAR OF BACKLASH IN WEST—REQUEST FOR CLARIFICATION/ALLEGATIONS CONCERNING ACT—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise in this debate to ask the Government when this House will be discussing Bill C-72, legislation dealing with the order of the House that proposes significant amendments to the Official Languages Act.

It will be remembered that on March 20, 1987, I asked the Minister of Justice (Mr. Hnatyshyn) whether the Government intended to come up with a firm, specific timeframe concerning appropriate amendments to the Official Languages Act.

That question was following up on the numerous promises made by this Government, the Prime Minister and his ministerial representatives. It will be remembered that in the November 5, 1984, Throne Speech, the Conservative Government was committed to enforcing equality of the official languages and recognized the need for progress within the shortest timeframe.

Also, the October 1st, 1986 Throne Speech told us that the Government would be tabling a bill to amend the Official

Languages Act enacted by this House in 1969, in order to bring it in line with the Charter of Rights and Freedoms which, as we know, was dealt with and enacted in 1982.

After all those nice promises, Mr. Speaker, in March 1987, as I said, I asked the Government: What is your time frame, what are your proposals?

At that time we still had no actual legislation before us, but there was a certain degree of impatience at the official languages committee level, and some of the Members in this House suggested they were not only impatient with, but perhaps inconvenienced by the lack of action.

However, in June 1987, on June 25 to be more specific, the Government finally came up with a bill, and the three Parties in this House agreed that it was rather positive, that surely some improvements were needed, but generally we were all in support.

Since then, Mr. Speaker, that is since June 25, 1987, we have seen no action whatsoever. Why? There may be reasons. On March 20, when I asked my question, it will be remembered, I referred at that point to Conservative Members, and I had in mind the Chairman of the Standing Committee on Official Languages, the Conservative Member for Charlevoix (Mr. Hamelin) who was reported in *La Presse* as having said that the delay was due, to quote him, to "barbarian and dynosaurian reactions" of some Members.

Whether that annoyed some people or not, my friend Charles Hamelin no longer chairs the Standing Committee on Official Languages. He was replaced. All I know is, he and many others in this House are concerned with the delay.

Mr. Speaker, things have to be done, and they must be done with all possible speed.

There are federal-provincial memorandums of agreement that have to be signed with the provinces by June 1988 on educational matters.

Hon. Members will recall that Bill C-72 includes a very important and very well-written preamble which provides, and I shall summarize it very quickly, that the official languages will be not only protected, but also promoted, which provision the Government would not entrench in the Meech Lake Accord. We were told at the time: "Do not worry, the Bill will correct this deficiency by including the obligation to promote for the federal Government." Federal-provincial agreements representing several hundred million dollars are scheduled to be signed before the end of June 1988. These agreements deal with education in the official languages and are important for the minority groups, French-speaking outside Quebec and English-speaking in Quebec, and for all those who take French or English as a second language in primary or secondary school. These agreements are supposed to be signed by next June. Federal-provincial negociations take a long time, Mr. Speaker! If the new Official Languages Act does not receive passage before the end of December or the beginning of January, how can the provincial and federal representatives at the bargaining table come to an agreement?

I suggest that it is important for the Government to announce its schedule, not only because of this very important question of the federal-provincial agreements, but also because of the fact that the experts have to prepare the related regulations after any bill is passed. The regulations related to Bill C-72 will have a very important impact on the behaviour of certain federal agencies and departments.

God knows, Mr. Speaker, that we have discussed this issue at length in this House and that the Committee on Official Languages regularly examines the inertia or lack of positive action on the part of certain departments and agencies in putting the Act in practice. They keep telling us to wait for the new legislation. Not much can be done for the time being because, after all, everything is going to change. Mr. Speaker, patience has its limits. I say to the Government: Do something! Get down to brass tacks! Bring Bill C-72 before the House for second reading so that we can get it over with, get down to the nitty-gritty, establish regulations, and tell the Departments, the agencies and all those people who are marking time to get moving, because something has to be done.

I want to ask the parliamentary secretary—I am not sure who is going to answer for the Government but, in any case, I want to ask the parliamentary secretary to give me the assurance that the Official Languages Bill, Bill C-72, is not being stonewalled by certain groups in the Conservative Caucus that are opposed to the new legislation, and I want him to give me the assurance that because of its concern for Canadian unity and for bringing in amendments that are absolutely essential, this Government will table the Bill for consideration between now and the end of December. I can give him the assurance that after thorough consideration, we in the Opposition will be prepared to expedite the passage of this Bill—I suppose that may sound rather surprising—and to offer our co-operation in helping the Government adopt this legislation as soon as possible, after, of course, giving due consideration to the amendments we wish to propose.

In concluding, Mr. Speaker, I am asking the Government this evening to give me the assurance that it intends to see to it the Bill is adopted soon.

• (1815)

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) alluded in the House during Question Period on June 2 to possible amendments to the Official Languages Act and the process initiated by the Government to renew Canada's linguistic policy. The Hon. Member wanted to know when the Bill would be introduced in Parliament and whether the Government's alleged delay stemmed from fear of some sort of backlash. I can assure him that that was not the case.

I was asked by the Minister of Justice (Mr. Hnatyshyn) to provide further explanation in relation to the questions raised by the Member of Parliament about the future policy on official languages in Canada.

I may first say that following the establishment of the committee of Deputy Ministers, including representatives of Treasury Board, Secretary of State, and the Department of Justice, a great amount of work was done. The current official languages legislation as well as related policy and programs were studied in light of the evolution and needs of Canadian society and of the legal consequences of the new obligation prescribed by the Canadian Charter of Rights and Freedoms. The Ministers responsible for the renewal were regularly informed of the results of the undertaking.

Before adding final touches to the Bill, in-depth consultations were held in January and February with members of the groups representing the linguistic minority communities, the Commissioner of Official Languages and others closely interested in linguistic matters. These persons were witness to the progress that has been made.

Following these very fruitful discussions, some time was needed to look at the comments and proposals with all due care and attention. We pursued this work in a most diligent fashion in order to be able to get on with the renewal, and as the Hon. Member knows, the Bill was introduced in the House of Commons not long after his question in June, 1987.

• (1820)

The Hon. Member knows that the Government's schedule has been extremely busy. The House has been seized with many Bills over the last number of months since this Bill was introduced, including emergency legislation and other very important legislation, as this is.

I am sure the Hon. Member knows full well that the Government timetable is negotiated between all Parties in the House through our House Leaders. They meet regularly, as often as twice a week, to discuss the timetable. I suggest that the Hon. Member contact his House Leader and ask that this be placed on the agenda of the next House Leader's meeting so they can discuss a timetable as to when this Bill might be brought forward in the House.

SCIENCE AND TECHNOLOGY—SALE OF CANADIAN COMPANY TO AMERICAN CORPORATION/TRANSFER OF TECHNOLOGY

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, on November 19, I posed a question to the Minister of State for Science and Technology (Mr. Oberle) with respect to the sale of Cimtech, a small high tech subsidiary of Bata Industries Limited, to Microdynamic of Dallas, Texas.

At issue was the fact that Cimtech had received approximately $1.7 million in support of the development of two kinds of CAD-CAM technology consisting of Digiton and Dexkon technology for the purpose of designing shoes.

The first device is very unique because it permits the three dimensional duplication of shapes and forms. That is not just applicable to the shoe industry but to a number of other areas as well.

Since this research was supported by the IRAP program, we have a situation in which technology developed at Government cost is now being sold to a foreign interest which, under normal circumstances, is excluded by the conditions which pertain when an agreement is entered into between the Government and a recipient of an IRAP grant.

In posing the question to the Minister of State for Science and Technology we were informed that the technology and associated software would remain in Canada, but production would go to Dallas. In spite of the fact that we were told negotiations were still taking place, at least nine people were laid off by Cimtech in connection with this acquisition.

Of course, a number of questions arise. While the conditions do limit the transfer of the technology for a period of time, it does not directly address the issue of a sale to a corporation located in another country. As well, there is the specific question about what conditions have been implemented in respect of this acquisition and whether the manufacture as well as the technology and software remain in Canada. Obviously, it makes little sense for the Government to support the development of technology if that technology, which is presumably intended to produce jobs, is transferred to another country.

Incidentally, IRAP has produced quite a number of jobs at the comparatively small price of $1,500 per job. I should note that Cimtech has over a period of time sold some portions of its CAD system to other manufacturers, three in the United States, one in Japan, one in West Germany and one in Canada. So the serious question is raised of what utility is IRAP if the conditions imposed are not sufficiently secure to ensure that if we develop a technology, theoretically for the production of jobs, these jobs will not be ultimately in another country? What good does it do?

• (1825)

Of course, this raises the general question, what is to be the fate of Government supported technology development and the commodities produced therefrom in the event, under the new investment rules, it is acquired by, for example, U.S. firms? In particular, when one looks at the free trade agreement and finds vastly relaxed acquisition rules, are we not opening up a situation in which the Government invests in technology and the technology is sold to the United States or elsewhere for jobs to be produced there?

It occurs to me as well that there are two still broader issues that should be questioned. First, under the free trade agreement, is an IRAP grant to be considered a subsidy? Is it going to be an acceptable subsidy? And what regulations are going to obtain under that agreement in respect to government support for science and technology? Of course one of the great

deficiencies we have to address with respect to the development of manufacturing in Canada is a vastly increased investment in science, research and technology. What are we going to do to protect its growth here? What mechanisms are going to be available to us? How is it going to be possible under the agreement to ensure that whatever technology, however supported, is not merely going to be transferred to the United States? These are quite significant questions, as I am sure the Parliamentary Secretary will appreciate. These are questions that must be addressed.

Let me reiterate and summarize the questions asked. What exactly is going to go on with respect to Cimtech, not only with respect to the technology, the software, but also the actual production of shoes? Are we not in danger of having supported technology development for the production of jobs, and those jobs, as a consequence of the acquisition by Microdynamics, being transferred to the United States?

In general terms, since there does not seem to be a specific rule or regulation applicable, how do we address the situation in which we make an investment to encourage the development of technology only to have that technology acquired by a U.S. firm when it is supported, for example, in this case by IRAP? How are such subsidies for the support of science and technology to continue under a free trade agreement in which subsidies, by and large, are to be removed? Finally, in general, how can government under the free trade agreement ensure science and technology development is going to occur in Canada within a context where all of it can be purchased, and the industries that produce it can be purchased, by the United States firms which will consequently deprive Canada not only of the technology but of the jobs that can be produced from that technology?

[*Translation*]

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I want to thank my colleague the Hon. Member for Windsor—Walkerville (Mr. McCurdy) for raising this question, for it gives me an opportunity to reassure him and describe the guarantees provided under the Industrial Research Assistance Program—IRAP-to protect the interests of the country.

IRAP is a very effective $75 million program administered by the National Research Council of Canada, and $28 million more have been added for the next four years under the InnovAction program. It offers both technical advice and research funding to Canadian businesses, particularly small- and medium—sized. When research work is involved, IRAP pays only part of it.

When a company, including a multinational company, asks the NRC for support, it must ensure that the technology is marketed in Canada. Contribution agreements include several clauses to that effect. Generally, beneficiaries agree that the technology will be used in Canada for at least five years after the end of the research project and that they will have to seek permission from the NRC if they want to market the technology elsewhere. Also, it is indicated in the agreements that the NRC will consider granting an exception only if it is in the best interest of Canada to do so.

Cimtech was owned by a Canadian concern, namely Bata, and has received a grant for a research program for the development of computer software and hardware that could be helpful in the design of shoes; in other words, it was a computer assisted design project.

The project went very smoothly, but ultimately Bata decided not to build the new computer assisted design work stations. Rather, it sold Cimtech to a Texas firm, namely Microdynamics, in return for shares of the latter corporation. Microdynamics is a world leader in the area of computer assisted design work stations for shoes and also has expertise in the area of clothes computer assisted design.

Officials from the NRC have been in contact with the three companies from the start. They have ensured that everybody understand the demands of Canada regarding the development of this technology that was made possible by funding from IRAP. As was agreed, the NRC will examine the matter together with Microdynamics before any final decision is taken as to the production site.

Althought the matter is not yet completely settled, the broad parameters have now been defined and illustrate the advantages yielded by IRAP in the Canadian interest. Cimtech will remain as a distinct subsidiary located in Canada. Its software capacity will be increased and in this area it will take up some of the work now being done in Texas. Cimtech will continue to produce some hardware although the bulk of this activity will now be done in the United States. When customers buy work stations, they buy both hardware and software and Cimtech benefits from the sale of its computer programs. In other words, Cimtech's strong point—its software capacity—will be increased and its capacity to sell that software will be considerably increased thanks to its relations with an efficient hardware manufacturer with an international sales network. The software is not a small addition to these work stations, it is the very heart of the project. So the number of jobs will increase at Cimtech.

As you can see, Mr. Speaker, even though the Hon. Member is extremely concerned about the effects of the free trade agreement on the IRAP program, one only has to consider the other side of the issue to see that the IRAP will be beneficial to Canadian industries in enabling them to better compete with their competitors in the United States.

• (1830)

[*English*]

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.33 p.m.

HOUSE OF COMMONS

Friday, November 27, 1987

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—TRANSPORTATION INDUSTRY

Hon. André Ouellet (Papineau) moved:

That this House condemn the Government for its destructive influence on the Canadian transportation industry by its impractical and slavish adherence to the ideological myth of deregulation and its inept trade negotiations with the United States, in particular, through:

(1) deregulation of the trucking industry, giving U.S. truckers open access to Canadian markets while 43 heavily regulated American states deny Canadian truckers the same advantage;

(2) introduction in the railway industry of "Competitive Rail Line Rate" provisions allowing American railways free access to Canadian markets while denying reciprocal arrangements for Canadian railways;

(3) failing to seek and obtain in the trade agreement equitable treatment in the United States for Canadian airlines; and

(4) abandoning its legislation on the Canadian coasting trade and failing to obtain any benefits in the trade agreement for Canadian maritime industries.

He said: Mr. Speaker, when the Canada-U.S. Free Trade Agreement was concluded at the beginning of October, not many people wondered about the impact it would have on Canada's transportation industry. It is clear, however, that as far as transportation is concerned, Canada loses across the board. In fact, we have given our trucking industry away to the Americans through our massive deregulation in this country. The competitive line rates mechanism in Bill C-18 on deregulation of the transportation industry in Canada gives U.S. railway companies broad access to the Canadian market.

Furthermore, the air transportation industry, where we could have negotiated certain cabotage rights, has been excluded outright from the Free Trade Agreement. And lastly, after making so many concessions in the other sectors, we were turned down flatly when it came to shipping.

In fact, our marine industries are getting strictly nothing out of the free trade talks. As far as we of the Liberal Party of Canada are concerned, the transportation sector is losing across the board. That is why today, we tabled this motion condemning the Conservative Government.

First, I would like to talk about marine transportation. This is what the Minister of Transport (Mr. Crosbie) had to say in an interview with the Canadian press a few days ago.

[*English*]

He said he's disappointed that the terms of the transportation annex attached to the free-trade agreement don't go far enough in freeing transportation services from protective controls.

Do I have to remind Hon. Members that the Conservative Government's stated motive for entering into this treaty was, after all, to buy exemptions from protectionist U.S. law, an objective that has not been achieved at all?

[*Translation*]

By reserving the right to review the provisions on marine shipping in the Canada-U.S. Free Trade Agreement, the U.S. Senate caught the Canadian Minister of Transport with his pants down. On September 23, the U.S. Senate Rules Committee approved a decision to amend the fast track formula that allowed the U.S. Senate to either accept or reject, but not amend, the Agreement. The U.S. Senate will now be allowed to amend the Agreement's provisions on marine shipping, but only those provisions. Now that fifty-six U.S. Senators and 253 members of Congress have signed resolutions asking that any provisions liable to harm U.S. merchant shipping be taken out of the Canada-U.S. Agreement, it seems their goal is to persuade the U.S. Administration to remove all provisions concerning coastal trade if it wants the rest of the Agreement to stand.

Judging by the second draft of the annex received last week, the Reagan Administration is taking this measure very seriously. It is therefore unfortunate that our Minister of Transport had to admit last Friday that he could do nothing. In fact, the latest document on the transportation industry has revealed that Canadian carriers will be excluded from any new marine shipping program, such as supplies for the U.S. Government and preferential commodities.

The Canadian marine industry had decided to challenge the *Jones Act* of 1920, the merchant marine legislation which regulates practically every aspect of the marine industry in the United States. The Canadian shipping companies were quite disappointed when they realized that the Free Trade Agreement would not result, as they had hoped, in the drawing-up of a "Jones Act" for the whole North American continent which, according to Mr. Fred Pitre, Vice President of the Canada Steamship Lines, would have combined the openness and

flexibility of the Canada Shipping Act with the national security guarantees of the *Jones Act*.

Speaking on behalf of the *Dominion Marine Association*, its president, Mr. Norman Hall, would want, in the absence of a global shipping free trade deal, the Canadian negotiators to at least consider the issue of discriminatory investment practices in the United States. An American marine company may now invest up to 100 per cent in a Canadian company and use a foreign built ship to transport goods from one Canadian port to another. On the other hand, a Canadian investor may purchase only 25 per cent of an American shipping firm and must use only ships built in the United States. The competition, therefore, is not fair and is totally disadvantageous to the Canadian economy. That is a blatant disparity which will be confirmed by the Reagan-Mulroney Agreement.

On the other hand, it would be to the advantage of Canadian shipyards and their employees that the Canadian coasting trade be protected just as the American merchant marine is under the *Jones Act*. Mr. Clarke, President of the Shipyards Association, for fear that a relaxation of the protective provisions would open Canada's door to ships built abroad, wishes to see the Canadian legislation provide the same protection as its American counterpart. Finally, the *Seafarers International Union* and the *Merchant Service Guild*, unions which represent some 5,000 Canadian sailors, share these views.

The two unions fear that the Canadian coasting trade will be taken by storm by ships bearing new names, and operated by American equipment and crews.

While the American marine industry was exerting considerable pressure to prevent our merchant marine from gaining access to the domestic market of the United States, the Government of Canada introduced Bill C-52 providing that the coasting trade in Canadian waters would be reserved to Canadian ships.

On the one hand, when the Bill was before the House, we underlined the fact that allowing ships under foreign flags to take part in shipping activities in Canadian costal waters because of a lack of Canadian ships constituted a dangerous concession to foreign, and especially to American shippers.

On the other hand, it was perhaps even more appropriate to state as we did that the Conservative Government had picked a very bad time to propose amendments to the Canada Shipping Act and that it should have dealt with this issue much earlier during its mandate, in 1985 or 1986. A few weeks later, the Minister of Transport confirmed our views when he ordered that the hearings of the Legislative Committee on Bill C-52 be suspended until completion of the Free Trade Agreement.

The problem is now very serious. According to the allegations of the American shippers to the effect that any new legislation or amendment to existing statutes should provide national treatment for the other country, if Bill C-52 receives passage after ratification of the Free Trade Agreement, Canada would have to grant national treatment to American shipping companies.

That is the problem. Thus, through its neglect, the Conservative Government has treatened the plausibility of a reform of Canadian shipping legislation based on national prerogatives and is now running the risk of letting the American companies take over our shipping industry because of its delay in providing adequate legislation for our own industry.

Last Friday, when replying to my questions, the Minister said that the United States had refused to budge on certain points. One of these points was the shipping industry. At the very worst, the *status quo* would be maintained. I say that the *status quo* is unacceptable. It represents a total failure on the part of the Minister of Transport, who is well known for his jokes, but it is clear today that the Canadian shipping industry is not laughing. It is horrified by the incompetence of this Minister.

The crux of the problem resides in the fact that the text of the first schedule and of the later version could provide easier access to Canada in the future for American coasting vessels while the Canadian shipping industry could not have access to the American market.

There is no need to remind the House that the Canadian shipping industry is entirely owned by Canadians, and it has been stupidly sacrificed to get a Free Trade Agreement with the United States. This is most unfortunate since, of all Canadian industries, it is the best suited to compete with the Americans. While our shipping industry costs absolutely nothing to Canadian taxpayers, the American industry is strongly subsidized, receiving some $270 million a year.

Following a Free Trade Agreement with the United States, there would be a serious imbalance: First, the Americans will be able to own Canadian companies while the reverse will be impossible. Second, the Americans will be able to sell duty free in Canada ships built for them, while it will be impossible under any conditions to sell Canadian built ships in the United States. Third, ships sailing under the Stars and Stripes will be able to request, and in some cases obtain, exemptions from the Canadian legislation to carry out their operations in Canada, and once more, the reverse will be impossible.

• (1010)

[*English*]

No wonder Mr. Norman Hall, President of the Dominion Marine Association, asked that negotiations on transportation issues in the Canada-U.S. free trade talks be suspended for 90 days because the current wording is too lopsided in favour of the Americans. Mr. Hall warned that elimination of the duty over a 10-year period as proposed in the free trade agreement would end up wiping out Canadian companies. It would mean Americans will set up shipping companies in Canada with duty free U.S. built 1,000 foot ships offering cheaper rates because of their size compared to the smaller 750-foot Canadian built vessels. Trade on the Great Lakes between Canada and the

U.S. is now 90 per cent controlled by Canadian shipping companies, but that will change rapidly in the future in favour of the Americans.

• (1020)

Mr. Hall also fears the free trade deal will negate the effects of the coastal trade Bill, an amendment to the Canada Shipping Act, which would extend the exclusive right of Canadian vessels' access to work offshore up to 200 miles from the current 12 miles. The free trade deal will ultimately give American supply vessels to the oil rigs in those waters too. It is now clear to me that the Minister of Transport (Mr. Crosbie), our captain, has abandoned the ship.

[*Translation*]

Now I should like to comment briefly on rail transport. During the hearings on Bill C-18, both CN and CP expressed deep concern over the consequences which the implementation of competitive rail line rates might have on their financial viability in the coming years. Pursuant to Bill C-18, a captive shipper might ask a carrier to take goods to a junction point where he might benefit from a cheaper rate offered by another carrier who would transport such goods to their final delivery point.

The rail companies consider that competitive rail line rates are the most serious threat to their own financial viability. In their testimony before the Standing Committee on Transport the management of both companies raised objections to this open-door competitiveness and to the option Canadian shippers would thus have to deal directly with American rail companies. The way they saw it, such conditions would entail a sharp decline in revenue, and that in turn would make railroads increasingly dependent on the Americans and, more particularly, force them to slash capital expenditures just to stay in business.

Responding to such concerns, the Government went along with a suggestion made by the Hon. Member for Lachine—an amendment which, after review, would allow for partly or totally suspending competitive rail line rates. The amendment, a new clause, reads as follows in Bill C-18:

> Where, as a result of a review conducted pursuant to section 266 or 267, it is found in a report submitted under either of those sections that the financial viability of Canadian railway companies has been seriously affected by the operation of sections 134 to 142, the Governor in Council may, by order, suspend the operation of those sections, either entirely or with respect to such kinds of traffic as are specified in the order, whereupon those sections cease to be in force, entirely or with respect to the specified kinds of traffic, during such period as is specified in the order or until the order is revoked.

At the time we commended the Government for its decision even though we did not feel it went far enough, for we looked at it as being a constructive measure on the part of a government which, throughout the whole debate on deregulation of transportation in Canada, had seldom abandoned its unflexible and ideological approach. The Reagan-Mulroney Agreement would seem to jeopardize the continued existence of this modest guarantee. Should a transportation annex along the lines of the two other texts we have examined so far be implemented, it seems U.S. railway companies would be exempted from the provision on competitive line rates according to Section B of Article 11(2), which reads as follows:

> In case of amendments to, or subsequent adoption of measures pursuant to existing measures, which would increase differences or discrimination against national enterprises of the parties, persons and companies of the other party must be given national treatment in the activity sectors suffering additional discrimination or different treatment.

If the final text contained such provisions, any study concluding that the viability of Canadian railway companies is in serious jeopardy because of competition from American railways as a result of competitive line rates, would in itself be an exercise in futility. In this kind of situation, suspending competitive line rates would actually mean applying a new measure in line with existing measures, which might increase differences or discrimination against the parties' nationals and require the application of national treatment to individuals and companies of the other party.

This is at complete variance with the official position taken in Ottawa, according to which all measures contained in Canadian statutes will remain unchanged. Once again, the Canadian Government has caved in to the Americans, and our conclusion must be that the Canadian railways will lose out under the Reagan-Mulroney Agreement.

In concluding, I would like to comment briefly on the trucking question, where again it is quite clear the Government has abdicated its responsibility, under pressure from the powerful American lobby. We know, since we asked the Minister of State (Transport) (Mrs. Vézina) whether Canadian truckers would be protected under the Free Trade Agreement. This week the Minister of State (Transport) was unable to give us a straight answer: "Yes, the truckers will be protected". She beat endlessly around the bush, without giving us any formal assurances in this respect.

I must say we are convinced, considering the eagerness of the American Trucking Association to see this Free Trade Agreement finalized, that the winners are going to be the U.S. trucking companies.

Interestingly, U.S. public opinion originally thought that the Agreement would give U.S. air carriers and truckers access to the Canadian market, and that in exchange, Canadian merchant shipping would have access to trade in U.S. coastal and inland waters. Now it seems the American shipping industry has thrown a wrench in the works, and that Canada is losing across the board as far as transportation is concerned. It loses in the trucking industry, it loses in the shipping industry, and it is losing in the railway sector. The only sector where it has not lost out, and only because that particular sector was completely excluded from the free trade talks, is in the air transportation industry. However, it can hardly be said to be making progress either. As we know, the present situation in the air transportation sector clearly favours the U.S. companies, at the expense of our Canadian companies.

I may say, in concluding, that the Conservative Government has failed to do its duty in the transportation industry. It is too bad that a Government that has two Ministers—one Minister of Transport and one Minister of State—to defend the interests of the transportation industry in Canada, has been unable to achieve better results. Here we have two Ministers I judge to be totally incompetent, and who should hand in their resignations as soon as possible.

[*English*]

Mr. McDermid: As usual, I enjoyed listening to the Hon. Member speaking through his hat. He always gets his material and authoritative sources from the Americans. He spoke today of the latest version of the transport annex although it was an agreed upon annex. He knows full well that the annex from which he was quoting and which he is trying to convince the Canadian people is the final version was released by the Americans. It is their version of the annex but has not been agreed to yet. It is totally false to say that that is a factual document which indicates what will happen in the transportation annex.

We all know that the United States uses the tactic of releasing things to the public early. They enjoy watching the Liberal and New Democratic Parties grab on to these things. We saw it with some so-called secret briefing notes that were prepared two weeks before the agreement was signed. Of course, the Opposition read them with great fanfare in the House, but they did not bear any resemblance to the agreement that was signed.

• (1030)

The same is true in this case, with negotiations in public and using tactics like releasing the text of the annex. Our approach to negotiation is not to lay out our cards to the public, because it simply does not work. The Hon. Member knows that because he has been involved in negotiations. He did not negotiate in public when he had that responsibility.

He also knows that we have a sectoral advisory committee on transportation which is kept up to date and very much involved in what is happening with these negotiations.

The point I want to make is that the Liberals and New Democrats always take information from the United States as their authoritative source.

Mr. Boudria: Who is kowtowing to them?

Mr. McDermid: No one is kowtowing to anyone at all. As Canadians come to understand the agreement, it is obvious that support is increasing.

We have not kowtowed to anyone. As a matter of fact, I believe that we had in Simon Reisman the top negotiator anywhere in negotiating this agreement with the United States. The Liberals and the NDP attack the man all the time, but he negotiated a pretty good agreement 22 years ago, which the Liberals will admit, and he will not see that agreement jeopardized. The fact is that he has negotiated a very good agreement for Canada.

The opposition Parties continually quote the Americans and talk about the annex as if it had been approved and was in place. Why do they keep doing this? Why do they not listen to Canadians? Why do they not wait until they see the annex before they make these unfounded criticisms?

Mr. Ouellet: Mr. Speaker, I will tell the Parliamentary Secretary that the only information we are able to obtain is the information that is made public by the American authorities. The Government has been secretive about this deal. It is absolutely unbelievable. What does the Conservative Government have to hide?

Mr. McDermid: Nothing.

Mr. Ouellet: Why do you not release your documents like the Americans are doing?

Mr. McDermid: Because it has not been decided on.

Mr. Ouellet: The Conservatives have made a bad deal and they are trying to keep it secret because they know the public will realize how bad it is if it comes out.

Mr. McDermid: Not true.

Mr. Ouellet: The Government is the lowest in the polls. The Prime Minister (Mr. Mulroney) needed something because it was a question of life or death for him. He absolutely needs this deal. It was the only thing that could possibly salvage his political future, so he made the deal with the Americans.

It is a terrible deal. During the last 20 minutes I dealt specifically with the transportation field and how it is clearly a bad deal for that sector.

The Parliamentary Secretary totally avoided the discussion on transportation. He said it is a good deal and we should not rely on the American documentation because it is not yet finalized.

Mr. McDermid: Exactly.

Mr. Ouellet: Are the negotiations continuing or not? We were told that the negotiations had been terminated.

Mrs. Sparrow: That is not true.

Mr. Ouellet: It is not true? So we do not have a deal, then. What are you bragging about? Do we or do we not have a deal?

On the one hand we have a deal, but the negotiations are not finished. What are the Conservatives talking about? They are trying to mislead the population. Either you have a deal or not. If you do not have a deal, you are misleading the Premiers by trying to make them believe that the deal has been concluded.

There is no doubt that this is a terrible deal in the field of transportation. Neither the Minister of Transport (Mr. Crosbie) nor the Minister of State for Transport (Mrs. Vézina) have been able to articulate what is good for the Canadian transportation domain. On the contrary, the Minister of Transport said that he is disappointed because he has not been able to obtain what he has been trying to achieve.

We know that he already gave up a lot in the railway sector and trucking areas in order to obtain a breakthrough with the abolition of the Jones Act.

There is no doubt that the Parliamentary Secretary does not know what he is talking about when he suggests that people support the deal. The Dominion Marine Association, the Canadian Trucking Association, and the Canadian Bus Association have all come out strongly against the free trade agreement as it has been presented to them so far, and they are asking the Government to suspend the drafting of the annex for 90 days in order for them to have an input in trying to change it.

Mr. McDermid: They have an input.

Mr. Ouellet: If they want to change it, it is certainly because it is no good.

I want the Minister of State for Transport to try to answer the very specific questions I asked earlier and to show us if she knows something about transport.

Mr. Caccia: Mr. Speaker, as we have just witnessed from this exchange, when it comes to talking through one's hat, the Parliamentary Secretary is a master and champion.

My question to the Hon. Member for Papineau (Mr. Ouellet) relates to statements made by R.J. Ritchie, Vice-President of CP Rail, who was quoted as saying that competitive line rates are tantamount to one-way free trade with the Americans. Mr. I.B. Scott, Chairman and Chief Executive Officer of CP Rail, was quoted as saying that his firm would lose $1.25 billion in revenue over the next five years. Finally, Norman Hall, President of the Dominion Marine Association, was quoted as saying a couple of days ago that the elimination of the 25 per cent duty on 1,000-foot ships would end up "wiping out Canadian companies". Would the Member for Papineau confirm and elaborate on these quotations?

Mr. Ouellet: Mr. Speaker, it is quite clear that half a million Canadian workers are in danger—

Mr. McDermid: Here is the fear-mongering again.

Mr. Ouellet: —from inappropriate gestures on the part of the Conservative Government to give away the Canadian trucking industry—

Mr. Turner (Ottawa—Carleton): Tell the truth, André.

Mr. Ouellet: —to give away the Canadian railway industry to the Americans in order to obtain an agreement with the Americans.

Mr. McDermid: He has no faith in Canadians. Typical Liberals.

Mr. Ouellet: Mr. Speaker, I want you to realize that despite the noise and reaction of Conservative Members, it is not me who is saying this. It is Canadian businessmen and the transport industry who are saying clearly that the action of the Conservative Government jeopardizes their industry. Clearly that is what it is. Therefore, I want to confirm what the Hon. Member for Davenport (Mr. Caccia) said, that, indeed, through the competitive line rates, the American railways are going to get an unjust advantage over the Canadian railways.

• (1040)

I see it is very painful for the Conservatives when we get to specific points. It is painful for them to have to talk specifically about the free trade deal. They would rather make those nice long speeches on the future of the country. But the future of the country is in relation to jobs and security of employment in some sectors. The responsible people in the transport industry are saying that because of this Government thousands of jobs will be lost to the Americans.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Minister of State (Transport) (Mrs. Vézina).

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, I am delighted with the opportunity the Opposition is giving the House today to consider the question of free trade and the transportation industry. At last the Opposition has decided to drop all pretences. In fact, I think genuine congratulations are in order here.

In the motion before the House today, the Opposition has decided to come clean.

During the past week, they have been trying to scare our partners in the transportation industry and the general public. However, the wording of today's motion is a clear indication they do not really want to talk about free trade. They want to challenge the whole deregulation process started by this Government. I would like to get back to that in a few moments. First of all, I would like to reiterate my congratulations, and I do so as I would to any other person taking part in a discussion on a committee, with a minimum of intellectual honesty.

Mr. Speaker, I would like to stress the very ironic dimensions of what we have seen in this House during the past week. I must admit it is not very easy to understand the position the Liberal Party has taken on free trade. Its ideology on this very important issue is certainly not crystal clear. Once I finally managed to make some sense of their abstruse statements, I reached the conclusion that they were against the Agreement.

However, during the past week, the Opposition has been indignant about the fact that no substantial progress had been made in our free trade talks with United States with respect to the transportation sector. Mr. Speaker, I am looking for a modicum of logic in their position and I cannot find it. I keep telling myself there must be some consistency in their political thinking. But although I keep trying, I have not been able to find any. Unless, Mr. Speaker, this whole uproar is nothing but a lot of crocodile tears. In either case, Mr. Speaker, I find the situation opposite sad and depressing.

Mr. Speaker, in the past few days the Minister of Transport has said repeatedly in the House that we had not yet signed the agreement on transportation, that our negotiators were still working on it and that the transportation industry did not have to worry about its interests being sacrificed. It seems to me that is a as clear a statement as you can get from the Minister of Transport. There is certainly no room for ambiguity here.

However, Hon. Members opposite will not hear of it. They put their fingers in their ears and keep repeating all kinds of nonsense.

As I said earlier, today the Opposition has come clean. It is not challenging free trade but the whole deregulation of the transportation industry we started and which was put into effect by the National Transportation Act, 1986, and the Motor Vehicle Transport Act, 1987, Bill C-18 and Bill C-19.

With his usual sense of style and proverbial courtesy, the Hon. Member for Papineau (Mr. Ouellet) was suggesting last Tuesday that since I was so new to Transport, they should cut my pay.

Mr. Speaker, the most accurate statement made in the House during the past week was that I was indeed new to the Department of Transport and that I had brought with me some fresh ideas.

Fully absorbed in the activities of my other departments, I had not had much time to immerse myself in these issues. I should like to remind him, however, that as a representative of a distant riding, I have a gut knowledge of their importance. In my remarks, therefore, I want to bear witness to a situation.

I am amazed at the quality of the legislation which my Government has introduced in this most vital area of our economy.

Regulations were about to choke our transport industry under the previous Government,—the only one in the history of mankind which had managed to lose money with a lottery,—and we were about to sink. When we came into office 1984, we changed all that.

I refer Members opposite to our basic documents, including *Freedom to Move*, where we clearly defined the principles behind our action: First, less Government interference. This is a concept which the Liberals and to an ever greater degree the NDPs will never be able to understand. The type of Canada they foresee would be an enormous bureaucratic structure where the Government would control everything in all areas of activities and where, year after year, it would do its utmost to increase the deficit.

The second principle involved in *Freedom to Move*: Greater reliance on competition and wider range of services to the public.

Again, two notions to which the Opposition is simply impervious. Why on earth should we be concerned about Canadian consumers? Why should we care about Canadian corporations which need efficient transportation services to remain competitive, to preserve existing jobs and create new ones?

Mr. Speaker, the callousness of our colleagues opposite to the needs of consumers is nothing new. I refer for instance to the urea-formaldehyde foam insulation problem. The previous Government spent over six years to try and solve the UFFI problem Canadian consumers were confronted with. At the time, the Liberal Government had done everything in its power to deny is responsibility in this regard. I am told that the UFFI case should be listed in the Guinness Book of Records because it is the one which required the most time to be settled and remained for the longest period before the courts. We, on the contrary, intend to pay very much attention to consumers. We take care of consumers and listen to their needs.

The third principle behind our action is our will to limit restrictive regulation and red tape. Again, this is a principle which is entirely foreign to the daily concerns of people opposite. But we are concerned, because the public expects this type of action.

The Government has incorporated these principles in Bills C-18 and C-19, and I am proud to be part of such a Government. The Opposition is going nowhere with its rearguard fights on legislation already adopted.

I should like now to deal with the various questions raised this week by the Opposition in the area of transport and free trade. Indeed, they are summarized quite well in this motion.

First, Mr. Speaker, you do not have to be Einstein to realize that more trade between Canada and the United States will mean an increased movement of goods, and by extension, more transport. It is therefore obvious that one of the indirect effects of the Free Trade Agreement can only be very beneficial for the transport industry, as well as for all Canadians and all our industries.

Let us now look at each mode of transport seperately, starting with trucking. The Hon. Member for Papineau stated this week that the American transport companies would have unlimited access to the Canadian market while the boundaries of 43 American states would remain closed to our trucking companies. This is unaccurate, Mr. Speaker. Even after looking carefully through all the files of Transport Canada, we were unable to find a single case of a Canadian company which would have been denied the priviledge of operating a branch in one of those states.

Mr. Speaker, the Opposition conjures up ghosts and becomes convinced that they are real, then it begins to get scared and to scare the Canadian public. Mr. Speaker, this is ridiculous, intolerable and unacceptable.

The truth is that all Canadian transport companies have benefitted enormously from the deregulation of trucking in the United States. Over 1,000 Canadian companies now operate with enormous success in the United States. Coming back from Quebec City yesterday, I travelled with an owner who told me how effective our policy is and how he had enjoyed unrestricted access to the United States for several years.

Let us now look at railway transport. The Opposition makes a lot out of a statement by Mr. Ritchie, Vice President of the Canadian Pacific, to the effect that we have implemented a one way free trade system with the United States which benefits only the Americans. Of course, the comment of Mr. Ritchie has nothing to do with the Free Trade Agreement, and everything to do with Section 134 of Bill C-18 on competitive line rates. Mr. Ritchie prefered the lack of competition and captive markets, which is easy to explain. The only problem is that the ones to suffer would be the Canadian workers. We have opened up this sector to the Canadian companies because it was in our best interests to do so. I am very sorry if that does not please everyone. As a Government, we were simply unwilling to sacrifice the interests of the many to please Mr. Ritchie.

Let us now talk about maritime transport. I have a double interest in that sector. First, my region, the lower Saint-Lawrence and the Gaspe peninsula, has always been associated with the sea. Second, when I was with the Department of Supply and Services, I became quite familiar with the difficulties of the Canadian shipbuilding industry.

The maritime situation of our country raises many challenges, including the provision of efficient and economical shipping services to support Canadian trading activities. In 1985, over 325 million tons of goods were moved by ship in Canada, and this volume increased to just under 335 million tons in 1986. Of the $115 billion of goods exported last year, over 20 per cent were shipped by sea.

Protectionism is a threat to international maritime trade and to the position of Canada on world markets. Mr. Speaker, our Government is committed to promote free competition in international maritime transport, in spite of the problems caused by protectionism.

This is why, in the Free Trade Agreement negociations, we have tried to convince the Americans to amend their coasting trade regulations under the famous Jones Act. Under this Americam law any vessel plying American coastal waters must have been built in the U.S., be over 75 per cent owned by American interests, and bear the American flag.

As protectionist measures go, these are hard to beat, and I am sure all Hon. Members would agree. As it stands now the American maritime sector is fully protected. Our situation in Canada is different. Among other things, we do not force Canadian shippers to buy vessels built in Canadian shipyards. They are free to buy abroad, but then there is a 25 per cent levy.

• (1050)

Sad though it may be, the Americans were adamant and would not make any concession. I deplore this fact, but that is the way it is. They are sticking with the Jones Act, and that is their right. We too Canadians had non-negotiable sectors, and Members opposite are fully aware of them. One of the very legitimate concerns of the Canadian shipbuilding industry is of course the fact that under the free trade agreement all tariffs between Canada and the United States will disappear over the next ten years, and that includes the 25 per cent rate applicable to foreign-built vessels.

Because we share the industry's concern, we have announced that the Government will not sign an agreement which might prove to be unfavourable to the national interest. The Prime Minister (Mr. Mulroney), the Minister of Transport (Mr. Crosbie) and other Ministers have so assured the House on a number of occasions.

In addition, as the Minister of Transport explained last Tuesday, Bill C-52 on coasting trade and commercial marine activities makes it possible for us to offer even more protection to Canadian maritime interests and our own shipbuilding industry. We will not hesitate to use that mechanism should it ever become necessary to do so. Mr. Speaker, I would remind you that the Bill was adopted last May 1, and it is aimed at rationalizing and updating the process of eligibility for coastal trade. Regulatory procedures will be streamlined so that owners of Canadian vessels will no longer have to secure a coastal trade permit.

The Bill also restricts coastal trade activities to vessels flying the Canadian flag and goes on to define the activities covered by these provisions as well as the extent of it application. More specifically, henceforth Canada's coastal trade regulations will apply 200 instead of 12 miles offshore as a result of Bill C-52. A system of exemptions is in place to ensure that adequate maritime services respond to the needs of Canadians.

The Bill has gone through second reading and been referred to committee, and we intend to complete its study and, indeed, have it adopted.

Mr. Speaker, to sum up the situation concerning the liberalization of trade with respect to maritime transport services, I would say there has been no progress. Given these circumstances—and since we cannot even dismiss the possibility of still more protectionism in years to come—the least we expect is to achieve a status quo so that we might resume discussions on free coastal trade at a later date. That is the very difficult question we will have to settle in the near future. Again I can assure the House that we will act in the best interests of Canada as well as those of the maritime transport and shipbuilding industries.

Hopefully, Mr. Speaker, I have managed to convince my colleagues opposite that their fears are groundless. This week the Hon. Member for Papineau (Mr. Ouellet) commented on my being a young Minister of Transport. Truth to tell, Mr. Speaker, I hope that in months and years to come I will be able to maintain the challenging approach which has been the hallmark of our Government since September 1984. May God spare me from the opposition to change and the resignation of my colleagues on the other side!

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

OFFICIAL LANGUAGES

FREE TRADE AGREEMENT—REQUEST THAT GOVERNMENT PROTECT BILINGUALISM

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): As I indicated yesterday, Mr. Speaker, I am quite concerned about the impact of the Free Trade Agreement on the Quebec Charter of the French language, and so are a lot of Francophones both in Quebec and the rest of Canada, I can assure you. Quebec's French Language Bureau has provided examples within the European Common Market where France has been obliged to accept products with labelling in Italian only.

Mr. Speaker, I urge the Conservative Government to make sure that the final text states... If the Government has provided for environmental protection, it should see to it that the final text states that in Canada, the English and French languages have equal status and that Quebec has a right to legislate on language issues.

* * *

• (1100)

[*English*]

SCIENCE AND TECHNOLOGY

SYMPOSIUM ON DIALOGUE BETWEEN PARLIAMENTARIANS AND SCIENTISTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you know, leading scientists, scholars, and engineers are today taking part in a symposium with parliamentarians on Parliament Hill. The symposium is organized with the assistance and help of the Royal Society of Canada and the Committee of Parliamentarians, Scientists, and Engineers, at the request of an all-Party group of parliamentarians.

The symposium entitled "Towards an Effective Dialogue between Parliamentarians and Scientists", consists of nine workshops on Canada's changing population, new developments and opportunities in the science of materials, global change, human impact on the environment, the impact of science on the North, space technology, resource management, the AIDS epidemic, the future of biotechnology, and environment and sustainable development.

The Speakers of both Houses of Parliament are supporting this event. In addition to invited speakers, and representatives of many national scientific and engineering organizations, the event is open to the media.

We congratulate you, Mr. Speaker, and with you the Royal Society of Canada and COPSE for making this initiative possible. We hope it will take place every year to facilitate understanding between scientists and parliamentarians for the benefit of Canadians and the global community.

* * *

[*Translation*]

SHIPBUILDING

IMPORTANCE OF SHARING EXPERTISE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the Department of National Defense is about to award a contract for the construction of six frigates.

According to the main bidder there should be only one builder with expertise in frigate construction because of lower costs. That is not true! A monopoly situation is always more expensive.

Faced with such a huge order, the main bidder would no longer control its direct or fixed costs. The Government could be forced to give in. A mere 2 per cent budget over run for all the frigates already cancels out the so-called additional costs of $79 million per frigate non built in St-John. Only one frigate building shipyard would mean: a quite inadequate defense industrial base; a total lack of competition for the main marine construction works; an obvious deficiency in marine repair industrial capacity, especially in case of a conflict; an impossibility to maintain at least two alternative sources of shipbuilding, with one located in a protected area in time of conflict, along the St Lawrence River.

That is the reason why this expertise must be shared.

* * *

[*English*]

PETRO-CANADA

ETHANOL FUEL DECISION—REQUEST FOR RECONSIDERATION

Mr. Albert Cooper (Peace River): Mr. Speaker, a short time ago Petro-Canada announced that it would not be proceeding with the sale of fuel produced from a possible ethanol plant in Dawson Creek, British Columbia. This has discouraged farmers on both sides of the Alberta border in the Peace

country. I wish to make the statement that this is not the time to quit on this issue. In fact, it is the time to press ahead.

Both the Minister of State for Science and Technology (Mr. Oberle) and myself have been very concerned with this issue. The Government needs to look at it as a high priority. The Government needs to consider a number of things. First there is the value of the fuel itself, and the problems that come with it, but, more important, the advantages that I think exist.

Second, the Government needs to look at the impact it will have on agriculture, both in terms of the use of grain in the area, and also in terms of cash flow for our farmers.

Third, the Government must pay particular attention to research that has already been conducted in this area in countries such as Brazil, and by companies such as Ford, that I understand are experiencing considerable success.

Fourth, the Government must consider the fact that it is mandating removal of lead from fuels, and it has to consider the option of using methanol in that product.

Now is the time for action; it is not the time to sit back and rest.

* * *

SHIPBUILDING

DETERMINATION OF NEW DEMOCRATIC PARTY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Canadian shipbuilding industry lingers in a state of crisis dating back to the early 1980s.

The former Liberal Government responded to industry demands in 1984 with a Task Force on Deep Sea Shipping. Appointed in April, 1984, the majority of this task force, chaired by Professor Gunnar Sletmo of Montreal, "recommended that the federal Government not take steps towards the establishment of a core deep sea fleet under Canadian flag". Two members, presidents of Canadian seafaring unions, dissented from this misguided recommendation.

Shipyard workers are now hearing talk about another task force on shipbuilding. A Conservative Government that has stated no policy on shipbuilding knows that it will soon be facing the voters, and it too wants to buy time with talk. It is particularly anxious to do so, because it knows that its vaunted trade deal with the United States contains nothing for the shipbuilding industry.

Canadian shipbuilders become more and more frustrated with the Liberals and the Conservatives. They speak fine words in opposition, but they refuse to develop policies when they form the Government.

Canadian shipbuilders look more and more strongly to the New Democratic Party to form the Government, and to act on our determination to make shipbuilding one of the ways to achieve full employment in a prosperous new Canada.

* * *

SPORTS

GREY CUP PROGNOSTICATION—PROPHECY OF ARGOS' VICTORY

Mr. Bob Hicks (Scarborough East): Mr. Speaker, tomorrow is an exciting day in Canadian history. Tomorrow is the day that the Argos will win the Grey Cup!

After the eastern final last week I wanted to discuss it in the House, but I fought with myself, not wanting to boast about this great team.

I have lived in the Toronto area all my life, but didn't realize that the Argos could put together such a great team.

I couldn't keep silent any longer. I've tried, but to no avail! I must rise in my place and announce to the Members of the House and to all Canadians that tomorrow is the day. Tomorrow is the day that the Toronto Argonauts will win the Grey Cup!

Some Hon. Members: Tomorrow?

* * *

[*Translation*]

FREE TRADE

NEED TO TAKE INTO ACCOUNT SECTION 6(2) OF REGULATION ON PACKAGING AND LABELLING CONSUMER PRODUCTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, Section 6(2) of the Consumer Packaging and Labelling Regulations provides that all information required to be shown on the label of a prepackaged product shall be shown in both official languages.

In order to ensure that those regulations will not be considered as a barrier to trade or a non-tariff barrier, if and when a free trade agreement is signed with the United States, it is imperative that this Government include in the agreement a provision recognizing those regulations as an integral part of our Canadian cultural identity.

A possible claim under the dispute settlement mechanism would jeopardize the efforts made by previous Governments to further the cause of bilinguism in Canada.

S. O. 21

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—SUPPORT FROM STORMONT—DUNDAS INDUSTRIES

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, the citizens of Stormont—Dundas look forward to the new free trade agreement. The chemical producers in my riding are unanimous in their support for this agreement.

Courtaulds-BCL are anxious to continue to have access to the U.S. market which is so important for it, and also the elimination of more than $.5 million in tariffs which it is now spending. Domtar Fine Papers looks forward to continued access to its major market in the United States. Dominion Textile, the largest employer in my community, looks forward to opportunities to expand and renew its plant in Iroquois. That means more employment for the people of Stormont—Dundas.

Ridgewood Industries, a smaller industry in furniture manufacturing, looks forward to continued access to the United States, an expanded market, and expansion of its plant in Cornwall.

Support for free trade in our community is unanimous. We look forward to the opportunities for growth and employment improvement.

* * *

IMMIGRATION

LANGUAGE TRAINING POLICY—SITUATION OF IMMIGRANT WOMEN

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the 1981 Census statistics showed that almost 50 per cent more immigrant women than men had no knowledge of either official language. The main reason for this deplorable statistic is the federal Government's policy on subsidized language training for immigrants. This policy clearly disadvantages women. Immigrant women, who may not be working in the labour force, are certainly working in the home and they need to communicate in one of the official languages to function efficiently in their daily lives.

Immigrant women who are seeking to enter the workforce are also often denied access to language training, as it is judged that the few marketable job skills they possess will make them ineligible for employment that requires communication abilities.

The result is that immigrant women, especially those from developing countries, are ghettoized in low-paying menial jobs. We know that this only reinforces the sexist and the racist stratification of our society that keeps women of visible minority groups in poverty, and powerless in our society.

• (1110)

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF ONTARIO PREMIER

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, today I would like to talk about "Ode to an Ostrich". I made a recent trip to Africa, to Zimbabwe and Tanzania, and guess what I saw running by the roadside? I saw ostriches, male ostriches, female ostriches and lots of little ones.

The Premier of Ontario, the proverbial ostrich, has his head in the sand on the benefits of the free trade initiative for Ontario. He demonstrated this very clearly yesterday at the Premiers' conference in Toronto. He is concerned about the Auto Pact. It has not only been retained but it has been enhanced. He is concerned about procurement practices. For 20 years, Ontario has been trying to crack the American procurement market. We finally give it access to $4-billion worth of possible U.S. procurement. He thinks that the Conservative federal Government may be getting snookered by Americans by delaying the legal text. It is not being delayed, we want to get it right so that Ontario will continue to benefit from increased trade.

The Premier of Ontario and others have called this a leap of faith. Of course it is. What major world undertaking in the history of mankind has not been a leap of faith?

I have faith in our young people and in Ontario business people. They will make this a successful leap along with the continued leadership of the Prime Minister (Mr. Mulroney).

Now that winter has set in, Mr. Peterson's ostrichlike undertaking is frozen in the sands of the past. The Prime Minister is looking to the future.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—SUPPORT FROM BUSINESS AND AGRICULTURAL ASSOCIATIONS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, for the past seven weeks Canada has been subjected to unsubstantiated attacks by opposition Members on the historic Canada-U.S. trade agreement. What do we hear from Canadians involved in all sectors of the economy?

From the Mining Association of Canada we hear reiteration of its strong support for free trade. The Independent Petroleum Association of Canada is very supportive of the free trade initiative. The Business Council on National Issues reacted by referring to the deal as an enormous step forward. The Information Technologies Association says that its industry is pleased with the pact.

The list is long and includes the western Canadian wheat growers who like the increased prospects for sales. It includes the Canadian Cattlemen's Association which says it has nothing but praise for the deal. It includes the Saskatchewan stock growers and pork producers who note the agreement's importance in maintaining access to the U.S. market. That is what Canadians are saying about free trade. Their confidence in their ability to compete and succeed is unshaken by Opposition scaremongering.

Also recognizing the Government's courage in striking this historic enhanced trade deal are the Institute of Research and Public Policy, the Council of Forest Industries of B.C., the Consumers' Association of Canada, the Canadian steel producers' association, the Canadian Petroleum Association, the Canadian Manufacturers' Association, the Canadian Institute of Chartered Accountants, the Canadian Federation of Independent Business, the Canadian Export Association, the Canadian Council of Professional Engineers, the Canadian Chamber of Commerce, the Canada West Foundation—

Mr. Deputy Speaker: I regret to have to interrupt the Hon. Member.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

REQUEST FOR DETAILED DEFINITION OF "MECHANISM OFFERING HELP TO CERTAIN ENTERPRISES"

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, a few weeks ago this Conservative Government, through the Minister of Regional Industrial Expansion (Mr. de Cotret), announced substantial assistance to the construction of the Matane papermill. The Minister in charge expected the Matane project would result in 300 permanent new jobs being created at the plant proper. The Minister was ready to offer help through existing mechanisms.

Although there is indeed within DRIE a mechanism to help businesses that are ready to create jobs through new investments, I would like to be in a position to conclude, Mr. Speaker, that the Minister in charge is ready to extend similar offers to other businesses willing to guarantee a significant number of jobs by means of new investments. If not, I wonder what is meant by "existing mechanism" within the DRIE, and I also wonder on what basis help was offered to the Matane papermill.

Would he be ready to extend the same offer to Consolidated Bathurst in Grand-Mère, which has just announced an important $250 million project for the building of new plant which will guarantee hundreds of jobs in the area?

[*English*]

NATIONAL PARKS

ESTABLISHMENT OF PRINCE EDWARD COUNTY MARINE PARK ADVOCATED

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, off the shores of Prince Edward County in the deep, dark, cold waters of Lake Ontario lies a treasure of untold value. Over 200 ships of every shape and type known in the late 1800s sank in these waters at a time when the lakes, bays and rivers were the main routes of commerce in Upper Canada.

Many ships went down during the barley days, that time in the history of Prince Edward County when every possible acre of land was covered with the golden crop, usually shipped out to make beer and ale.

Deep Quest II, a highly respected voluntary organization, has researched and photographed many of these ships. It now hopes to set up an underwater habitat in the area to further its scientific exploration.

Canada has already recognized the value of underwater marine parks and I have initiated talks along these lines with the Minister responsible for Parks Canada. Unless they are properly protected, these vignettes of Canadian history could be vandalized for souvenirs as happened to the *Titanic* this summer.

I ask for and indeed look forward to the co-operation of all my colleagues in establishing the necessary facilities to protect these old ships while at the same time making an exciting part of Canada's history available to all Canadians.

* * *

TARIFFS

COUNTERVAIL DUTY ON UNITED STATES CORN

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, corn growers are concerned about the Canadian Import Tribunal's recommendation to reduce the countervail on corn to 30 cents from its current level of $1.10. The duty was put in place to protect growers from subsidized U.S. product at a time when the world's largest corn producer was dumping its grain into our bins.

Canadian corn producers take issue with the Tribunal's recommendation since no evidence was presented to suggest that the current duty has injured any user group. After reviewing the document, I conclude that some of the reasons for lowering the countervail were very flimsy indeed.

Growers do not want to see the duty lowered, but they would be willing to accept a lowering of the level to perhaps 60 cents or 70 cents. Putting the duty at 30 cents, the countervail the Import Tribunal is proposing to levy, does not protect farmers at all. In fact the level of the import duty works out to be only

about a quarter of what the nominal value is, and 30 cents provides virtually no protection at all.

* * *

SHIPBUILDING

SUGGESTED PURCHASE OF SIX FRIGATES FROM SAINT JOHN, N.B., SHIPYARDS

Mr. Stan Graham (Kootenay East—Revelstoke): Mr. Speaker, the regions of Canada are often thought of in terms of their respective strengths—the Prairies as a great supplier of grain, for example, and Quebec for its electric power. Is not the special contribution of the Maritimes its mastery of the sea? Does it not make sense to allow maritime geography, not to mention special technical skills, to work on behalf of Canada?

The maritime provinces need the opportunity to show the country what they are capable of. Our Budget requires that we spend our defence dollars as wisely as possible. It makes sense, therefore, to save $80 million per ship by purchasing the next six frigates for the Royal Canadian Navy in Saint John, New Brunswick.

I call upon my colleagues in Cabinet to acknowledge the merit of the people of New Brunswick. A high-volume contract for frigates serves them, the navy, and the country best.

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HARBOURS AND PORTS

SMALL CRAFT HARBOURS PROGRAM—MAGDALEN ISLANDS—WHARF AT OLD HARRY

Mr. George Henderson (Egmont): Mr. Speaker, last week the Minister of Fisheries and Oceans (Mr. Siddon) told the House about his efforts to get more money for the Small Craft Harbours Program. We know the Minister is trying to make up for earlier cut-backs.

There are many harbours across Canada that are in dire need of these essential facilities. For example, the wharf at Sea Cow Path in Old Harry on the Magdalen Islands is in terrible condition and needs urgent repairs. The previous Liberal Government allocated $1 million which was used to purchase materials for the construction of a new wharf. Despite numerous requests from the fishermen and the Mayor of the Town of Grosse Ile, the Minister has refused to allocate funds for its completion.

In fact, the Department even tried to haul the materials away from Old Harry. Imagine that! The people had to block the road to stop the Government! What utter hypocrisy on the part of the Government. Nearly 100 fishermen and plant workers depend upon this wharf. I urge the Minister to review this matter immediately and to make funds available to these people.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EMPLOYMENT ADJUSTMENT ASSISTANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Acting Prime Minister. On October 5 the Prime Minister told the Canadian Export Association in Ottawa, in his words, that "the Government has undertaken with the provinces to ensure a massive program to assist those workers affected by the adjustment and dislocation" of the trade deal. That statement was in effect contradicted the following day, October 6, by the Minister of Finance.

Yesterday, in responding to the Premiers in Toronto, the Prime Minister said that he would not even set up a private sector advisory committee on adjustment until after the trade deal is completed. What happened to that massive program the Prime Minister was talking about for adjustment for workers as a result of dislocation caused by the trade deal, or does such a program even exist?

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, we have said several times in this House, both in presence of the Leader of the Opposition and in his absence, that employment adjustment is not a phenomenon that came about with the free trade agreement. Over a million and a half Canadians experience permanent job loss each year and yet, the number of unemployed has declined by 250,000 in the last three years, which means that employment adjustment is essentially an ongoing process and that we have several mechanisms that are very effective in this regard; there is the industry adjustment system that works in cooperation with the industry, the unions and the companies themselves, there is the job strategy, the skills improvement programs, and so on.

However, what the Prime Minister said yesterday is that we must seek the most practical means that could be applicable to industries that might be affected. An independent committee will be charged with this study, but I believe the Opposition Leader is honest and would not want to give the impression that nothing is being done presently in the area of employment adjustment. That is not a new phenomenon, it has been going on for a long time and we have all the means to address it and we will continue to do so. The problem of adjustment of workers will not be solved by throwing billions of dollars at the problem.

SITUATION OF WORKERS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will then turn to the Minister who has admitted that we will lose 500,000 jobs in Canada because of this trade agreement with the United States.

In order to try and see through the smoke screen surrounding his last answer, Mr. Speaker, let me say that the Prime Minister's trade agreement will completely disrupt the work force in Canada. And the Prime Minister did not even take into account the situation of Canadian men and women who stand to lose their job as a result of the agreement. Can the Minister explain why the Prime Minister did not worry about the fate of our workers across the country before the agreement was signed instead of after?

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I just said that the Government is working on employment adjustment according to the ongoing realities we are faced with. We did not wait for the free trade agreement to be signed, contrary to the usual stand of the Liberal Party who finds the answer before the question is put. One just has to consider the economic situation of the country to understand what you have done for ten years.

We are dealing daily with employment adjustment. The Prime Minister has said and repeated, as well as the Minister of Finance, that following the signature of the agreement, we will have to analyze the various sectors of the economy in order to determine which sectors might be more particularly affected, and my department is already at work on it. We will respond and we are already responding. I challenge the Leader of the Opposition to tell me that we have not in the area of employment adjustment, in the last three years, responded in such a way that we have created one million jobs and that there is now 250,000 less unemployed than there was before. That is what I call employment adjustment!

* * *

• (1120)

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

MINISTER'S STATEMENT ON PROVINCIAL OBLIGATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, let me turn from an irresponsible statement on adjustment policy by the Prime Minister yesterday to an irresponsible statement last night on television by the Minister for International Trade.

Can the Acting Prime Minister tell us what the Minister for International Trade meant when she said last night on *The Journal* that: "The provinces have already been found guilty of violating the GATT, the international global system; so we have obligations under the GATT."? No one has been found guilty of anything. We have a preliminary ruling.

How could the Minister's colleague undermine Canada's continuing pursuit of these cases involving fish and wine before GATT when she declares the provinces are guilty because of a mere preliminary ruling? With a Minister for International Trade like that, no wonder this country has been taken to the cleaners by the U.S.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I watch the righteous indignation of the right hon. gentleman on the trade deal day in and day out. We know he has to grasp at straws to fight an agreement which is so good for Canada, and so important to all of its regions.

My right hon. friend knows how GATT operates. He knows that the panel brought down decisions against Canada dealing with wine pricing and processed fish. He knows full well that to negotiate out of those decisions there has to be agreement by all 95 of our GATT partners. He knows that process is going on now. However, the GATT panel has made a decision and obviously they found Canada at fault in this area.

We are working extremely hard to negotiate with those countries which brought these charges against Canada, and will continue to do so.

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[*Translation*]

PENSIONS

HOMEMAKERS—PROMISE OF PROGRESSIVE CONSERVATIVES—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of National Health, I will direct my question to whoever can answer—it concerns homemakers.

We all remember that in 1983, the Advisory Council on the Canada Pension Plan supported the proposal of the then Government to find a solution, in co-operation with the provincial governments, for homemakers to come under the Canada Pension Plan and the *Régie des rentes du Québec*, both as to contributions and pensions.

It will be remembered that during the last election that was part of the promises made to women by this Conservative Government.

Yesterday, the Advisory Council on the Canada Pension Plan which, may I add, has had new directors appointed to its board, in other words directors appointed by Conservatives—recommended that the Conservative Government forgo the promise made to homeworkers that they would contribute to the Canada Pension Plan and the *Régie des rentes du Québec.*

I would like to know from the responsible Minister whether this Conservative Government will reject that recommendation made by Conservatives members of the Advisory Council on the Canada Pension Plan, and whether it will allow homemakers in Canada to be covered by the Canada Pension Plan.

[*English*]

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, as the Hon. Member knows, the Minister of National Health and Welfare is in Toronto at the First Ministers' Conference. Therefore, if I may, I will just briefly point out that, unlike the previous Liberal Government, this Government, when dealing with any matter, particularly one as important as homemakers' pensions, wants to consult with as broad a range of Canadians as possible. This consultation is ongoing in all parts of Canada.

Federal-provincial officials are currently looking at a broad range of options. The report tabled yesterday is just one of many options being considered by those officials. Once that broad range of options has been considered then an appropriate decision to the benefit of homeowners will be taken by this Government.

[*Translation*]

REQUEST FOR COMMITMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I know the Minister once won medals for figure skating on the ice. But as far as this matter is concerned, there will be no olympic medals for his answers to our questions.

The Minister recalls that his Conservative Government misled senior citizens. He knows that this Conservative Government is now misleading homemakers.

Can the Minister answer yes or no? Will this Government honour the commitment made to the 3 million Canadian homemakers that they could contribute to the Canada Pension Plan and the *Régie des rentes du Québec*? Yes or no? No more figure skating here!

[*English*]

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, first, I am very proud of having been able to win a gold medal for Canada.

Some Hon. Members: Hear, hear!

Mr. McDermid: He won the gold medal for hamburger eating.

Mr. Jelinek: I am not even going to touch that.

I want to point out to the Hon. Member that this Government keeps its commitments and will keep its commitment to try to provide the best possible pension for homeowners. If my hon. friend wants to be positive in this regard, and he has not been in any other regard, he should suggest to his Liberal friends in Quebec and Ontario they be a little bit more co-operative and move in the direction this Government is moving.

* * *

[*Translation*]

FREE TRADE

QUERY WHETHER CHANGES ARE IN FINAL TEXT OF AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Communications who is shouldering the Prime Minister's responsibilities today.

In the past, according to the Prime Minister and other Ministers, we had a time limit with respect to the final text of the Canada-U.S. free trade agreement because both governments are busy finalizing the legal wording of this historic accord. They indicated that neither government intends to change the substance of the agreement. Unfortunately, a report has it that today the two governments did make substantial changes, specifically in the automotive sector, and according to a report the governments have changed the level of North American content from 50 to 60 per cent.

My question to the Minister is simply this: True, there have been substantial changes, yes or no?

• (1130)

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, to my knowledge that report came from a *Toronto Star* article of a few days ago which reported that the APMA said that it would like to see the content rule changed from 50 per cent to 60 per cent. As far as we are concerned, the 50 per cent North American content which was negotiated for the foreign automotive industry in North America is the fact.

Mr. Broadbent: Mr. Speaker, the report was not in *The Toronto Star*. It was a news report this morning on the CBC.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I know the Conservative Party has trouble with the public broadcasting corporation which its Government established in the 1930s. We understand that.

STATEMENT ATTRIBUTED TO COMMITTEE OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have been informed that the news report was based on testimony given before the House committee in western Canada. It was a statement made by an official of the committee. Has the Minister checked this morning with the negotiating teams to find out whether there has been a change? If not, upon what is he basing the report which he is now making to the House?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, a briefing was given to Peter Clark, a committee adviser, by the trade negotiation office. That briefing to Mr. Clark mentioned the 50 per cent rule of origin.

This suggestion was made last Friday in an article in *The Toronto Star* by the Auto Parts Manufacturing Association. To my knowledge the TNO gave this information to Mr. Clark as an adviser to the committee. He was told that the 50 per cent rule was negotiated.

REQUEST THAT SIGNING OF AGREEMENT BE DELAYED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will, of course, accept the Parliamentary Secretary's word that there has not been a change in substance. However, I refer to matters which we on this side of the House have raised previously.

The First Ministers are meeting in Toronto, as the Parliamentary Secretary knows. They have not had a look at the final text yet. The parliamentary committee has not had a look at the final text, and neither have the people of Canada nor the Members of the House.

The Parliamentary Secretary is speaking for the Government on this matter today. A number of the First Ministers in Toronto, the Opposition, and Canadians have said that they want an opportunity to study this accord in all its detail, including the final legal wording, before it is signed. Therefore, will the Government finally come to its senses on this matter and ask the United States for at least a two-month delay before it is finally signed?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Leader of the New Democratic Party has known for two years the timetable of this agreement.

Mr. Broadbent: We haven't seen the words yet.

Mr. McDermid: We know that he opposes the agreement and he is grasping at any straw he can to try to scuttle the deal. That is the name of the game with the Leader of the New Democratic Party and we understand that. However, it will not happen.

We are hopeful that the final text will be available shortly and that Canadians will have an opportunity to look at it. We have heard exaggeration about a 1,200 page document. The Hon. Member and others in the House know that about 800 pages of that are just tariff schedules which go with any agreement.

The Hon. Leader of the New Democratic Party has now left his seat and is really not interested in listening to the answer.

Oral Questions

LABOUR RELATIONS

AIR CANADA STRIKE—SHUT-DOWN OF OPERATIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, yesterday I tried to draw the attention of the Government to the grave inconveniences which airline travellers have to put up with. The only answer I got was that the Government is not getting involved, that the bargaining process has to follow its course, although we all know that that is not producing results.

Yesterday Air Canada said that it was doing everything it could to maintain service. This morning Pierre Jeanniot, President of Air Canada, said: "We will proceed with an orderly shut-down of operations".

What does the Government have to tell thousands of stranded travellers today?

An Hon. Member: Fly Wardair.

Mr. Guilbault (Saint-Jacques): They will tell them to fly Wardair. That is a preliminary answer. Let us see whether the Minister wants to confirm this. What will the Government tell them today, what will it tell them tomorrow, and what will it tell them Sunday?

An Hon. Member: Take the train.

Mr. Guilbault (Saint-Jacques): Is the Government going to tell them that they have to tough it out because the Government's approach is to let George do it?

Hon. Pierre H. Cadieux (Minister of Labour): First, Mr. Speaker, I would like to point out that I do not know to which George the Hon. Member is referring.

Mr. Gauthier: George Henderson. He can't get home tonight.

Mr. Cadieux: But with respect, Mr. Speaker, to the inconvenience which the present dispute is causing Canadians, I can assure this House that we do not need the Hon. Member to underline that. We are fully aware of what is happening in labour disputes throughout Canada. As in other disputes, the Government will take appropriate action at the appropriate time. But we will surely not act prematurely just to please the Hon. Member.

[*Translation*]

REASON FOR DELAY IN APPOINTING MEDIATOR

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister's response is just another example of the fact that the Government's school grades when it comes to preventing strikes are zero. In the case of the strike of mailmen and postal workers, the Government waited until there were violent incidents before reacting. In the case of the rail strike, nothing was done to prevent it. Eventually they had to resort to or-else legislation to force workers back to their jobs. Mr. Speaker, it is as though the Government drew inspiration from the Pontius

Pilate approach of 2,000 years ago when it said: I wash my hands off the whole thing. I want to ask the Minister: What are you waiting for to appoint a mediator? What are you waiting for?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I am glad the Hon. Member put his question that way because it gives me an opportunity to remind the House and all Canadians that, in spite of certain instances where work stoppages did take place, last year more than 11,000 collective agreements were negotiated in Canada with the help of the Department of Labour without a single day of strike or lockout. That being so, Mr. Speaker, we are very much aware of the inconvenience and we deplore that. The Canada Labour Code makes provision for the collective bargaining process, and I think my colleague should read it now and then. In conclusion, I would remind him of a single incident between these two parties—it took place when the Party of my colleague was in office—and that strike went on for 30 days, Mr. Speaker.

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[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—REQUEST THAT COMMITTEE HEARINGS BE HALTED

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, this House has just been told that we were aware of the schedule of the free trade negotiations. The House was also told that we would get the final text in three weeks. We have now waited seven weeks. We are hearing over and over again that there are changes in the content and that there is now need for an advisory council for readjustment. We are hearing a variety of things.

Is the Parliamentary Secretary willing to say that the Government will stop all of the hearings and the process until we see the final text? Will the Government stop trying to make the Canadian people buy a pig in a poke?

• (1140)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it is so unbecoming for the Hon. Member to deliver a question in that manner. We will continue to listen to Canadians from coast to coast. Our consultation program will continue and Canadians will have an opportunity to examine the agreement. They will have an opportunity to discuss the legislation that will come with the agreement.

The Hon. Member and her Party, and our friends in the other opposition Party, will be able to debate all the legislation that goes with the agreement. As a matter of fact, even her friends in the Senate will have an opportunity to look at that legislation once it is brought into the House of Commons. There is ample time to study and pass judgment on the agreement. I can assure her that it will be well received in Canada.

[*Translation*]

REQUEST THAT DRAFTING OF AGREEMENT BE STOPPED

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, clearly the Government is not disclosing what is really contained in the Agreement. Will the Minister stop the process until we have a final draft?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, that is exactly the same question. It was obviously prepared before I answered the first question.

Ms. Dewar: You did not answer it.

Mr. McDermid: It is exactly the same answer. We will continue our consultation across Canada with the standing committee. When the text is ready, it will be released and there will be ample opportunity for people to study it. There will be a First Ministers' conference and ample time for Canadians to study this agreement because the legal text will put into legal terms what has been agreed to by both parties to the agreement. The agreement was signed on October 3, and was tabled in the House on October 5. I invite the Hon. Member to read it because I do not think she has done so.

GASOLINE TAX REBATE FOR FARMERS AND FISHERMEN

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Acting Prime Minister. The Canadian Federation of Agriculture refuses to endorse the Government's trade agreement because of certain evident deficiencies, such as problems being faced by poultry and grape growers, while there is no offsetting benefit for agriculture.

It is also apparent that fishermen and farmers will lose their gasoline subsidy as a result of the Government's trade agreement. Will the Minister assure fishermen and farmers that with the final agreement they will be able to keep their gasoline subsidies?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, there are no subsidies. There is a special provision for the fishery and farmers. That is government policy and this agreement does not change that in any way.

Let me deal with the Hon. Member's suggestion that there is nothing in this for agriculture. Has he talked to the Cattlemen's Association, to the pork producers or the grain growers in this country? He mentions the feather industry. The feather industry's marketing board is protected. The underpinnings are still in place.

Mr. Boudria: Not true.

Mr. McDermid: They are very happy with the deal. I do not know what the Hon. Member is talking about.

ENERGY SECURITY FOR PROVINCES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, what the Parliamentary Secretary is saying is utter nonsense. There are subsidies because the farmers and fishermen have tax advantages. That will not be allowed in the trade agreement as stated in the synopsis.

The Parliamentary Secretary knows that there is now a second round of negotiations and changes are being made in all aspects of the agreement. What will be done to give the provinces energy security which they do not have now according to the synopsis? What will be done to give the energy security to the provinces that has been given to the United States?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, that was quite a flip-flop, from agriculture to energy. I am not sure it was a supplementary question, but I will be happy to answer.

The headline today in *The Guardian* from Prince Edward Island states that producers in the fisheries industry say the trade deal looks better. They know that, and we understand why.

The Hon. Member asks about energy. Energy is owned by the provinces. Nothing is changed in this trade deal. The provinces control the management of their resources and the conservation aspects of it. They can dictate how many barrels of oil a day can be pumped and how many cubic feet of gas can be pumped. That has not changed, and the Hon. Member and Canadians know that.

If the Hon. Member wants to sing that song, I suggest he go to the energy producing provinces such as Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia and sing it to them, to hear what they say.

* * *

CHILD CARE

NATIONAL OBJECTIVES FOR PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Justice. After two years of delay the Government finally has a plan for a national child care program which, according to our information, is far worse than we feared and will make little impact on the child care crisis.

Since this is the first test of the Meech Lake Accord, does the Minister agree that the national objectives for a new child care program must be clearly defined, as indicated in the Meech Lake Accord? Does he also agree that these should require federal funds to be used by provinces to develop quality, affordable, and accessible non-profit child care services?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for that question because it gives me the opportunity to say that in terms of the child care program which is now being developed under the leadership of my colleagues, the Minister of National Health and Welfare and the Minister responsible for the status of women, there will be very significant meetings with provincial authorities who have substantial jurisdiction in this area.

As far as we are concerned, this is a priority item. Once the matter is discussed with provincial authorities, I believe the Hon. Member should be in a position to support fully an outstanding program on a national basis for the first time in the history of our country.

GOVERNMENT POLICY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, if the information that is being leaked at this point is in any way based on fact, we will certainly be extremely disappointed, as will working parents who want their kids to be in safe, reliable day care.

Surely this must be a priority of the Government. Why have the Government and the Minister responsible consistently refused to define national objectives for quality child care? Why are they so penny-pinching that they cannot find enough money for child care while easily finding billions of dollars for nuclear submarines?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, those allegations by the Hon. Member are not only unfounded, they are totally unfair. The fact is that within the first three years of our mandate we undertook the most significant social program in this area, which is essentially within provincial jurisdiction.

I have been in opposition for a long time as well. It is easy to take cheap shots and put wrong propositions on the floor of the House. However, when the Hon. Member sees the package she will realize that it is one that she should be proud to support. It will be a comprehensive package that will allow the Government to take a leadership role.

* * *

EXTERNAL AFFAIRS

CENTRAL AMERICA—MINISTER'S VISIT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Acting Prime Minister. Our Foreign Minister visiting Central

America seems to be making one gaffe after another. First, he upsets Canadian aid workers in Nicaragua, then, without consulting Governments in the region or even his own Cabinet, he suggests that we accept Contras as refugees and contribute troops to a phantom peacekeeping force. Yesterday he went shuffling through his papers because he could not answer important questions.

If the purpose of this trip to Central America was to increase Canada's diplomatic profile in the region and assist in the peace process, why did the Cabinet not provide specific policy guidelines to the Minister before he left? Why was he not better prepared?

• (1150)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Secretary of State for External Affairs is carrying out the first indepth assessment of problems in the Central American region, and Canada's reaction to it, by any Foreign Minister of this country. I want to say to the Hon. Member that those of us who have spent some time in that troubled region are indeed pleased with this positive initiative.

What the Secretary of State for External Affairs has undertaken to ask the Government to consider any move that will have a positive influence on bringing that region toward peace, eliminating conflict, and trying to resolve the difficulties and social problems that affect those countries.

I happen to think that is a very positive initiative for this Government to undertake. I must say to the Hon. Member that the Secretary of State for External Affairs is doing something this country should have undertaken a long time ago.

Mr. Allmand: I have also visited the region several times and I am not pleased at all. By the way, the Minister is wrong. In the last Government, two Ministers, the Foreign Affairs Minister and the Minister of Employment and Immigration, visited the region, as did a committee of the House which did intensive work in the region.

CANADIAN AID DISTRIBUTION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, if the Government wanted to distinguish Canadian policy in Central America from American policy, why did it give only $1 million in aid to Nicaragua, a country unfairly ravaged by war and economic blockade, when it gave $13.8 million to Honduras, a country which is receiving considerable aid from the United States and which has not yet complied with the Arias peace plan?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I remember very well that former Ministers went down to that region and they did not accept one recommendation the parliamentary committee, which had visited widely in the region, asked them to consider. Not one thing did they do on behalf of Canada for that region.

An Hon. Member: Answer the question.

Miss MacDonald: The Secretary of State for External Affairs did not go to Central America with the idea that he was suddenly going to say to the people in that region: "Here are all the answers to your problems". He went there to find out what Canada can positively do. He has made some initial assessments. He will come back to the Cabinet and ask for approval for Canada to expand its relations and to take further measures with regard to Central America. That will be the most positive thing we can do in helping to bring peace to that troubled part of the world.

POSSIBLE PEACEKEEPING INITIATIVE

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question is directed to the Acting Prime Minister as well. The Secretary of State for External Affairs has taken with him experts in peacekeeping from the Armed Forces. In Central America he is actively promoting the peacekeeping initiative by the Government of Canada with Canadian troops. Can the Acting Prime Minister tell this House if Canada will send peacekeeping troops to Central America?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, one of the reasons the Secretary of State for External Affairs is in Central American countries is to find out what we can do to help ease the conflict in that area. I will not say that the Government will do such and such today, because the Secretary of State for External Affairs has to come back and report to Cabinet on his findings. Surely the Hon. Member understands that. Surely he expects a Foreign Minister to go abroad assess the situation and come back and make recommendations.

GOVERNMENT POSITION

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, to follow the question a step further, the Secretary of State for External Affairs communicated that Canada would be taking Contras. He is communicating now that Canada will send troops. This country, and the people who are listening to the Secretary of State for External Affairs, must know if the Government is or is not going to send troops to Latin America.

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the Secretary of State for External Affairs has said he will look at the situation in these countries and come back and ask the Cabinet whether or not, in the best interests of Central American countries, either peacekeeping troops should be sent or other measures should be taken. It may be that the Hon. Member is against any effort to send peacekeeping troops anywhere in the world, but Canada, I can assure him, has a very fine record in this regard.

We have shown what we can do in the Middle East and in other parts of the world. I would expect the Hon. Member to understand that the Secretary of State for External Affairs, having assessed the situation, will come back and ask the

Government whether or not this is the best way to proceed, and make his recommendations according to the findings he has been able to gather on site and not from second or third parties. He has gone there to find out for himself how Canada can best help this situation.

* * *

THE ADMINISTRATION

PARKER COMMISSION REPORT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Acting Prime Minister or to the Minister of Justice, if he would like to answer. It concerns the report of the Parker Commission Inquiry into the conflict of interest allegations involving the former Minister of Regional Industrial Expansion, the Hon. Sinclair Stevens. We know the Government has received the report, printed and probably translated. Will it give to the House and to Canadians a copy of the report now so we can all read it at the same time, and comment and assess the report? Or will it bury it until Christmas, maybe under some snow bank close to the House of Commons, so no one gets access to it before we adjourn?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, the report of the Parker Commission was received by the Privy Council Office on Wednesday evening of this week. It has not yet been studied by the Government. It will come into the hands of Cabinet and there will be a government response very shortly. I can assure the Hon. Member of that.

REQUEST FOR PUBLICATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I do not want the report to sit somewhere in some back office waiting to be assessed, responses vetted and all that nonsense. Since we know the Government has received the report—it is a public document and millions of dollars were spent by Canadians for it—will the Government make a commitment today that it will make that document public for all Canadians to read and comment upon, and not wait until Christmas to make it then some kind of unwanted Christmas gift to which we will never get access?

Hon. Flora MacDonald (Minister of Communications): Yes, Mr. Speaker, the Government will be releasing the document. May I say once again that this document was received on Wednesday evening in the Privy Council Office.

Mr. Turner (Vancouver Quadra: Publish it.

Miss MacDonald: I also expect the Hon. Member to recognize that on Wednesday evening the First Ministers' conference got under way in Toronto—

Mr. Turner (Vancouver Quadra): So what? Publish it.

Miss MacDonald: The Leader of the Official Opposition says "So what". The First Ministers' conference may not mean very much to him, and certainly when he was in the position of First Minister he really did not do very much about it. It seems to me, with all due regard to the Opposition, this report should come to the Government, which it has not yet, so that the Government has an opportunity at least to receive it.

Mr. Ouellet: You have received it.

Miss MacDonald: The Prime Minister has been away. Members of the Cabinet have been away. We will look at the report very shortly—

Mr. Turner (Vancouver Quadra): You are not going to change it.

Miss MacDonald: —and as I have said, it will be released in public.

* * *

SCIENCE AND TECHNOLOGY

LEVEL OF FUNDING FOR SCIENTIFIC RESEARCH

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. There are a number of reports in the papers this morning, all of which are consistent in reporting that the Ministry of Science and Technology has ridiculed the proposal by Ontario that the rate of spending for scientific research in this country be doubled to 2.5 per cent of the GNP. Does the Minister of State for Science and Technology agree with the assessment by the Ministry that a goal of 2.5 per cent of GNP as an appropriate rate for scientific research in Canada is unrealistic and silly?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, what I would prefer to identify as a goal is to do everything that is necessary to keep Canada in the forefront of nations which use science and technology as the instruments of growth, expansion and social progress.

• (1200)

I am not aware that anyone has ridiculed the Ontario position. In fact, I understand that the Prime Minister has presented the Premier of the province with the view that, perhaps, if the province feels that strongly about it, as we do, then it should increase its spending, which is presently 10 per cent of what is spent in Ontario.

When we talk about national performance an improvement in the performance of the private sector is required as well. But the provinces have a large role to play. I welcome the commitment of the Premier of Ontario to increase massively the spending that is going on in that province.

Point of Order—Mr. Hicks

GOVERNMENT POSITION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the notion of a ten-year goal for an achievement of 2.5 per cent of GNP is described by the Minister as unrealistic. The answer we just received from the Minister of State for Science and Technology has not told us very much.

Was or was not the promise of the Prime Minister that we would achieve a 2.5 per cent rate of expenditure for science by next year an empty promise never to be met? Was he being some kind of nitwit by making a promise of that sort? Is the Government going to live up to its promises with respect to science and technology which are so fundamental to the economic growth of the country?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I have heard the Hon. Member say that he himself is a scientist. If he is he should know that the cause of science and technology cannot be advanced by building buildings with bricks and mortar. In order to achieve what we all want to achieve, including what the Hon. Member seeks to achieve, there are a number of measures that have to be taken. We need the necessary highly qualified people to do the research. Throwing money at the problem was the technique used by the former Government. It has not advanced our cause. It has placed us in a position which could well have us fade away into insignificance if we keep on.

What we have done instead is we have identified with the provinces what the national goals and priorities are. We have committed ourselves to a national mission and a thrust that will stimulate research in the private sector. The provinces will be linked to the national thrust. All this is happening. I do not know what the Hon. Member is talking about. He might even want to quit politics to get back into science when we are finished with all that.

Mr. Deputy Speaker: We will end Question Period with two questions from the Hon. Member for Davenport.

* * *

AIR TRANSPORT

TRANSPORTATION OF PLUTONIUM THROUGH CANADIAN AIRSPACE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is for the Minister of State for Transport. She will recall that the last time that we broached the question of plutonium overflights in Canadian airspace the Minister of Transport left the door open to the possibility of such overflights. Can the Minister of State today inform the House what the levels of risk are that the Minister of Transport is willing to accept before approving plutonium overflights in Canadian airspace? Can she give us an indication as to that?

[*Translation*]

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, I will take the question as notice; of course I will confer with the Minister of Transport and we will report to the Hon. Member as soon as possible.

[*English*]

LEVEL OF SAFETY—GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, this issue has been raised repeatedly by the Opposition, in August, in September, and the last time on November 5. It seems to me that it is not unreasonable to ask the Minister of State to indicate today, after the Minister of Transport has told the House that he does not rule out the possibility of plutonium overflights, what the level of risk is or, if she prefers, the level of safety that she will consider before allowing these flights in Canadian airspace? That is not an unreasonable request.

[*Translation*]

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, there is one thing that I can confirm once again in this House, namely that this Government is deeply concerned about the security of Canadian men and women and we have demonstrated that all steps are being taken to guarantee that security. I repeat that I take note of your very specific question and that we will follow up as soon as possible.

[*English*]

Mr. Deputy Speaker: I have recieved notice of a point of order from the Hon. Member for Scarborough East (Mr. Hicks).

* * *

POINTS OF ORDER

CORRECTIONS TO STATEMENTS

Mr. Bob Hicks (Scarborough East): Mr. Speaker, life is full of embarrassing moments. In my enthusiasm to announce to Canadians that the Toronto Argonauts will win the Grey Cup, I announced that the game will be tomorrow. Of course, everyone in the world knows that the game will be on Sunday. May I make it clear, however, that it has been a long week and that today seemed like Saturday. Regardless of which day the game is played the outcome will still be the same.

[*Translation*]

Mr. Deputy Speaker: The Hon. Minister of Labour (Mr. Cadieux) on a point of Order.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I rise on a point of Order. I would like to make a slight correction to the answer I gave to the supplementary question put by the Hon. Member for Saint-Jacques (Mr. Guilbault). I got carried away by my enthusiasm in the matter of the settlement of work conflicts in Canada when I said that

last year, more than 11,000 collective agreements had been signed without a single day of work stoppage due to a strike or a lock-out.

Unfortunately, Mr. Speaker, I should have said that more than 90 per cent of the 11,000 collective agreements that were negotiated in Canada last year have been signed without a single day being lost because of a strike or a lock-out. Which means, Mr. Speaker, that the figure is some 10,000 rather than 11,000.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to thank the Minister for correcting the statement he has made. However, I expected that after giving it much thought, he would stand up and tell us what the Government intends to do to help out the thousands of Canadians who are stuck in airports across Canada!

[*English*]

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I too rise to make a correction to a response given to a question asked by the Hon. Member for Montréal—Sainte-Marie (Mr. Malépart) earlier in Question Period. When I was referring to homemakers I was using the word "homeowners". Obviously, I meant homemakers.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the table copies of a Ways and Means Motion to amend the Income Tax Act with technical notes pertaining thereto.

Pursuant to the provisions of Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

* * *

RESEARCH, SCIENCE AND TECHNOLOGY

GOVERNMENT'S RESPONSE TO REPORT OF STANDING COMMITTEE

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I am pleased to submit today in both official languages, pursuant to the rules of the House of Commons, two copies of the Government of Canada's response to the report of the Standing Committee on Research, Science and Technology entitled "Canada's Space Program—A Voyage to the Future".

On behalf of the Government I commend the committee for its thorough investigation of Canada's space program. The Government is particularly encouraged by the fact that the committee supports the program as a priority among the science and technology issues facing the country. The Government has long recognized that development of the space program is vital to Canada's economic development and to long-term investment in Canada's future.

* * *

REGIONAL INDUSTRIAL EXPANSION

GOVERNMENT RESPONSE TO SECOND REPORT OF STANDING COMMITTEE

Mr. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I have the honour to table in both official languages the Government's comprehensive response to the Second Report of the Standing Committee on Regional Industrial Expansion.

Mr. Rompkey: Mr. Speaker, I rise on a point of order. Is it appropriate at this point to comment on the document tabled by the Minister with respect to the Government's response to the committee's report?

Mr. Deputy Speaker: Unfortunately, it is not.

Mr. Rompkey: If there were unanimous consent could a comment be made on the response tabled by the Minister?

Mr. Lewis: Mr. Speaker, we would be glad to examine that issue but since this is an Opposition Day and, if my colleague opposite, a member of the same Party as my friend, wants to get on with the debate, I do not think that it would be appropriate today.

* * *

• (1210)

PETITIONS

OPPOSITION TO TAX ON FOOD

Mr. George Henderson (Egmont): Mr. Speaker, I have 10 petitions from my riding and points elsewhere. I wish to present all the petitions, but will only read one because they are all on the same matter.

My constituents state that whereas since September, 1984 the federal Government has imposed on Canadian taxpayers 25 new taxes or tax increases, in particular on medical and dental supplies, snack foods, candies, and soft drinks; and whereas the federal Government in its tax reform proposals is studying the possibility of imposing on Canadians a general tax on goods and services including foods; and whereas food constitutes a vital element in the day-to-day life and the

imposition of this tax would have the effect of seriously penalizing certain categories of taxpayers such as the aged, families, the unemployed, youth, and low income taxpayers; wherefore, the undersigned petitioners humbly pray and call upon Parliament to reject all measures that would have the effect of imposing a sales tax on food products, and as duty bound your petitioners ever pray.

As I say, Mr. Speaker, I have 10 petitions in all from across my riding, and indeed some visitors from Montreal and Quebec have signed these petitions, and I ask leave to present the same in their names.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have petitions signed by residents of my constituency of Thunder Bay—Nipigon, by residents of other communities in northwestern Ontario, and indeed by a few visitors to the region from other parts of Canada.

The petitioners note that the federal Government's White Paper calls for changes to the taxation structure of Canada, but those proposals do not change an already unfair tax structure for average Canadian families. They allow wealthy Canadians earning more than $100,000 a year to continue not paying their fair share and to actually receive a tax cut under the proposals. These proposals will also allow 60,000 profitable corporations to continue paying no income tax.

The petitioners call upon Parliament to reject these tax changes, and particularly to reject the proposed tax on food. They call on Parliament to restore full indexation to the personal tax system.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: The Hon. Member for Churchill (Mr. Murphy) on a question.

Mr. Rod Murphy (Churchill): Mr. Speaker, we certainly give consent for the questions to remain on the Order Paper. However, I would like to point out to the Minister that he started out very well when he was Parliamentary Secretary in answering questions on a fairly frequent basis. Now that he is a Minister he seems to be slipping into the habits of the previous regime.

I see that even members in his own caucus are giving support to my notion that there should be more questions answered. Those questions on the Order Paper are very serious, and they are very important to Members of Parliament and to Canadians. I would encourage the Government to make a very strong and consistent effort to answer those questions.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—TRANSPORTATION INDUSTRY

The House resumed consideration of the motion of Mr. Ouellet:

> That this House condemn the Government for its destructive influence on the Canadian transportation industry by its impractical and slavish adherence to the ideological myth of deregulation and its inept trade negotiations with the United States, in particular, through:
>
> (1) deregulation of the trucking industry, giving U.S. truckers open access to Canadian markets while 43 heavily regulated American states deny Canadian truckers the same advantage;
>
> (2) introduction in the railway industry of "Competitive Rail Line Rate" provisions allowing American railways free access to Canadian markets while denying reciprocal arrangements for Canadian railways;
>
> (3) failing to seek and obain in the trade agreement equitable treatment in the United States for Canadian airlines; and
>
> (4) abandoning its legislation on the Canadian coasting trade and failing to obtain any benefits in the trade agreement for Canadian maritime industries.

Mr. Deputy Speaker: For questions and comments on the speech by the Minister of State (Transport) (Mrs. Vézina). The Hon. Member for Papineau (Mr. Ouellet).

Mr. Ouellet: Mr. Speaker, I may remind the Minister of State (Transport) (Mrs. Vézina) of the remarks I directed to her earlier this week, on November 23, when I said, as reported at page 11067 of *Hansard*:

> . . . I would like to put a question to the Minister of State (Transport) as she did not reply to the very simple questions asked earlier by my colleague for Westmorland—Kent.
>
> I would like to give her an opportunity to prove that she is worthy of her pay and that she knows something about her new Department.

That is what I said, and when I listened to her earlier, she mentioned certain reproaches which I never made. If she would care to stick to the facts as printed in *Hansard*, the only reproach I made was that she did not reply to the questions put to her in the House. The Hon. Member for Westmorland—Kent (Mr. Robichaud) asked two questions last week which she failed to answer. I put two questions to the Minister myself, and she did not answer them. Today, we have had another example. The Hon. Member for Davenport (Mr. Caccia) asked her a very simple question. Again, she failed to answer the question. She took the question as notice.

I maintain that in the circumstances, it would be normal for the Hon. Member, who has ministerial responsibilities, who has a duty to take part in Question Period and defend the

Government's point of view and answer the questions put to her by the Opposition, to do her job.

That was my reproach. I never commented on her age, courtesy or style, and I wish she would stick to what I said in the House.

Furthermore, I would like to ask the Minister whether she had time to consult with her departmental officials, and if so, whether she could give me a straight answer to the question I asked. The question was simple. I told her: All you have to say is yes or no. She has yet to do so. I want to know whether or not, after this free trade agreement is signed with the United States, whether or not the Canadian provinces will have the right to deny a licence to American truckers headquartered in a State which does not give fair treatment to our truckers. That is the question that I put to her. She has not answered it yet. For the third time, I ask whether the Canadian provinces will have the right to deny a licence to American truckers from States which do not grant the same access to Canadian truckers, yes or no? That is my question.

I will conclude by saying that in that part of the text prepared by officials from the Department of Transport that was read by the Minister of State (Transport), I recognize exactly the same criticism that we have been expressing, namely that the Government must admit that American railways have been granted advantages that are denied to Canadian railways. The Minister had to admit that fact earlier this morning.

Secondly, the Minister had to admit that Americans have resisted all attempts to ease the restrictions in the area of shipping and that the *status quo* will prevail. However, that *status quo* is not encouraging for the Canadian shipping industry. On the contrary, the *status quo*—together with the free trade agreement which will grant national treatment to American shipping companies— will favour American shippers companies to the detriment of Canadian shippers.

Finally, spokesmen for various trucking associations in Canada, including Mr. Raymond Cope, president of the Ontario Trucking Association, Mr. Ron Downey, president of the Manitoba Trucking Association, and Mr. Don Norquay, president of Manitoba's Motor Transport Board, have all said that changes should have been made to fiscal laws and immigration laws before we sign a trade agreement with the Americans, and that this proposed agreement will not allow Canada to take effective measures in order to prevent Americans from having total control of the trucking industry. These people are directly involved in the area of trucking and they ought to know what they are talking about.

For these reasons, I cannot understand how the Minister can rise in this House and say that in the area of transportation this Mulroney-Reagan agreement could be good for Canadians.

Hon. Monique Vézina (Minister of State (Transport)): Mr. Speaker, I concluded my speech earlier by wishing that, during the many years I intend spending in this House, I will no longer see as much ambiguity, complexity and confusion as in the comments we have bean hearing, especially this week, about the transport industry.

While the truckers know what they are talking about, I must unfortunately say that the Members opposite do not quite know what they are talking about when they ask questions such as those we heard this week in this House.

When I was reviewing this week's activities, I saw quite clearly that the Opposition wanted mostly to speak about deregulation, which they refuse to accept. They ask questions under the pretext of speaking about free trade.

As for me, the question I would like to ask the Hon. Member opposite is this: When will he stop scaring people with his unfounded and unrealistic fears?

The Minister of Transport (Mr. Crosbie) clearly told us this week that the part of the Agreement which relates to transport has not yet been signed. Our negotiators are working on it. Our transport industry should not be afraid that we might sacrifice its interests. As a responsible Government, we shall evaluate everything and refuse to sign any agreement which could sacrifice national interests.

Let Members opposite really speak about free trade and the transport industry in this House, and we shall reply to their questions. Moreover, when the time comes to speak about deregulation, we shall reply to their questions about that issue as well.

However, we fully realize that all the questions asked this week were aimed at provoking confusion in Canada.

We are clearly preserving the existing situation and unfortunately maintaining the *status quo* as far as the transport industry is concerned. Our Government had decided on behalf of Canadians that certain sectors were non-negotiable. The Americans had decided not to negotiate and not to accept our offers. They were fully entitled to act as they did. As I have said, we shall always try to protect the interests of Canadians.

I find it very hard to understand that the Hon. Member for Papineau (Mr. Ouellet) cannot accept a very simple and clear principle: The more trade there is between Canada and the United States, the greater the movement of goods will be, which means more transport.

I have already pointed out that I made some research this week and found that, among the 1,000 companies which already operate in the United States, not a single one had been penalized by the existing mechanisms.

Let the Opposition deal with the free trade issue and we shall reply to their questions!

• (1220)

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted that the Hon. Member for Papineau (Mr. Ouellet) has moved this motion. However, I find it somewhat amusing and ironic that he has done so since his Party is the one that started all this—Mr. Speaker, I wonder if my colleague would be good enough to go over there, sit down and talk with the Minister of State for Transport (Mrs. Vézina) there rather than—well, I will just sit down and wait until they are finished.

Mr. Deputy Speaker: The Hon. Member for Regina West (Mr. Benjamin) has the floor.

Mr. Ouellet: I can talk to my colleague.

Mr. Benjamin: Go over there and do it. Quit yacking away while I am trying to make my speech. I did not interrupt yours.

Now you can begin counting my time, Mr. Speaker.

I started to say that I am happy that the hon. gentleman from Papineau has moved this motion, although I find it somewhat ironic and amusing that he has done so since the Party he represents is the one that started all this. It is the one that came out with deregulation. When he was Minister of Transport, the late unlamented Otto Lang started all this in 1975. Of course, there is a perfectly logical reason for the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) not being the transport critic for the Liberal Party. He is the one who started deregulation by drafting such legislation for the House of Commons.

I am assuming that the Liberal Party has had a change of heart about deregulation, particularly as it pertains to the free trade agreement. I find that this motion is accurate and correct and I would like to deal with each part of the motion that has been put by the Hon. Member for Papineau.

The Government refused to listen to representatives of the trucking industry. The Canadian Trucking Association and all its provincial affiliates are not only angry about Bill C-18, the new National Transportation Act, but they are also outraged by the results of the melding of deregulation and the free trade deal.

I respect the Minister of State for Transport and think she is competent. I listened very carefully to her speech. I expected her to reply in detail to each of the points made in the motion, but she did not.

It is true, as indicated in paragraph 1 of the motion, that the Canadian trucking industry is faced, not only with the laws of the U.S. Government and the constitutional authority of the U.S. Congress, Senate and House of Representatives, but it is faced with the regulations of 43 individual states of the United States. I know that the Minister of State for Transport is competent, but I wish she would inform herself on these particular items and respond to them. If we are wrong, she should point out exactly where we are wrong.

I was amused today during Question Period when government Members asked why we had not read the information they had provided. I have yet to receive the transportation annex to the free trade deal from a government Member or from anyone else in Canada. We did get it from the publication entitled *Inside U.S. Trade*, not an American government publication but a private publication that we were able to obtain in order to read the transportation annex to the free trade deal.

The Canadian trucking industry, railways, airlines and marine industry is faced with exactly what they have been faced with before, only the situation is worse now. They are faced with more than what they were faced with before. Here is a paragraph out of the transportation annex:

• (1230)

> Neither party shall be under any obligation to change existing measures relating to the provision of transportation services that accord persons of the other party treatment that is less favourable than that accorded to its own persons.

I believe you, Sir, were at the committee hearings on a number of occasions when we were dealing with *Freedom to Move* and Bill C-18 and Bill C-19. That is exactly what we said in the committee then. It is exactly what the Canadian Truckers Association and the railroads said then and are saying now. I tried my best to persuade the Government to accept amendments to those two Bills which would allow Canada to take reciprocal measures or, as I put it in committee: We will do unto you what you do unto us. The Government refused to accept those amendments.

We are now faced with a situation where U.S. truckers can do things in Canada that Canadian truckers cannot do in the U.S. The U.S. truckers have advantages under tax laws, mean labour laws, and individual state regulations, that Canadian truckers have to compete with. When they talk about a level playing field, even if it is level, the problem is that the U.S. has the ball on the 10-yard line with three downs to go. However, it is our 10-yard line!

Dealing with the railroads' competitive line rates and Bill C-18, Canadian Pacific and Canadian National told the committee and the Government publicly that they supported deregulation. However, once they got the fine print and once they got the Bill, they changed their minds, for perfectly good reasons.

Paragraph two of this motion refers to Canadian law providing for competitive line rates. That is not only not provided for in the U.S. on their railroads, it is prohibited. When Canadian railroads say that billions of dollars in revenue are subject to what they call a licence to raid by American railroads and American trucking companies, they are perfectly right. They have good reason to be angry and fearful. We gave away the store in Bill C-18 and compounded

it by confirming it in the transportation annex of the free trade deal.

The issue of Canadian airlines failing to receive equitable treatment in the U.S. is long-standing. The free trade deal and the new transportation laws under so-called deregulation in Canada make no move whatsoever to correct that unfair treatment. It is perfectly logical that the U.S. is interested only in flying to five or six places in Canada. Since they have more than 10 times our population, obviously Canadian airlines would like to go to 20 or 30 places in the U.S. However, you can bet your bottom dollar, free trade deal or not, there is no way the U.S. is going to allow it. Anyone who thinks otherwise is suffering from sheer delusion.

The Marine Industry Association and all those connected with marine shipping and manufacturing in Canada initially supported free trade. They bought a pig in a poke just like so many others. They believed the U.S. would agree to apply the Jones Act and all its amendments to Canadian shipping. It has not. Canada is still excluded from fair treatment in the U.S., but the U.S. industry can do things in Canada that ours cannot do there. That is not a level playing field, never was and never will be, under this deal and the laws of Canada or the United States.

Regardless of what the free trade deal says, we need a clause in our legislation which permits the Government of Canada to take reciprocal action, whether it be in the trucking industry, marine industry, airline industry or railway industry. Anything the Americans do to us, we do exactly the same to them. To lay back and enjoy it while leaving ourselves wide open to the siphoning off of transportation revenues to American companies is surely a sell-out of some kind.

At one point the Minister of State for Transport said in her speech that over 1,000 trucking companies from Canada operate in the U.S. She is right. They have anywhere from one truck to a couple of hundred. Yet if it is working, why try to fix it? Since nothing has been achieved in the free trade deal to get rid of the unfair advantages that American truckers have over Canadian truckers, whether it is here or in the U.S., then it is not a fair deal. Why did the Minister not address that?

In response to the Hon. Member for Papineau, she said her Government will not sacrifice transport interests. I suggest to you that the Government has already done that in Bill C-18 and Bill C-19. It has done nothing in the free trade deal to correct the disadvantages that Canadian transporters have in the U.S.

The biggest problem is this outrageous delusion across the country, particularly among the proponents of free trade, but even those worried about it suffer from it as well, that somehow or other the U.S. is going to hold still for Canada, or any other country for that matter, getting a larger share of their market than we already have. We have had countless instances of the U.S. putting in place tariffs, countervailing duties, outright embargoes, or other severe restrictions on our trade and transportation dealings with that country. Now the Government claims that if we get a free trade deal we do not have to worry about that any more. The transportation part of the deal throws that in a cocked hat. The annex says, and I will read it again:

> Neither party shall be under any obligation to change existing measures relating to the provision of transportation services that accord persons of the other party treatment that is less favourable than that accorded to its own persons.

That means that everything in place now in transportation remains in place under the free trade agreement. I do not want to hear the Minister or anyone else in the Government try to tell us that we are getting a good deal in transportation under the free trade agreement, because we are not. At best, the situation remains the same as it has always been, and it is highly likely to get worse.

• (1240)

People suffer from a delusion about the so-called free trade agreement with the United States. They forget that before the United States agreed to the fast-track it received from the President of the United States a complete and unequivocal assurance that any free trade agreement with Canada would in no way impinge upon the constitutional authority and rights of the United States House of Representatives, the United States Senate, or the rights of the individual states of the United States.

When the transport committee was sitting in Vancouver hearing evidence on the deregulation of transportation I spoke to a trucker who told me that he had a licence to move goods to California, Arizona, Texas, and even Mexico. He said that he had fewer problems with the State of California than with the regulatory regimes and harassment he had to undergo in the states of Oregon and Washington in trying to get to California. That is why I find the first paragraph of this motion perfectly appropriate. There are at least 43 states which have separate regulations.

As officials of the Canadian Trucking Association have said, the implementation of Bill C-19 next January 1 will mean at least a year of chaos. The Government's own uniform national safety code, a uniform code of national regulations, is still not in place. It is still being negotiated with the provinces, and we all know what it is like trying to get the 10 provinces to agree on anything. They cannot even agree on the time of day. Saskatchewan and Newfoundland are examples of that. None of that is in place.

Let us take a look at the situation in western Canada. I heard a government Member talking today about the mining association being all for free trade. Tell that to the potash miners in Saskatchewan. Under the free trade deal the tariff of up to 85 per cent imposed by the United States on Canadian potash remains in place. The Province of Saskatchewan was left no choice other than to impose the tariff itself.

At least we salvaged something under the Western Grain Transportation Act which got rid of the Crow rate. The

national Government still pays a major portion of the cost of moving grain. The grain companies in Saskatchewan and Alberta which have been selling hundreds of thousands of tonnes of screenings, meal, and pellets into the United States will no longer get the benefit of the Western Grain Transportation Act under the free trade agreement.

I can understand that someone from Ontario, including the Parliamentary Secretary, would not know what that is all about. However, our grain producers will lose the benefit of the Western Grain Transportation Act on exports of screenings, meal, and pellets to the United States.

Mr. McDermid: When?

Mr. Benjamin: That takes effect immediately. When we lose the two-price grain system, western grain producers will lose $260 million. I can understand ignorance in people from downtown Toronto or Ottawa who would not know a bushel of wheat if it hit them in the face, but anyone in western Canada who supports a free trade deal which will cost western grain producers $260 million as a result of the loss of the two-price system is guilty of failing to fight for grain producers in western Canada.

Mr. McDermid: The grain producers love it.

Mr. Benjamin: The grain producers do not love it. I wish my hon. friend had been with me at the Saskatchewan Wheat Pool convention last week because he would have got an earful. That organization represents more grain producers than all the other grain organizations in the country put together. The hon. gentleman should go to the next annual meeting of the Saskatchewan Wheat Pool. He will find himself welcome and he will find out that the western grain producers do not like the free trade deal with regard to the Western Grain Transportation Act and the two-price system.

We gave away the store on potash and grain under the Western Grain Transportation Act and western Canada will lose. The transportation industry in Canada will lose. Our railroads will lose on competitive line rates which American railroads can have in Canada but Canadian railroads cannot have in the United States. The Minister of State for Transport completely failed to respond to that little problem. She never even mentioned it. Our airlines will not get any better treatment from the United States under the free trade deal. The Minister failed to address that at all.

The Minister completely failed to address the clause in this motion about the treatment of the marine industry. We remain in exactly the same disadvantaged position in our marine sector with the United States as we always have. The free trade deal does absolutely nothing to alleviate that. In fact, it entrenches what the Americans have been doing for decades, and there is nothing we can do about it under the free trade deal. The Minister failed to address that specific problem as well.

In conclusion, I know that my hon. friends are just as patriotic as am I and that they love this country as much as anyone else. However, they must not sign this deal until they have taken it to the people of Canada. They must not sign a deal which decreases our sovereignty, independence, and ability to have a level playing field with the United States. I have cited half a dozen instances in which the playing field is not level. Even if it were, the United States has the ball on our 10-yard line with four downs to go. I predict they will continue to do what they have been doing to us repeatedly in so many ways for decades. With regard to transportation, the free trade deal will not only be meaningless to Canada but will be harmful.

[*Translation*]

Mrs. Vézina: Mr. Speaker, first a comment and then a question. I urge the Hon. Member to listen very carefully.

Here is the comment: I realize that today is an opposition day where we are supposed to talk about free trade. The opposition has also chosen to talk about the deregulation started by our Government. This is why this debate is so ambiguous and vague, without real answers. We should be concentrating on the Free Trade Agreement.

I do not know in what language we should say it, whether it is French, English, Spanish, but I will repeat it. We would not sign an Agreement detrimental to the interests of Canadians, I should say Canadian carriers.

My question is this: I would like to know how one can be against free trade? How can one question an agreement which maintains the *status quo*? That question seems very clear to me. We are keeping the *status quo* and you are objecting. Should I understand that the New Democratic Party is reassessing its opposition to free trade?

• (1250)

[*English*]

Mr. Benjamin: Mr. Speaker, free trade is like motherhood. One opposes it at one's peril. Who would object to a free trade deal that is free and fair?

The Hon. Member failed to answer the specific points raised. The free trade deal as a result of deregulation in Canada does not address the disadvantages to Canadian transportation in the United States and the advantages for U.S. transporters in Canada. I hope that the content of the final text is different from what is in the transportation annex to the free trade agreement. The transportation annex states that articles 84, 85 and 87 of the agreement shall apply to the provision of transportation services and so on. We do not have the final text, so we do not know what is in articles 84, 85 and 87. That is why I did not mention that in my speech.

Subparagraph (1) of the transportation annex, which I read twice in my speech, means that the advantages U.S. truckers have over Canadian truckers remain in place. The Government refused to accept my amendments that would level the playing

field under Bill C-18 and Bill C-19. Therefore, we have no way of counteracting actions taken by the U.S. Administration, the Congress or individual states.

I suggest to the Minister that if the Government addresses these problems in transportation, my opposition to this so-called free trade deal may be somewhat lessened. If she can return to the House before December 18 and show how the Government has renegotiated the transportation annex to cover the four areas mentioned in the motion of the Hon. Member for Papineau, to cover the Western Grain Transportation Act and the two-price grain system, then there will be a fair deal. However, it does not exist now. I hope she can do so but I do not think she will.

Mr. Binns: Mr. Speaker, it is quite obvious as the debate proceeds this afternoon that opposition Members, particularly the Member for Regina West (Mr. Benjamin), have a different vision of what free trade is all about.

We in the Government believe that the free trade agreement will provide advantages to Canadian producers, whether they are farmers, fishermen, tourist operators or truckers.

It is unfortunate, when we have this opportunity to make Canada stronger by virtue of those new markets to which we will have assured access, that the Opposition would suggest the opposite would occur. We want to ensure access to a market just next door which has so many opportunities.

It has been suggested in the debate today that deregulation in the transportation industry will not provide that kind of opportunity. I believe that approach is absolutely wrong. The fear expressed about the Canadian trucking industry simply does not hold water.

There are over 1,000 Canadian trucking firms now operating between Canada and the United States. Many of these have started since deregulation in the United States.

Canadian firms have increased their operations to the United States in recent years, and easier entry into the Canadian market could alter or stabilize the balance of market share. However, if barriers are retained for U.S. truckers in Canada, Canadian truckers then risk losing their access to that lucrative U.S. market.

I suggest that it is not likely that U.S. truckers would dominate the Canadian transporter markets because most of this traffic is short-haul. This is a market where the competitive performance of Canadian firms compares well to that of their American counterparts.

American domiciled employees are presently forbidden by our immigration laws from engaging in domestic trucking in Canada. Regulatory reform will not change this situation. Bill C-18 is designed to enhance the competitiveness of Canadian industry in both domestic and international markets, by controlling transportation costs through market forces. Canadian carriers must share in this endeavour by providing efficient, least cost competitive and safe transportation services.

I return to my first comment. If this country is to succeed in the long run it must be competitive. We must have the kind of deregulation that is being proposed in this Bill in order that our industry can compete with any other. We have no fear about our industry being as good as the American industry. This legislation is important to Canada in order to have a bilateral trade deal which will open a market that is 10 times the size of ours.

Mr. Benjamin: Mr. Speaker, that is an example of more of the delusion from that side. The market has been open for all these years, in any event. Even the Government says that the United States is our biggest trading partner.

There has been free trade in cattle, hogs, and a host of items. As a result of that, the Americans have imposed countervails and duties.

I am amused by The Cattlemen's Association in Saskatchewan and Alberta, who suffer from what I call the Texas cowboy syndrome. They believe that the United States cattle producers and the packing industry will remain silent while Canada gets a larger share of the market than we already have.

There were some three occasions in the last 15 years when they shut down the border on some other restrictions. The free trade agreement allows them to continue to do the same thing. What kind of deal is that?

I never knew that Canada exported raspberries, but the same thing happened with raspberries twice in the last three years. Ontario, Quebec and British Columbia ship thousands of tonnes of raspberries to the United States. The Americans countervailed our raspberries. Nothing has changed with the free trade deal.

The same provisions will still apply, whether it is with respect to trucking, airlines, rail or marine shipping. I suggest to my hon. friend that he read the transportation annex. Read what it says. It says that neither party shall be under any obligation to change existing measures—existing measures—relating to the provision of transportation services that accord persons of the other party treatment that is less favourable—I repeat, less favourable—than that accorded to its own persons. So nothing has changed. The competitive line rates we have granted to the United States railroads are not available to Canadian railroads in the United States. No one can tell me that Bill C-18 and the free trade deal does anything about that because it does not. It is another instance where we gave away the store.

• (1300)

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to take part in this debate initiated this afternoon by my colleague, the Hon. Member for Papineau (Mr. Ouellet). He moved this motion:

> That this House condemn the Government for its destructive influence on the Canadian transportation industry by its impractical and slavish adherence to the ideological myth of deregulation and its inept trade negotiations with the United States—

Mr. Speaker, this kind of preamble in the motion by the Hon. Member for Papineau depicts admirably the ineptitude of this Conservative Government. I see the Hon. Minister of State for Transport (Mrs. Vezina) sitting across the way. Mr. Speaker, I like the Minister very much. At one time I had the privilege to be her critic in the House. We got along fairly well. I think that she is damaging her own credibility by condoning her government even when it is wrong. She should be more excellent. It would enhance her credibility which is already very high. But she will loose it if she continues to approve the initiatives of the Minister of Transport (Mr. Crosbie) who lacks a great deal of judgement in transportation issues and nearly all other issues for that matter.

Mr. Speaker, many Canadians worry about the free trade deal concluded by the Prime Minister (Mr. Mulroney) and the President of the United States. It has already been said today that the shipping industry is deeply worried. The Dominion Marine Association which represents 14 Canadian shipping companies, or 90 per cent of this industry, opposes the deal. The Government told us that this free trade deal was needed in order to find a way to settle trade disputes between our two countries and also to protect and increase our sales and our markets in the United States.

I ask the Minister opposite: what has been done to change the Jones Act, for instance, an American act which for all practical purposes prohibits any foreign investment or profit in the U.S. marine industry? The Minister knows—she said it earlier—that the Jones Act is untouched, that it is a protectionist measure that is almost airtight. It is impossible to amend. The Minister agreed to that. I suppose she will also agree that the Prime Minister's efforts to increase trade, at least in that area, were a complete failure. This is the only possible conclusion, Mr. Speaker. What access do Americans have to Canadian markets? Everyone knows that Canada allows foreign-built ships and up to 100 per cent foreign ownership of a Canadian marine company. Mr. Norman Hall, president of the Dominion Marine Association, said on November 25 that the elimination of the 25 per cent tariff on 1000-foot ships, that is presently in existence and that will stay until the Government eliminates it with its famous free-trade deal, would ruin Canadian companies.

I note that the Minister answered some other questions earlier, but that she ignored this very important issue.

Mr. Speaker, other Canadian industries in the transportation field will be negatively affected.

[*English*]

For instance, we could talk about the railroads. We know, of course, that our rail system was deregulated by Bill C-18, a Bill proposed in this House by the Government of Canada. We also know that it is the same Government which proposed another Bill last year, Bill C-97. Under Bill C-97, a Bill entitled an Act respecting rail passenger transportation, there would be a provision in there to permit the Minister to abandon passenger rail lines without even having a hearing process, under certain circumstances.

I bring to your attention, Mr. Speaker, a very important issue for the constituency I represent. As you will know, because you are a very knowledgeable person, the CN train line between Ottawa and Montreal goes through the constituency of Glengarry—Prescott—Russell. That rail line is commonly referred to, in railway language, as the Alexandria subdivision. One would think that the rail line linking the Cities of Ottawa and Montreal would be pretty safe from being shut down. That is not so. CN released—not intentionally, of course but made public—a document on September 25, 1986, outlining how it was going to proceed to shut down certain rail lines, one being the Alexandria subdivision between Ottawa and Montreal. That would effectively eliminate all passenger and freight between Ottawa and Montreal. I know you have travelled on that train yourself, Mr. Speaker, and so have many other people, but they will not be able to do that if CN gets its way.

The internal document in question was actually slipped under my door by someone. That is how it was released. That does happen every now and then and, incidentally, I may as well take this occasion now to say to anyone who has any such documents that they would like to slip under my door, I would be always ready to accept them as I have in the past.

This document dated September 25, 1986, signed by Mr. R. P. Langlois, states:

> In the context of the rationalization of our rail infrastructure, some lines have been identified as being potential candidates for abandonment in the coming years. A preliminary plan has been prepared and attached you will find the sections affected.

It goes on to say that any effort to attract new traffic on these lines is to be abandoned immediately. In other words, this internal document is telling other functionaries of CN Rail to stop looking for customers, that it wants to shut down. I have the attached list referred to in the letter which identifies each subdivision and the year CN plans to shut it down. The Alexandria subdivision, a distance of 57.7 miles—pardon me for not using metric—is scheduled to shut down, according to this list, in 1990.

As you know, Mr. Speaker, the discovery of this document created quite a debate in the constituency I represent, and I know it did to a certain degree in the riding of Stormont—Dundas as well because that is a neighbouring riding to the one I represent in this House. We had meetings with community groups, all wanting to protest this potential closure. We

even had a company in my riding which was prepared to construct a brand new building, a company which has now put all of its plans in abeyance. I am speaking of Alexandria Moulding. The building plan has stopped until the issue of whether or not we keep our rail line is settled since the company is not going to spend money without knowing whether or not it can ship its goods.

• (1310)

Over time we managed to get a commitment from the Government that the rail line would be safe until at least 1992. That is small comfort. The only thing that that has told us is that we are being given an extra two years. It is hardly something that would constitute reassurance for an industry in deciding whether or not to establish in our area.

In any case, on April 10, 1987, Lawrence Hanigan, the defeated Tory candidate in the riding of Laval-des-Rapides, who was subsequently appointed to head VIA Rail, wrote a letter to the Hon. Member for Stormont—Dundas (Mr. Warner) in which he stated:

> As I indicated to you on the telephone, VIA has every intention of maintaining service between Ottawa and Montreal. It is, for that matter, a core service, and would be protected in the service network listed in the schedule attached to the proposed National Rail Passenger Transportation Act.

This National Rail Passenger Transportation Act is Bill C-97. In the annex to the Bill the Alexandria subdivision is listed as a corridor service. Under Clause 14(a) of the Bill a corridor service must recover at least 100 per cent of specific costs. In other words, if it does not break even the Minister has the right to shut it down. That is exactly the problem, it does not break even. So in other words what Mr. Hanigan has told us is, "Don't worry because we will shut it down". That is in fact what Bill C-97 states. Luckily since then the Tories have abandoned Bill C-97 and will apparently bring forward a new Bill in a short period of time. We do not know what it will be like. However, we hope that at least that corridor will be protected, and really protected, not the way it was under the transportation legislation of last year.

I wish to speak briefly about the trucking industry in the riding I represent. The largest single employer in my riding is a company by the name of Glengarry Transport. Glengarry Transport has some 2,000 employees.

[*Translation*]

That industry owns more than 5000 vehicles and, contrary to what might be thought, it is not a big multinational, nor an American company, nor a company from a big city. In fact, the Glengarry Transport Company, or GTL as it is known in the area, belongs to the Lefebvre family from Alexandria. Thus, it is a family business, a big success which the people of Glengarry—Prescott—Russell are very proud of.

Messrs Poirier and Vaillancourt, the managers of Glengarry Transport, told me in June that, if passed, Bill C-19 would cause their company to cut 20 to 30 per cent of its jobs. Imagine, Mr. Speaker, 30 per cent of the 2000 employees would lose their jobs. And why did we pass Bill C-19? Of course, it was to please the Americans, so that they would be willing to sign the Free Trade Agreement. I see a Minister on the other side, and it is interesting to note that that Minister is with us. I hope the Associate Minister of National Defence (Mr. Dick) is not ill-disposed towards the people in the transport industry. For I know for sure, Mr. Speaker, that the Associate Minister of National Defence is very much ill-disposed towards the workers in the textile industry.

Mr. Speaker, I would like to read to you an article by Robert Bousquet, journalist at the daily newspaper *Le Droit*, which has been published last Monday. Mr. Bousquet interviewed the Associate Minister of National Defence. In particular, he asked the Minister why he favors free trade and so on. He wanted to know whether the Minister was worried about the textile industries. Here is what the Minister replied to those industries: "They had between three and five opportunities of modernizing through governmental programs. Companies that did not seize these opportunities just deserve to close down. It is for democracy: you cannot please everybody. Some will be affected." The article goes on: "Mr. Dick does not see the need for a referendum on free trade. He says: Our mandate was to set the Canadian economy back on foot, and free trade is a means towards that end."

That is the statement made on Monday by the Associate Minister of National Defence. I tell the Minister that his remarks regarding the textile workers, the managers of that industry and the industry as a whole will haunt him from now on because he has no right whatsoever to pretend that his Government has the privilege to decide that some industries are outdated.

This Government, Mr. Speaker, was elected with an overwhelming majority. Yes, we recognize it. It is unfortunate that it was elected with such a majority. Indeed, it is unfortunate that it was elected, period! However, during the election campaign, the gentleman who is now the Prime Minister of Canada (Mr. Mulroney) said, and I quote:

[*English*]

"Don't talk to me about free trade. That issue was decided in 1911. Free trade is a danger to Canadian sovereignty. You will hear none of it from me at election time nor at any other time". Those were the words of the man who is now the Prime Minister (Mr. Mulroney) as stated in 1983.

What are we to conclude? That, once again, the Prime Minister gave erroneous information to the Canadian people? And I am trying to be generous here. What are we to think of an Associate Minister of National Defence (Mr. Dick) who makes comments about the textile workers such as the ones I have just read from the paper, pretending on the one hand that industries deserve to be shut down while on the other the Government has a mandate to negotiate free trade? One statement is wrong and the other is an outright insult to many constituents, not only those in my riding but in the riding of

Lanark—Renfrew—Carleton as well as in the ridings of Montreal and many other communities around the country. In my riding there are over 3,000 people who work in the textile field. I know that I am digressing slightly from transportation but I am still dealing with free trade. Those people do not appreciate those kinds of remarks that have been made.

[*Translation*]

Mr. Speaker, I would like to conclude by saying in the few minutes or even seconds I have left that 47 American states still have strong restrictions regarding access of Canadian truckers to their territory. For these Canadian transport firms, increased access to the United States will be difficult if not altogether impossible. Given the appendix introduced earlier by our colleague the Hon. Member for Regina West (Mr. Benjamin), the transport appendix to the free trade agreement proposed by the Americans, it is evident that if the proposed annex is adopted as it now stands the Canadian transport industry has nothing to gain and everything to lose.

Therefore, Mr. Speaker, I believe that the trucking industry was well advised to ask for this 90 day moratorium and I ask again why the Minister has refused the moratorium.

Mr. Speaker, the Prime Minister and his Government owe excuses to the Canadian people for the mess they have just created.

• (1320)

[*English*]

Mr. Dick: Mr. Speaker, I would like to make a short comment in view of the fact that the Hon. Member who has just spoken has consistently misrepresented the truth, but there is nothing unusual in the fact that he does not know what he is talking about.

The Hon. Member did not attend the Eastern Ontario Economic Conference at which I spoke on Monday of this week. But as a Member of Parliament from eastern Ontario, perhaps he should have gone there; he may have learned something. There was a lot of representation from people in the municipalities in his constituency, and many other Members of Parliament were there from eastern Ontario. It was a pity that the Hon. Member did not have the interest in his own constituents.

Not once did I make a reference to the workers of the textile industry. I made reference once to a textile industry, which was brought up as an example. This textile industry had not modernized over the years, and it was pointed out that it felt that it would not be able to compete. I pointed out that it had been given three five-year programs, the first undertaken by the former Liberal administration in which the textile industry was given special consideration in order that it would be able to put itself into a position to compete. If management had been so poor as not to do that, then I felt sorry for the workers in that industry, but I said that we would have to provide some transfer of funds in order to ensure that we would be able to get new jobs for them.

It is a pity that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) always misrepresents the truth in the House. It is a pity for his constituents whom he does not serve well by not even going to the Eastern Ontario Economic Conference. I feel that he should spend more time being a good Member than picking holes and misrepresenting other people's thoughts.

Mr. Boudria: Mr. Speaker, I will gladly respond to that intervention.

First, I do not apologize for having been in the House of Commons on Monday. I was elected to be here. I was doing my job. I was on Parliament Hill at the time that this conference was going on.

Mr. Dick: The meeting was at lunch time.

Mr. Boudria: Second, the Minister makes this gratuitous comment that that industry in my riding had not modernized. We all heard that comment, and we can read it in *Hansard* of Monday. Now he cannot say that he did not make that statement. It was made right in this House.

Mr. Dick: I didn't say that industry, I said "an industry".

Mr. Boudria: He stated that the industry in question that he was asked about had not modernized. The industry in question in my riding, the Texturon Mill in Hawkesbury, was only built in the mid-seventies. It is not a question of it modernizing. Had the Minister bothered to find out the facts before making his statements on Monday and today, he would not have got himself into the foot and mouth disease problem that he is in now.

I wish to read the letter sent to me by the industry in question. It states:

> This letter is written objecting to the planned agreement on free trade with the U.S.A. You are familiar with our operation on Cameron Street in Hawkesbury at which we produce textured polyester yarn in a modern plant with excellent high speed equipment. Should total free trade with the U.S.A. be placed in effect, we beyond doubt will have to close our plant in Hawkesbury. We could not possibly compete with firms in the U.S.A., one of which presently produces in excess of 5 million pounds weekly. Our production in Hawkesbury is approximately 200,000 pounds weekly.

It is not an issue of modernization. The fact is that some of those plants in the United States could produce more in their coffee break than this plant in my riding produces in one week. That is the reality. There is over capacity in that plant. It can add a shift, or as I stated moments ago, cancel one break and it would be able to totally ruin and destroy an industry which provides the livelihood of 72 of my constituents. One would think that that being the case, the least that the Government could provide to my constituents is compassion and assistance instead of laughing at them and pretending that those industries deserve to be shut down, and presumably meaning that my constituents also deserve to be put out of work.

That is not good enough for the people whom I represent. Let me remind Members that whatever few votes there were for the Conservative Party in Glengarry-Prescott—Russell have gone with the rest of the votes throughout the rest of the country—out the window for the Tories.

Mr. Warner: The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) covered various areas in his speech, and I wish to touch on a few of them, one being the Alexandria subdivision. The Hon. Member mentioned certain letters received from Mr. Hanigan of VIA Rail, and also indications from CN as to its intention of continuing to provide service on this rail line between Montreal and Ottawa.

You have indicated, Mr. Speaker, that this is the rail line that you use, and a great many people share your concern. I also share the concern that this line continue to be in place in order that operations continue, as the management of VIA Rail and CN Rail intend. VIA Rail's indication was that almost indefinitely passenger service will continue to be provided between Montreal and Ottawa as it is a core service.

CN Rail has indicated that although the line is under review, as a great many lines are from time to time, to see that it is economically feasible to continue full operations, it does assure the people along that line who are using it for freight traffic that it will be continued for at least five years. That is all that it will guarantee any line of continued usage.

Most important is the fact that the Minister of Transport (Mr. Crosbie), who ultimately has the control in saying that this line will stay in place and continue to be available for Canadians, has indicated that without doubt this line will continue forever and ever. Although he does not put "forever and ever" in his statement, he certainly indicates that as long as he is around, which will be a long time, that that line will stay in place and continue to serve the people who use it, and who continue to want the services in that area.

Another point on the textile industry, Mr. Speaker, I too share the Hon. Member's concern as there are 3,000 constituents in my riding employed by Dominion Textile, which is the largest employer in my riding. Dominion Textile has three plants in my riding, one of which recently received a bronze award from the Department of Regional Industrial Expansion for productivity. I am very proud to stand here in the House and congratulate the employees and management of that company for their extraordinary effort, and perhaps setting an example for other people in the textile industry that they can compete and they will compete, given an opportunity.

This is where opportunity in our riding can be very important. Guaranteed access to the U.S. market is giving an opportunity for another plant of Dominion Textile to modernize and possibly expand. We look forward to a new way of life, and a new, grand market much larger than it is now for the Caldwell Mill in Iroquois. There are 400 people working at this plant, and I am sure that it will admit that its present operation is not as competitive as its operation to the south in the United States. But the opportunity for this expanded market, guaranteed access to a market 10 times larger than the Canadian market, provides an opportunity for it to modernize and sell into that market aggressively.

Dominion Textile is no loser. It is presently aggressively expanding into the United States through acquisition and through continuing to force its way into that market and expand its market, and it will not change. That company will not change. It will continue on with guaranteed access to that market and will be able to supply products from Iroquois and the Long Sault plant to wherever it is able to market. Thank goodness for the free trade agreement because it will have guaranteed access to that market.

• (1330)

Mr. Boudria: Mr. Speaker, I will respond briefly to those points. I thank the Hon. Member for his question. Unfortunately, as much as I respect my distinguished neighbour and colleague, I cannot agree with what he said.

First, he said that we have guaranteed access. I do not believe that that is so. A review done by Blake, Cassels & Graydon, a law firm which did a study for the Government of Ontario, refers to four criteria that were analysed in relation to the agreement. I read the operative paragraph of that report:

> An application of these four criteria shows that the dispute settlement mechanisms contained in the Agreement are flawed in ways that are likely to result in a significant denial of Canadian access to the U.S. markets.

That is far from being guaranteed access in my opinion.

Second, in relation to the subdivision of CN Rail that both you and I, Mr. Speaker, think is very important, as does the Hon. Member for Stormont—Dundas (Mr. Warner), the Minister only gave his guarantee until 1992 and said that it would possibly be there longer than that. He said it would possibly be there much longer than that, to appropriately quote the Minister.

On April 20, 1987, the Save the Line Committee was totally dissatisfied with that answer and wrote a letter to the Editor of the *Glengarry News* under the heading: "Here we go again!" The first paragraph of the letter reads as follows:

> First of all, I must take issue with your front page headline 'Alexandria rail line safe for five years, says Warner', which may give the uninformed reader the wrong impression. The line is anything but safe!

There is much more information in the letter which I do not have time to read now, but it was signed by Michael Cowley-Owen, the President of the Save the Line Committee of Alexandria. As Hon. Members can see, the information is not quite as it was reported a few moments ago.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am particularly pleased to take part in today's debate because we have been listening for some time to Opposition Members who spoke about all kinds of other things

than the free trade Agreement and, in particular, transportation. A few minutes ago, we heard the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) who claims to be an expert in almost all areas. He should stick to public works and especially underground. I think that is his area of expertise. I do not wish to say any more in this regard.

M. Boudria: No, because you do not have the guts to say what you have in mind!

Mr. Grisé: Once again, Mr. Speaker, he spoke for 20 minutes about almost anything but the matter of transportation and particularly the deregulation of transportation under the Canada-United States free trade Agreement. Instead of reading a few comments, a few letters which he finds here and there, he would do better to consult with the industry at times, not only the various transportation industries but related industries as well.

Obviously, a free trade Agreement with the United States in the area of transportation is a necessary step. Let me explain. If we deregulate transportation in Canada, as the United States did before us, how could there be any fairness on both sides of the border without some trade agreement?

For instance, how could the trucking industry, particularly in Quebec, in Canada, compete with American transportation firms which have just been deregulated, which can get supplies of equipment, material, all kinds of items used for the maintenance of their truck fleet and so on, and which can buy goods to which no taxes or tariffs apply whereas the Canadian industry must carry that burden, Mr. Speaker.

Therefore, we must take these very important points in consideration in that free trade Agreement. Therefore, Mr. Speaker, when we meet with some members of the industry, as I did myself a few weeks ago when I was in Los Angeles to meet with 200 transportation brokers of the Transportation Brokers Conference of America,

[*English*]

At the Transportation Brokers' Conference of America, 200 people directly involved in broking transportation in the trucking industry from Canada and the United States attended and asked very interesting questions. They are all very interested in getting an agreement on free trade between our two countries as soon as possible.

[*Translation*]

Mr. Speaker, the trucking industry is not the only one interested in the free trade deal. There is also, of course, the passenger service industry. There too the products are different. There cannot be adequate competition where an American or a Canadian business is involved because their products, their production costs and their equipment are different, and there cannot be legitimate and fair competition without a free trade deal in the passenger service sector.

The free trade deal will also bring a fundamental change in the transport industry in general; it will have an increasing impact in the service industry, in manufacturing or tourism. That is extremely important, Mr. Speaker. There will be such an influx of or increase in traffic on both sides of the border that Canadian industries will benefit from a much more interesting potential volume of business than before. Mr. Speaker, this way, they will be even more competitive because our service industries have never been afraid of competition, but they will also be able to gain more customers, increase their potential and improve their services to the population.

Mr. Speaker, there is also a quite related . . .

Mr. Fontaine: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Ellis): Order, please. The Hon. Member for Lévis (Mr. Fontaine) on a point of order.

Mr. Fontaine: Thank you, Mr. Speaker. We have before us today an opposition motion against free trade with the United States, but there is nobody on the Opposition side to defend it.

Is it only to waste the time of the House that the Liberals who chose free trade as the subject of debate on an allotted day have all left the House? What is going on? Where is their sense of duty, Mr. Speaker?

• (1340)

[*English*]

The Acting Speaker (Mr. Ellis): It is an interesting point but unfortunately not a point of order.

[*Translation*]

Mr. Grisé: Mr. Speaker, I understand the intervention of my colleague but I wish to mention the presence in the House of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) who has a lot of work to do within his party. There are not too many good Members left on the Liberal Party side, Mr. Speaker, and I understand that their Whip has a considerable amount of work to do. It is understandable that he may have to leave the House from time to time. Mr. Speaker, I firmly believe that the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is, in fact, supporting the Government's position over the free trade deal with the United States.

I am also convinced, Mr. Speaker, that the Hon. Member for Ottawa—Vanier is, like us, considering the importance of the free trade deal, particularly in the transportation industry, for the development of our manufacturing industries. Before Bills C-18 and C-19 and other regulatory measures, our manufacturing industries, particularly in remote areas, often were penalized as they had only access to a single carrier which could freely set its rates as it was the only one to hold a licence. It also could set the scheduling or the frequency of its service to that industry, which could prejudice its development.

Then, how could an industry, particularly in a remote area, become competitive not only with another industry in the same province, located in a large centre, in the same country, but also on the international market? Now, Bills C-18 and C-19

allow a carrier to find customers and to apply for a permit to the Department of Transport which will have to prove that this new carrier would prejudice the economy of the area or, on the contrary, assist the local industry. Once again, this relates perfectly with what might be considered now as a quasi-official free trade deal with the United States. The deregulation of transport allows Canadian industries to compete thanks not only to their productivity, or to the quality of their products, or to their marketing aggressiveness but also to their ability to get a better price, to move their goods at a better cost, which will allow them to become more competitive.

Deregulation, therefore, helps a business to become more competitive, and the Free Trade Agreement with the United States provides for an increase in its productivity.

Mr. Speaker, it is this Conservative Government, thanks to its leader the Prime Minister (Mr. Mulroney), which has initiated this trade policy between Canada and the United States to effectively . . . It is not always to harm Canadian men and women, Mr. Speaker, it is to help them develop and for the first time in the history of Canada, the only country with fewer than 100 million consumers . . . we will have direct access to a market with over 100 million consumers, in fact with almost three times as much, over 250 million.

But what will over 250 million consumers do for our manufacturing companies? They will make it possible for them . . . They will provide them with a huge market which they did not have before. They will motivate them into creating better products, finding cheaper raw materials, as a result of the elimination of tariffs. They will be able to import cheaper raw materials. With greater volumes, they will be able again to increase their productivity, because Canadian men and women working in the manufacturing or processing industry are very aggressive and are not afraid to tackle a competitive market. They will be able to get it. They have already started and will continue to do so over the next few years, thanks to the Free-Trade Agreement with our American friends.

What is most important, besides the increased productivity and renewed aggressiveness of our companies is the fact that there was a shortcoming with regard to the ability to providing services, obtaining those products and delivering the goods whereas they were not competitive in the area of transport.

• (1350)

Now, with deregulation in Canada, our Canadian transportation companies and the American companies also, at the end of the line, will have better rates, more traffic, but with better rates, and at the end of the line, Mr. Speaker, who benefits the most if not consumers generally, and everyone in Canada? This is what the Prime Minister addressed in 1984 when he promised Canadians that we would restore the Canadian economy to a healthy state. This is what it means in my view, Mr. Speaker, giving the people, Canadians and Quebecers, a healthy economy. What does that mean? More subsidies. More social programs. When we can afford it, yes, Mr. Speaker, but it also means lower consumer prices, a larger range of products available to Canadians. Is that not economic health?

Mr. Speaker, transportation deregulation is extremely important. And when they talk about a sell-out, a sell-out of the transportation industry in order to get a free-trade agreement with the United States, they show total ignorance of the industry, Mr. Speaker.

Go and ask the President of CIL, and CIL I assume is also a Canadian company, and not a Toronto-only Canadian company at that. CIL, Canadian Industries Limited, Mr. Speaker, has facilities across Canada for manufacturing various goods. Ask those companies, like SICO Paint for instance, ask them what negative impact transportation deregulation has, and you will see how they will stress the positive aspects. Of course this is not a perfect system, but where on this planet, Mr. Speaker, can perfect systems be found? There may be perfect systems in the NDP lofty policies, but here we do not claim we have developed a perfect system of government management, Mr. Speaker. But we are very much aware of the importance of the manufacturing industry, of transportation, of those service industries. And all this is directly implied in the historic agreement which we are discussing, which the Premiers have been discussing yesterday in Toronto and will be discussing over the coming weeks.

Without this Free Trade Agreement, Mr. Speaker, Canada would remain a small country for us alone, maintaining the *status quo* which Opposition Members find so precious. But try to move a train when it is stopped on the track. It will not budge. Try to imagine what happens when you are moving ahead and decide all of a sudden to stop to maintain the *status quo*? You will very quickly realize that others are moving ahead, and you are standing still if you will have a somewhat reverse visual impact. You get the impression of moving backward when you are stopped. This is really the very short term effect of maintaining the *status quo* for a while: getting the impression that you are moving backward when everybody else is moving forward.

People are concerned about Canada's sovereignty in the Free Trade Agreement. Has Belgium, Holland, or Sweden, which is not even a member of the European Economic Community and which has a free trade agreement with that community, lost its sovereignty? Have the Swedes lost their language, have they lost their culture? Are the products imported by Sweden labelled exclusively in Italian, in Spanish, in German or in French? Yet, this is only a very small country of 10 million people next to a big giant, the European Economic Community which has a population of 300 millions. Have they lost their sovereignty for all that? Did these men and women lose pride in their Swedish citizenship? Of course not, Mr. Speaker. In no way have they lost anything. Furthermore, Mr. Speaker . . .

Mr. Harris: They did not give up anything either.

Mr. Grisé: Mr. Speaker, I hear a new NDP Member say that they did not give up anything. Indeed, he should read what is being prepared and learn about the discussions that took place until now. Quite on the contrary, the Conservative Government does not give up anything but is helping development, increasing the production of Canadian men and women, contributing to the opening up of new markets. We are not afraid. We do not treat our adult population like " little boys" and "little girls" because ... No, no, do not go anywherelse because the big bad wolf will gobble you up. Mr. Speaker, we have confidence in our population. Canadian men and women can face any kind of international market. That is why the free trade deal with the United States is so important. We are proud of our population, of our Canadian men and women; we are prepared to defend them and also to open up new potential markets for them, to give them their true place on the international market, and the Canadian population will show that it is in agreement with the Conservative Government.

Mr. Gauthier: Mr. Speaker, in his comments the Hon. Member referred to my presence here and indicated I was in agreement with his suggestions. I would like to assure him that on the one hand I fail to share the views he has expressed, explained or developed. On the other hand, concerning the impact on the trucking industry in particular, I think he could have been modest enough to recognize that there is a problem in the Canadian and the American industries. The heart of the matter, in fact the heart of the dispute is that, according to the shipping industry, the wording indeed of the first annex and the later version may provide for easy access to Canada by American companies, at the expense of Canadian companies which were not given by this Government a firm commitment that we would have, loosely speaking, the kind of new, North American Jones Act that would allow Canadian companies, Canadian transportation workers to reach the American ports, to do on the American side what the current wording of the agreement allows Americans to do on our side here.

That is the heart of the problem, and the Hon. Member knows very well it is not accurate to state that the free trade agreement will have no impact on Canadian trucking. It will have an impact, a serious impact, and he knows it. I would ask him simply to be straight forward enough to admit it.

Let us look for a solution, let us try to amend the agreement. Indeed, this morning, there were reports through someone who knows about the issue, that the Mulroney-Reagan agreement, if there is to be one, may be amended one of the negotiators who stated today that yes, it is possible to bring in amendments. This is one amendment that will have to be made to the agreement, making sure it is fair and just for both sides.

The other question he raised in his conclusion, something I found quite interesting coming from him, is the so-called national pride.

I am asking him the question, because he knows that in Canada we have legislation or regulations providing that anything written on packaged or prepackaged products should appear in both official languages, that is in French and English. Does he not agree with me that it would be advisable to include in the deal a safeguard for that Canadian legislation or those regulations which could be used by the Americans as a non-tariff barrier? Could they use that argument and say: "Listen now, in the United States we do not have two official languages. You are then setting an additional charge and it is unfair to impose Canadian bilingualism on the American manufacturing industry."

I say in all fairness that if it was possible to do it for security, as provided in the agreement, and for all kinds of things such as culture and marketing offices, then one of the most important legislation in the country, the one dealing with bilingualism, should be included.

Mr. Grisé: Mr. Speaker, I will respond to the comments made by the Hon. Member for Ottawa—Vanier (M. Gauthier). It is certain, first of all, that the trucking industry has an impact on free trade, and a very positive one at that, as I have said earlier.

Of course, I am no expert on transport, unlike the members opposite who all have so much to say on the subject. I have only been in the transport business for 20 years, in trucking as well as in passenger transport. So I do not at all consider myself an expert in the field, Mr. Speaker. However, the little I have learned, I do remember well.

I do not believe for a moment a problem exists between the United States and Canada. On the contrary. Deregulation and the free trade deal will be extremely beneficial to the transport industries, particularly those of Canada.

My time ran out before I could mention it earlier, but at the present time, in the passenger service sector, for instance, bus companies from Quebec or Canada, unless they have entirely defined routes, are not allowed on their way to Miami or Chicago or anywhere else to offer bus tours of New York or Washington when they go through those cities because they have no permit to do so and cannot get one either. It is the direct business, the one that is directly involved.

The same applies to Canada. Before deregulation, a group arriving in a smaller centre, in Quebec or in Canada, did not have anyone to handle its transportation needs and the carrier which had moved them from A to B could not do it either, because of the rules. Consequently, this is also, I believe, a significant improvement.

As to the national pride and the question of labelling, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is right to raise that point, but it has already been discussed. The province and the Premier of Quebec would never have agreed to a Canada—United States Free Trade Agreement had the matter of labelling been questioned. Look at the number of countries presently doing business with the United States. A lot of goods manufactured in the United States are imported into Canada. There is certainly a lot of products manufactured in the United States and sold in Canada, and in Japan too.

Some Japanese-made products are sold in Canada bearing French labels and there is nothing in the Agreement ... They have to do it for sure ... Nothing in the Free Trade Agreement compromises ... It is covered and the Prime Minister was very clear at the onset. The Prime Minister of Canada has stated that social programs, marketing offices and culture were not to be touched.

Mr. Speaker, I would conclude on this because I would like to allow another member to put a question to me.

• (1400)

[*English*]

Mr. Althouse: Mr. Speaker, the Hon. Member spent some time defending the Government against what I believe are legitimate charges in the motion, that the rules imposed in this agreement will not be equal for Canadian airlines, ships, trucks and rail. They will not have the same access to the U.S. market as has been granted to those American transportation modes into Canada.

He talked about fear and how we had to get away from the status quo. I could not help but think of what was said some 300 years ago when doctors used to bleed patients. It became a common practice to bleed people, as this was considered a good practice to remain healthy. At the same time, some religious orders and others engaged in self flagellation. I believe we began to hear the same thing recently with respect to the economic field, with the saying of short term pain for long term gain. It sounds alarmingly like the same kind of methods are being practised on our economy and body politic.

Perhaps it is time to update our economic understanding and theories in this country, rather than to attack the status quo. The ancient doctors were quite convinced that anyone who had not been recently bled was unhealthy. I am wondering whether some of that same attitude has not gone into the political mindset in Canada, particularly when we rush into a proposed deal like this which clearly gives more benefits to the other party than ours in the field of transportation. The rationale is that while it will hurt in the short term, it will be good for the industry.

Mr. Grisé: Mr. Speaker, I am not as old as the Hon. Member to be able to comment on the ancient doctors. I have never been close to one and do not know their experience. Perhaps the Hon. Member does, but I am much too young.

As far as fear and the status quo is concerned, the Hon. Member has no trouble coping with the status quo of the Auto Pact. We know that the United Auto Workers are strong supporters of the NDP and they are quite content to be the only ones to have a free trade agreement with the United States.

When we talk about economic bodies, we are not only dealing with high level manufacturers. The first and most important economic body in Canada is consumers. It is Canadians, especially ordinary Canadians as the NDP like to call them. We refer to them as strong and important Canadians.

In 1965, the NDP was opposed to the Auto Pact because it would wash out all jobs in Canada, especially in that industry. However, let us consider the job creation that has taken place and how it has strengthened the economy of southern Ontario.

We are seeking those results not only in Ontario but throughout Canada, for a stronger economy in all regions.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I want to join in the debate on this motion this afternoon which concerns two interrelated matters of Government policy.

First, I want to comment on the observations just made by the Parliamentary Secretary in relation to the comments of my friend, the Member for Humboldt—Lake Centre (Mr. Althouse) who pointed out some of the dangers of free trade.

It may be useful to appreciate that the Auto Pact, which Government Members have often raised as an argument for the free trade deal which was negotiated this fall, is by no means a straightforward free trade agreement. It includes some very significant safeguards for Canadian content, continuing employment in Canada, and for a relationship between the number of cars sold in Canada and the production of automobiles in Canada. Those are the kinds of provisions that are very important to an agreement.

We had a free trade agreement in agricultural implements for many decades. That industry was forced to function in conditions under which prairie farmers and others were able to buy equipment made in the United States, without having to pay a duty. When we consider an industry such as that, the horrifying result is that there is precious little production by major producers in Canada.

We can use the example of the great company of Massey Harris as it was known years ago. The companies of Massey and Harris, were combined in the late nineteenth century in order to provide a stronger competitor for Canadian and export markets. This company, which later became Massey Ferguson, does very little production in Canada when we consider where the tractors and combines are made. The majority of its production for the Canadian market takes place in the United States.

While the farmer constituents in the riding of my friend for Humboldt—Lake Centre have benefited from free trade over the years, the results of free trade to the constituents of my friend, the Hon. Member for Brant (Mr. Blackburn), where combines were made in the past, have meant the disappearance of that industry entirely.

• (1410)

To think that free trade is going to be some great panacea for the Canadian economy deserves very careful consideration, industry by industry. In that spirit, I would like to take up the motion before us this afternoon, "that this House condemn the

Government for its destructive influence on the Canadian transportation industry by its impractical and slavish adherence to the ideological myth of deregulation and its inept trade negotiations with the United States", and there are four paragraphs, and I would like to focus on two of those.

Paragraph 2 states:

> (2) introduction in the railway industry of "Competitive Rail Line Rate" provisions allowing American railways free access to Canadian markets while denying reciprocal arrangements for Canadian railways;

And paragraph (4) states:

> (4) abandoning its legislation on the Canadian coasting trade and failing to obtain any benefits in the trade agreement for Canadian maritime industries.

The Canadian railways provide us with a very interesting instance, again to use a specific example of an industry to focus the concerns we in the Opposition, particularly the New Democratic Party, feel about both the deregulation program and the agreement arrived at this fall. The railways, as I say, provide a fascinating case. Initially we find support for the program the Government was putting forward under its Freedom to Move rubric and in Bill C-18 and Bill C-19, in particular. There was very significant support from CP Rail and CNR for these provisions. When the railways looked more closely at what the Government was proposing to do, and when they focused on this competitive rail line rate provision, they suddenly did an about face.

Why did the railways, which have been so ideologically in line with the Government on its deregulation program, do that kind of about face? They discovered that what the Government was proposing on the Canadian side was a provision under which someone who had goods to ship could turn to the rail line and tell it that if it ships the goods to the border and ties in with an American line going to the vicinity of the market to which the individual wanted his goods shipped—using perhaps the Burlington Northern system across the West—and if the American railways quoted a significantly lower rate, the Canadian railway would be forced to use that particular system. The Canadian railway would not only be unable to quote the higher rate but would actually end up losing the income from carriage of those goods from the market, wherever it happened to be, perhaps in southern Ontario, to a western market.

When the Canadian railways realized that in the United States under its economies of scale, the massive amounts of freight the American railways carry, and under the much more favourable tax laws and the vicious labour laws which have operated there for the last years, this competitive rail line rate provision could threaten three-quarters of the trade the Canadian railways were doing, they did a most remarkable about face. I personally, as the Hon. Member for Thunder Bay—Nipigon, experienced that. Officials from the CP Rail office in Winnipeg arrived in my riding to have a chat with me.

In decades past, the tradition of the CCF and NDP, when officials of the CP Rail came calling, if they ever did, was to have a very, very intensive encounter, indeed. In the mythology of our Party there is that moment when David Lewis said to a CP Rail president at a Rhodes Scholarship Committee, that if he were given the opportunity as Prime Minister of Canada, the first thing he would do would be to nationalize the CPR. That moment in the history of our Party stands in the sharpest contrast to what happened when these gentlemen arrived in my office in Thunder Bay. What they wanted to do was to have a close exchange of views in which they supported the criticism of my friend, the Hon. Member for Regina West (Mr. Benjamin), of the Freedom to Move program and his criticism of what the Government is presuming to do with this deregulation program.

CP Rail became a supporter of our attack on deregulation. CP Rail, which is surely one of the remarkable fruits of enterprise in Canada—not necessarily competitive. There is a lot of monopoly about this business—recognized that what the Government was putting forward was a potential competition out of the United States which could well bring the railway to its knees, which could destroy the railway and employment in Canada, and make impossible the profitable state CP Rail has enjoyed, and which has made it such a producer of enterprise into other industries.

CP Rail enterprises have been the basis of much development in this country in the past, but the Government program of deregulation has every potential for destroying that for the future. There am I as a New Democrat making this odd speech in support of CP Rail at this point, but I am using it to demonstrate that the Government had the support of industry at one time, but after that industry considering the kind of concessions made to American interests on behalf of Canadian shippers, it no longer has that support. That has been mentioned by others.

Of course, Canadian shippers want to get the cheapest rate, but the Government thinks the only employment that counts in this country, the only prosperity that matters, is the production of minerals and chemicals. The Parliamentary Secretary alluded to CIL. Surely we want to ensure that the production of goods and their movement to markets in Canada and abroad are also productive of employment in transportation and communities.

In Thunder Bay, to focus on my own community again, where railway workers have been laid off in significant numbers by both CP Rail and the CNR, I see the proposals of the Government in its deregulation program as really destructive of employment and prosperity.

These proposals as they relate to the railways are reason enough for me to speak in support of the motion put forward this morning. What I would like to do now is to turn from the railways to the marine industries of this country, particularly to the shipbuilding industry. That is one with which I have been particularly concerned as critic in our caucus. I have had much reason to be concerned after conversations with shipyard workers and their managers, after visits to a variety of

shipyards from Vancouver to Halifax, and after meeting with shipyard workers here on the Hill. I can appreciate the plight of that industry.

This is another industry about which to put forward criticisms of the Government's actions, actions which underscore the critical attitude in general that has been taken. I might begin with a letter written by the president of the Canadian Shipbuilding and Ship Repairing Association to the Minister for International Trade (Miss Carney) in the first days of this month. The letter was sent to a good number of cabinet Ministers and to all the Members of Parliament representing shipyards or related industries across the country. The letter states:

> The purpose of this letter is to advise you of the preliminary views of the Canadian Shipbuilding and Ship Repairing Association with respect to the document entitled "Canada-U.S. Free Trade Agreement—Elements of the Agreement". I say preliminary because this Association's Position will not be formalized until we have had an opportunity to study the completed document and its annexes, particularly the Transportation Annex.

He goes on to say:

> In the interim, however, we would like you to be aware of our extreme dissatisfaction with the Agreement, insofar as it affects ship construction. You will undoubtedly recall that on December 8, 1986 the CSSRA announced publicly its full endorsement of a comprehensive bilateral trade agreement with the U.S.
>
> This strong support assumed that the application of the U.S. Jones Act, the Burns-Tollefson Amendment, and other restrictive legislation concerning shipbuilding, on both sides, would be extended to cover both Canada and the U.S.

In other words, where the United States has restrictive legislation, or Canada might have some, including shipping interests and shipbuilders in the neighbouring country, those provisions would be spread so that the Americans would be able to take advantage of industries in Canada and Canadians could take advantage of activity in the United States.

● (1420)

That was the expectation. He goes on to state:

> In our dialogue with the SAGIT on Marine, Industrial and Rail Equipment, we received encouraging reaction to this position. We believed at that time, and still do, that such a provision within a free trade agreement would be of mutual benefit commercially and militarily. However, to the extent that we can determine at this stage, just the opposite has occurred. The U.S. Jones Act (and its many amendments and revisions) are exempt from any provision of the Free Trade Agreement; the Agreement is silent with respect to the Burns-Tollefson Amendment; and no mention is made of the shipbuilding industrial sector on either side.
>
> Thus we learned with some dismay that, apparently, our industrial sector was overlooked. Unfortunately, this does not surprise us, as the Government has been reluctant to consider the interests of Canadian shipyards with respect to national policy for many years.

When he says for many years he clearly recognizes that the failure of this Government to do anything for shipbuilding is a failure that characterized the preceding Liberal Government just as much.

The result of this is that the organization which has been renamed the Canadian Maritime Industries Association, formerly the Canadian Shipbuilding and Ship Repairing Association, put out a release with this letter declaring that the elements of the agreement that have been made public to date cause its members deep concern with respect to the construction of ships. The President in the covering release reiterates the hopes that they had of being able to benefit from American activity by having the restrictions of the Jones Act and other legislation removed. He said that instead the opposite appears to have occurred since the Jones Act governing ships engaged in U.S. domestic trade is specifically excluded from the free trade agreement. No mention is made of the shipbuilding industry.

That is reason enough for me as the critic for shipbuilding in our caucus to strongly support this particular motion. Here we have the failure of the Government to achieve anything in an agreement which members of the government party would declare is now the basic element in their strategy for Canada and their hopes for the prosperity of the country. Here is an industry that has been left out completely. What this reflects is the ongoing crisis of the shipbuilding industry to which I alluded earlier this afternoon in my statement under Standing Order 21.

We have the reality that the Party that now governs promised in August of 1984 to make shipbuilding a prosperous industry in Canada. That promise from members of the Atlantic caucus was surely a fairly considered decision since there were various items on which the Conservative Party promised action before it won election in September of 1984. In practice they have not done so. In practice there has been no action on these items. We have not had any statement of policy on shipbuilding at all.

Initially, people in the industry sought a statement. Eventually, they got to the desperate point of saying that if they had a policy statement saying that there is not going to be any policy even that would be something. What they have had to settle for is a policy which clearly accepts the decline of the industry, a policy that states, "We will assist you in rationalizing". In practice that means that the Government is saying, "Let's reduce the number of shipyards. Let's close them down".

This was most obvious when correspondence from Quebec came to the public eye early in 1985. That correspondence indicated that there was pressure being put on the yards on the St. Lawrence to have some of them put over completely to industrial work. The correspondence indicated that this was being accepted by the owner, by the Versatile interests, as justification for it to ask for more work and for more assistance from the Government for those yards that would continue in existence.

The ironic thing about this is that in the Province of Ontario yards have functioned over many years in St. Catharines, Collingwood and in my constituency at the Port Arthur Shipbuilding Company. As the decline of traffic on the lakes hit these areas very severely in 1984, 1985 and 1986, and as the amount of repair work to be done declined, and as there was no building taking place at all, the bankruptcy of the

Government in the area of shipbuilding policy became a basis for companies to close their yards and to consolidate the remaining work.

Thus Collingwood, a yard at which fine commercial work had been done over many years, has disappeared. Never again will ships be built in that yard. What we have seen then and what we saw again this week with a demonstration yesterday of workers from Halifax who came to Ottawa to demonstrate against the Government to demand action on shipbuilding policy is a declaration that here is a government that may yield to political pressure. The next election draws near. We hear about a task force these days. The previous Government used the task force on deep sea shipping as a way to get past an election. This Government is thinking about a different kind of task force.

This Government has failed the shipbuilding industries completely. It is threatening shipping. It threatens the rail operations of the country. Here is a government that deserves the condemnation which this motion before us this afternoon states.

[*Translation*]

Mr. Fontaine: Mr. Speaker, when I hear my socialist colleague say that this Government has failed in the area of the shipping industry, of shipyards, etc., I suggest he is not aware of new developments. I think he should look around him and see what is going on across the country. Because Canadian Government orders in the area of defence are very significant in most Canadian shipyards, and if the Hon. Member had not been so subservient to the previous Government, today we would not have to make such an effort for capital expenditures in our defence system in order to buy boats, aircrafts, specialized trucks and so on.

I also have a little comment for my socialist colleague: if he had really wanted to inform this House properly concerning marine activities and the shipyard industry, he would have said that Bill C-52 respecting the coasting trade and marine commercial activities will have a very positive effect on our marine industries. I am anxious to see on what side of the issue the Hon. Member will stand when the final vote is taken on this Bill. But in any event, these people from the Socialist Party always manage to level specific criticism.

Today I had some difficulty understanding exactly what was the message given in this House other than a series of specific criticisms. However, Mr. Speaker, I read today in this week's issue of the *Financial Post*, a newspaper that they probably never read because Mr. Bob White must subscribe to the P*ravda* and not to the Financial Post. The Hon. Member should go to the library once in a while where he could read the *Financial Post* for free. I also recommend that paper to the Liberal Members who have been criticizing since this morning during the debate on the motion by the Hon. member for Papineau (Mr. Ouellet), who have been criticizing our deregulation policy and our free trade policy. So I was saying that in today's *Financial Post* one can read that the Canadian Pacific, one of the biggest transport companies, has been taking measures in the past few months in order to be ready to tackle the enormous market that deregulation will open for development. And, Mr. Speaker, it says here and I agree, that by giving greater access to more carriers, by allowing negotiations between the carrier and users, this will result in a strong competition which in turn will lower the rates of transport. And when transportation costs are reduced . . . but Socialists are unaware of those things because they have never done any payroll work. They have always sponged on unions. When prices of goods are lowered in Canada as a result of reduced transportation costs, they become cheaper for all Canadians. This is what we do. We reduce consumer prices and thus extend our market abroad. However, you do not agree because you want to protect the free-trade situation that has prevailed in southern Ontario since 1965. Now it is impossible for Socialists to live with the requirements for competition and to have confidence in aggressive and glib Canadian industrialists who day after day are seeking new means of developing new and cheaper services for Canadians, because when everything is running smoothly in the system you sponge around and suck blood like leeches. You cannot understand anything else. This is why, Mr. Speaker, I am suprised at their interventions, week after week, day after day. It does not make sense, Mr. Speaker.

• (1430)

[*English*]

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the Hon. Member for Lévis (Mr. Fontaine) has give me an opportunity to reiterate some points, and add one or two. I am grateful for that opportunity. As another Member who represents a shipbuilding area, the tone that he takes strikes me as a bit odd. When I was talking about railways, I don't think that he was paying any attention; he was paying as little attention as the Parliamentary Secretary who was packing up his papers and leaving as I made those comments. It would have been useful for him to stay and receive the education of some specific information instead of serving up rhetoric.

What we have received from this Government in the way of activity in the shipyards is no novelty. As it approached an election, the last Government served up a number of contracts to specific yards in order to keep them working. We got this "scrap" program as it was articulated, the special capital recovery program which saw ships built in various yards on government contracts for the Coast Guard and so on. The last Government knew that perfectly well, and this Government has been doing the same thing. As the election draws near, if enough government contracts go into the yards, people will be working.

What we did not have from the last Government, and have not had from this Government, despite the bluster that we were just served, is a declaration that the Government recognizes that by putting enough of those contracts into yards and changing certain provisions, such as the exemption from

duty of the largest fishing vessels so that they will not be imported but rather built here, it might be possible to keep work going in most of the yards of this country. We have not had that declaration as a policy, which it could be. Those who work in the yards, and those who own and manage them, would be very pleased to have the Government declare that as a policy.

Construction for Maritime Command was dreadfully neglected by the previous Government. By scheduling production for other services such as the Coast Guard, and determining the bases upon which the work will be distributed, there will not be those unseemly struggles between regions, for example with the St. Lawrence yard and the yard in the Hon. Member's riding working against the argument of the Saint John shipyard people that if the next six patrol frigates were built there, we will save $17 million a vessel—or is it on the whole package? We will not have those particular arguments being made. Those of us representing other yards, and Canadians generally will not be tempted to look through this thing and determine why Saint John Shipbuilding, which was a rather sorry starter, had reached the state of efficiency that might allow it to do that.

The Government has refused to state a policy, although it practises elements of it. It continues to argue that competitive bidding is actually the basis but does not look behind the bids—for example, the one that took the Simcoe to Marystown—without considering the possibility that provincial government assistance is allowing a yard to underbid other yards. People have not been getting into those questions, at least in public, whatever may happen in Transport Canada. There has been a failure to state a policy, and then the Hon. Member has the gall to rise and bluster at me.

Bill C-52 relates to the coasting trade of the country and it might offer something or other, but it is an odd situation. The Bill has been given second reading in the House. I understand the legislative committee is on hold. Is it on hold until after the trade deal is passed in order that we avoid disrupting anything, or why is it that this particular Bill not being acted upon?

If one looks carefully at Bill C-52 and the exemptions within it, one of the most harmful exemptions is for platforms used in the production of hydrocarbons. Those platforms out there are involved in drilling and production, particularly off the Atlantic coast, and they are ships of a sort. They could be built in Canadian yards. This Government has given us legislation that will allow import of them rather than construction in Canadian yards; not that they will be licensed, but they are simply exempted entirely from the Bill. What type of policy is that?

Mr. Cooper: Mr. Speaker, I had hoped to have an opportunity to participate in this debate today. The whole question of transportation is extremely important to the West, and that was the perspective I wished to bring to the debate. It is demonstrated by the fact that over 50 per cent of our exports to the United States are handled by trucking; 75 per cent of the imports to Canada are handled by trucking. Already we are seeing Canadian companies competing quite effectively in the United States.

I wish to go into that issue in a lot more detail, but obviously the time is not available.

The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has western roots, and he was born in the West. As I grew up in the West, there were two things that were particularly aggravating to western Canadians. The first one has always been the high cost of shipping, and the second has been the high tariffs which we have seen as an intrusion to western Canadians rather than an assistance. We have always seen those items as a problem rather than a solution. What I see happening in this motion before us today is a combination of both free trade and transportation.

Will the Hon. Member address for a moment the impact that this has had on western Canada? Surely he would agree with me that through Bills C-18 and C-19 the western Canadian shipper, who has for years been at a disadvantage, as a result of Bills C-18 and C-19 is today moving into a position of advantage and opportunity, which we see as a big chance in the West. The free trade agreement will remove those tariffs which historically have been a real hindrance and burr in the saddle of western Canadians.

The Acting Speaker (Mr. Ellis): Perhaps the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) could condense his answer to approximately 60 seconds.

Mr. Epp (Thunder Bay—Nipigon): If I only have 60 seconds, I will not address the tariffs.

As someone who grew up on a mixed farm in Manitoba with a father who sold grain through Thunder Bay and used the Seaway, I have a very great interest in western shipping and in using rail lines out of the West. We ought to recognize the importance of those lines.

Any fancy economic argument about more efficient use of resources somewhere else should never allow us to forget one brute reality: those communities need rail lines at economic rates in order to continue. The Hon. Member recognizes that fact, and I am sure would not deny it in the least.

My predecessors in the last Parliament who fought for the Crow Rate wanted to maintain low rates. They did not want any deregulation-style arguments or competitive enterprise arguments to be used to reduce this particular rate. The railways have been able to manage. Some subsidies were provided to them. A subsidy that is now under attack had been provided in order to maintain that.

I am sure that you wish me to stop, Mr. Speaker, but let me put forward those items. The Hon. Member's comments seem to be quite consistent with my position, which is at variance with the people who put forward this motion, and the position taken in the last Parliament. I am not sure it is in keeping with

what the Hon. Member wants. I feel that he ought to reconsider his own position more firmly in terms of the Crow Rate in particular.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I understand that another Member wishes to say a few words before the debate concludes, so I will try to be as brief as possible.

This particular motion talks about "inept trade negotiations" that the Government has with the United States. The mover of the motion used the word "inept". According to the Oxford Dictionary "inept" means "out of place", so we can say the out of place trade negotiations; "inept" also means "absurd", so we could say the absurd trade negotiations. It also means "silly", so we could say the silly trade negotiations. It also means unskillful.

Most of the speakers who have addressed the resolution today have mentioned in the areas of airlines, railways, and trucking and that the Government of Canada has been inept in dealing with the United States. According to what has been placed on the record today about that entire group of subjects, one could say that the principle of free trade as the Government sees it is inept.

• (1440)

When members of the public are asked what free trade means, they think that free trade means free trade, that countries can trade freely without having any obstacles like tariffs placed in their paths at the border and that products can move freely across two borders, three borders, five borders or 10 borders. That is the way some trade agreements operate. We say that this is an inept pact because there is no free trade deal. The free trade deal with the United States does not provide for free trade.

Today, the Premier of Newfoundland must have eaten something bad or he must not have got enough sleep last night. This afternoon he said that he was in agreement with the free trade deal with the United States. I do not know what came over him.

Under this free trade agreement, a producer in Puerto Rico could say that the Government of Newfoundland has put a subsidy on a product by bailing out a company in Newfoundland and therefore he wants a duty placed on that product when it enters the United States market. Under the so-called free trade agreement with the United States, one producer in the United States of America, even the owner of a corner store if he produces something, has the right to ask for such a duty to be placed against products from Canada.

Countervailing tariffs and anti-dumping legislation are all fancy terms which only mean that a charge, whether it be a tariff, a duty, a countervailing duty or an anti-dumping duty, must be put up when products cross the border. I do not care what it is called, it is all money. This happens when one country believes that another country is bringing products across the border unfairly.

We are saying in this motion that Canada was inept because Canada agreed to abide by U.S. law. Some Hon. Members have said that this will remove tariffs at the border and therefore it is a great thing because now we can move our goods across the border without having that encumbrance of a tariff.

What does a producer in the United States do when computing a countervailing duty? The producer claims that he has been damaged by Canadian subsidies and the total damage is assessed. The American Department of Commerce sends representatives to Canada and, by mutual agreement, goes over the books of the company concerned and holds a hearing at which the company concerned can claim that there is no subsidy or the Government can claim that the American producer is wrong. The total value of the claimed subsidy is taken into account.

Under the free trade agreement, the United States can still say that because Canada is different from the United States, it will impose tariffs. In fact, Canada is vastly different from the United States. Our social programs are vastly different and many people would praise that difference.

There is a big difference between getting sick in Canada and getting sick in the United States. There is a big difference between ending up in hospital in Canada and ending up in hospital in the United States. The difference is absolutely incredible. In Canada, there is social legislation and legislation to help industry. In fact, there are special government Departments in the poorer provinces of Canada that give tax breaks and special DRIE assistance.

Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, the north shore of Quebec and northern Ontario all have access to assistance programs for industry. The Government gives interest-free loans to companies to set up industries in those areas or its gives half loans and half grants to industries to expand tourist facilities and hotels. All of these things assist the poorer regions in Canada, and these are programs that do not exist in the United States.

The United States does not offer assistance to fishermen who own boats. There are no plant-modernization programs for the forest industry in the United States. However, we have such programs in Canada.

The free trade agreement will now become the primary target of this great protectionist attitude in the United States. Producers are blaming their problems on cheap imports. These producers know that the United States has told Canada to sign on the dotted line so that Canada will respect American trade laws, anti-dumping laws and countervailing duty laws. Canada has signed on the dotted line. Canada said: "Yes, for the first time in history, we will sign on the dotted line that says we respect your right to impose a countervailing duty on a product that comes from Canada that you believe has been subsidized

by the Government of Canada or by a provincial Government".

That is why I cannot understand the Premier of Newfoundland. In fact, understanding what is in the free trade agreement, I wonder why any premier from any Atlantic province would agree to such a stupid deal, a deal that means that we no longer believe in assisting the poorer regions with special government assistance or programs.

Recently, the Premier of Newfoundland and his Cabinet decided to give millions and millions of dollars in loans to a company from Alberta so that it would move to Mount Pearl outside St. John's, Newfoundland, to grow cucumbers. I do not know whether it was $11 million, $12 million or $13 million which was given to this company to grow cucumbers. That provides a good opportunity for a countervail. We will see what happens when that company tries to export those cucumbers to the United States if they can grow them. There is no government assistance in the United States comparable to that kind of assistance. That is what the Premier of Newfoundland did, but today he has said that he agrees with the free trade agreement into which this Government has entered. Why, I do not know. What other deal was made behind the scenes? Maybe there was another deal made, I do not know.

The Hon. Member who moved the motion is saying that the Government of Canada went to the United States and said that it would sign a free trade deal with the United States that would provide that Canada respects all the American laws and rights to impose duties. Canada has signed an agreement saying that it will respect American state trucking laws and the right of the United States to impose a charge on a product that comes into the United States if a producer in the United States so wishes. That is why we call it inept and all of those words to which I referred in the *Oxford Dictionary*, particularly the word "silly".

• (1450)

I have never heard anything more silly than calling this a free trade deal. Charges can still be made under GATT. Countervailing duties can be applied. Anti-dumping laws and duties can be imposed when any U.S. producer wishes. So why is it called a free trade deal? Because the Government says it will remove tariffs. Yet it does not go on and explain that countervailing duties could be double the old tariff. In other words, countervailing duties of 20 per cent were applied to saltfish, which has a normal tariff of 10 per cent. That countervailing duty would have been 30 per cent if the tariff was not in place because the damage being done to the U.S. producers was judged to be 35 per cent of the value of the product in Canada. That is basically why we disagree with the free trade deal.

The other points concerning railways, truckers and the marine industries have already been made very well and I should conclude because I believe another hon. gentleman wishes to say a few words.

[*Translation*]

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I wish to thank my colleague for giving me a few minutes to make some comments on this Opposition motion dealing with the deregulation of the transportation industry and the free-trade deal.

I think that by criticizing this historic free-trade deal, the Opposition lacks preparation and respect. The simple co-operation of the Liberal opposition with the socialists makes us wonder if the Liberals are opposed to free-trade because they are seeking electoral gains or if they are trying to protect the interests of some regions of the country to the detriment of the others.

In any event, I think that when the Opposition agrees with Bob White, who is the boss of the socialists in this Camber, it lacks respect for Canadians in general and particularly for Canadian businessmen, entrepreneurs and industrialists who export to the U.S. goods and services worth $95 billion, out of our total exports of $125 billion. These are the Canadians whose aggressiveness and capacities developed the U.S. market. These are the Canadians who are attacked by the Opposition today, in this Chamber. What the Opposition is saying is that we must prevent our Canadian exporters from getting access to the U.S. market. This is what they are telling us by attacking free-trade.

Mr. Gauthier: This is absolutely false.

Mr. Fontaine: They refuse to recognize that free-trade exists in Canada, in Southern Ontario, since 1965 in the auto industry. It was the same negotiator, Mr. Reisman, who negotiated the Auto Pact that proved to be very beneficial. These same socialists and their leader of the time, Mr. Douglas, were against free trade. But today, they would like to keep the benefits of free trade for the automobile industry only. They do not want to see similar benefits extended to all Canadians.

Mr. Speaker, we should realize that that first free trade initiative in 1965 results today in sales of $33 billion a year for Canadian exporters and 840,000 jobs in the automobile industry. And we have here people who oppose a more national implementation of free trade. I wonder how serious they can be and where is their respect for all Canadians. I wonder where is their respect for the 12 million Canadians, out of a population of 20 million, who have a job and are productive.

Older people do not work, of course, and neither do the young and the sick and those unable to work. But the 12 million Canadians who do work have a production of $500 billion worth of goods and services in Canada. One quarter of that is exported. That means that there are 3 million Canadian men and women who have jobs today because of our exports. And people opposite have the gall to pick on details in the trade deal.

Mr. Speaker, it is important that Canadians understand that we initiated and concluded the deal first of all to secure our continued access to the American market. The fact is that the Americans also have problems and are increasingly being pressured by the business people because of their substantial trade deficit. Recently, they have had a yearly trade deficit of $170 billion. This has an impact on all American companies, whatever their size. This has brought about protectionism and congressional pressure. The congressmen are preparing bills to eliminate and reduce the import of certain products, and as far as we are concerned, the products most affected are those sold by our Canadian business people, whose hability has naturally been questioned by the socialists, and also by the Liberals to gain the favour of the voting public.

Therefore, Mr. Speaker, I ask the opposition to stop making negative statements about this historic Free Trade Agreement. I even ask them to support us, because if the socialists and the Liberals opposite go on sleeping together in the big Bob White Hotel, it will mean the end of this country, as they are now concentrating in the central region of this country all the benefits of free trade and telling the rest of Canadians that free trade is bad. As for the Quebec Liberal Members in this House, they are not even able to understand the message of Quebecers as a whole, of the Quebec government and of premier Bourassa, who are all saying that free trade is good and even essential for Quebec. The Liberals prefer to bow down before those who defend the interests of Southern Ontario. Mr. Speaker, I believe that they should also think about what is good for Quebecers and all Canadians. That is my message for them. Thank you.

The Acting Speaker (Mr. Ellis): The Hon. Member for Saint-Denis (Mr. Prud'homme) on a point of order.

Mr. Prud'homme: Mr. Speaker, first I want to congratulate you for the brilliant and distinguished manner in which you are presiding over our proceedings this afternoon. But I want to point out to you, on a point of order, that the Hon. Member got carried away and is completely out of order when he says— And I want to make my point of order very clear. I think the Hon. Member is launching once again on his pet subject and tries to accuse everybody of being socialist, to accuse us . . . First, I find it most disagreeable that he could use such anti-parliamentary language as to say Liberals are "sleeping" with socialists. He does not even know what he is talking about. I would like to take part in the debate, but I see there is no time left.

[*English*]

The Acting Speaker (Mr. Ellis): It may be unpleasant, it may be difficult, but it is also three o'clock.

It being three o'clock, it is my duty to inform the House that, pursuant to Standing Order 82(12) the proceedings on the motion have expired.

The House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, November 30, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 210 will be answered today.

[*Text*]

ENVIRONMENTAL QUALITY STRATEGIC REVIEW

Question No. 210—**Mr. Caccia:**

Has the government taken action in response to the options set out in the "Environmental Quality Strategic Review: a follow-up report of the Task Force on Program Review", published on February 21, 1986 and, if so, for each option, what action has been taken?

Hon. Tom McMillan (Minister of the Environment): Yes. The "Environmental Quality Strategic Review: a follow-up report of the Task Force on Program Review", was one of a number of task force reports that made recommendations on the programs of the Department of the Environment. No specific point by point response to the options set out in the "Environmental Quality Strategic Review" document is being planned but as a result of all the reports, the government has adopted an Environmental Quality Strategy which involves a number of initiatives. These include the new Canadian Environmental Protection Act; improvements in the management of federal efforts in the environmental sciences; the establishment of a federal "state of the environment" reporting system; and the further integration of environmental and economic decision making.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Thursday, November 26, consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, in the time remaining to me I want to bring to the attention of the House the extent of opposition to this legislation by a broad range of groups across Canada. During my opening remarks last Thursday, I indicated that certainly we in the NDP are prepared to accept legislation, indeed have called upon the Government for it, that would recognize the concern of Canadians particularly with respect to violence, degradation and child pornography. However, this legislation goes far beyond that in its attempt to control the depiction of imagery which involves neither violence, degradation nor child pornography. The Minister of Justice (Mr. Hnatyshyn) in his remarks last Thursday said:

All Hon. Members realize that the time has come to amend the Criminal Code to deal with child pornography and with material which is sexually violent, exploitative, and degrading.

This Bill does not deal just with that material. It deals with a broad range of other material as well. I pointed out that images of two adults engaged in consensual love-making would henceforth be illegal under the new regime in this legislation.

Who are some of the groups which have expressed concern about this Bill and what is the nature of their concern? The groups include ACTRA, the AIDS Committee of Toronto, the Canada Council, the Canadian Committee against Customs Censorship, the Canadian Conference of the Arts, the Book and Periodical Development Council, the Canadian Librarians' Association, Coalition for the Right to View, Media People for Social Responsibility, the National Action Committee on the Status of Women, the International Rights Organization PEN, and the Writers' Union of Canada, and indeed, a wide range of other organizations.

• (1110)

The Attorneys General of Canada have indicated their concern that the Bill is too sweeping. They are worried, as was suggested by the then Attorney General of Manitoba, Roland

Penner, that "to include the portrayal of normal, healthy sexual activity along with sexual violence and kiddie porn seems to indicate a misplaced sense of values". He said:

> Every provincial minister who spoke advised the federal minister of justice that they thought he has problems with that bill and he ought to take a closer look.

The Attorneys General of Canada are asking the Minister of Justice to take another look at this important piece of legislation.

We have as well the position of the Canadian Library Association in addition to that of the British Columbia Teacher-Librarians' Association. The Canadian Library Association, a national non-profit organization representing some 4,500 librarians, indicates that it is deeply concerned about the provisions of Bill C-54. It states that Bill C-54 would require a radical reorganization of library services and operations.

It give some examples. It suggests that library collections would have to be separated into materials for clients over the age of 18 and under the age of 18, that substantial changes to material selection policy and screening processes would need to be undertaken to ensure that libraries are not criminally liable, and that library staff under the age of 18 could no longer be employed in an "adult library". Those are the general concerns of the Canadian Library Association.

I have also received, as has the Minister of Justice, a more detailed letter from the British Columbia Teacher-Librarians' Association. They say that a great deal of the teenage and young adult fiction and a great deal of our educational material would become suspect under this new Bill. They go on to indicate that many teenage and young adult novels deal in very real ways with the problems facing young people today, whether it is coming to terms with their own sexuality, dealing with sexual abuse, living in an alcoholic family, or attempting to establish a positive self image. They have information on venereal diseases such as AIDS, and on dealing with sexual abuse, rape, incest, and violence. They suggest that much of this material in their school libraries could become open to question under the Bill and that teacher-librarians could face criminal charges under the provisions of this legislation.

The onus under this Bill with regard to artists is on the artist to prove to the courts what is referred to as "artistic merit". It has been pointed out by a number of artists that it is a very dangerous proposal to put the burden on an artist to prove in some way that his or her art work has merit. Instead, surely the test should be the same as that for educational, scientific, and other works, and that is the purpose of the work rather than the extent of the merit of it. Judges are not in a position to evaluate the merit of artistic imagery. I suggest that the courts should be looking at the purpose of that work.

The implications of a test of merit are very different. If a judge does not find the artistry to be of top quality, although the work clearly had no purpose of a pornographic nature, he could find those who distribute that art criminally liable under the provisions of this legislation.

The Bill before us already appears to be having some effect in school districts in British Columbia where groups such as Citizens for Human Dignity, are coming into schools, acquiring materials which they perceive to be pornographic, and threatening teacher-librarians and school boards with charges and lawsuits. Is this what we will be facing in the future under the provisions of this legislation? Will we see the kinds of attacks on literature that were made on the works of Margaret Laurence in a rural school board in Ontario? That is the kind of mentality which seems to be encouraged by this legislation. It is a very dangerous and Draconian approach to legislation.

The Canada Council, through its chairperson Maureen Forrester, has indicated that it has concerns about this legislation, particularly because of the possible implications under the Charter of Rights and Freedoms. The council points out that putting the onus on an artist to prove the merit of his or her work is very likely in breach of the provisions of the Charter of Rights and Freedoms. Miss Forrester indicates that she knows how worried artists and arts groups are about the implications of this Bill for their work. She says that the Canada Council shares their concerns.

The Planned Parenthood Federation of Canada has pointed out that this legislation appears to confuse healthy sexuality and disordered sexuality. They say that the legislation is fundamentally anti-sexual. It purports to include a definition of erotica which is nothing more and nothing less than nudity in a sexual context. However, the minute that there is any form of sexual contact it suddenly becomes pornographic and thus illegal. The Planned Parenthood Federation of Canada states that the proposed legislation will have a chilling effect on sexuality and reproductive education and research in Canada. That group has an excellent record in the area of sex education and promotion of more effective and better sex education and research.

Concerns about the scope of this legislation have been raised by a number of groups working with people with AIDS across Canada. The AIDS Committee of Toronto, for example, has stated:

> We believe that Bill C-54, if passed in its present form, will have a devastating effect on the ability of our organization and of other AIDS and sex education organizations in Canada to provide the information which is vitally needed in the fight against this disease.

They are saying that if this Bill is passed it could have a very serious impact on preventive steps in the area of AIDS. They note as well that the great bulk of pornography as defined in this legislation depicts legal sexual activities, and that many of these materials are an important element of the preventive safe sex approach which is taken by groups such as the AIDS Committee of Toronto.

The AIDS Committee of Toronto is active in advocating safer sexual alternatives. The depiction of many of the alternatives which are advocated could be illegal under the

provisions of this legislation. As the AIDS Committee of Toronto points out, it should be evident from its submissions that any realistic attempt to reduce the spread of AIDS must include frank discussion of sexuality. Under the provisions of this legislation those kinds of discussions could be illegal and subject to prosecution.

Why should those who are working on the front lines against this terrible disease have to take the time, energy, and resources to prove that they have an educational or scientific defence for their work? That is the implication of this legislation.

Mr. Blenkarn: Nonsense.

Mr. Robinson: There are Conservative Members opposite who say that that is not the case. They will have an opportunity to stand and defend this legislation. However, the reality is that that is exactly what the implication of this legislation could be. We have heard it said in the past that legislation of this nature will not be abused. We are told that we should trust that the Crown will not be abusing it. However, it was not that long ago that the Supreme Court of Canada only narrowly ruled that the great work, *Lady Chatterley's Lover*, was not obscene.

As well, the AIDS Committee of Toronto and other individuals and groups making submissions have pointed out the particularly harsh impact of legislation of this nature on the gay and lesbian community in Canada. We have seen the extent to which Canada Customs has been prepared to single out periodicals directed to the gay and lesbian community and many of the bookstores which service that community. L'Androgyne bookstore in Montreal, the Glad Day bookstore in Toronto, and Little Sisters in Vancouver all have had to fight debilitating and expensive court battles merely to obtain the right to distribute materials which in no way fall into the category of abusive, violent or degrading materials. Under this legislation, it is quite likely that similar materials would come under attack as well.

• (1120)

One of the concerns that has been raised by the periodical marketers of Canada is that this legislation will still leave unclear exactly what is and what is not subject to criminal sanction. They point out that there are many areas of the legislation that are confusing and unclear, leaving responsible marketers in the position of being unable to determine whether action would be brought against them for handling certain material.

The bottom line on this legislation is that it falls far short of what we as New Democrats have called for, which is strong and effective legislation to deal with violence, with degradation and with exploitation, and to deal with the sexual exploitation of children. That is not the scope of this Bill.

The scope of this Bill indeed would go well beyond that, as has been pointed out by Pierre Berton and many others who have had an opportunity to examine the legislation. Indeed, the Toronto Public Library Board, the largest library system in Canada, has indicated that it is so outraged over the provisions of the Bill that it plans to shut all of its libraries in protest for one afternoon early next month. As the chief librarian states: "It is a move to try to publicize our concern about this very bad law, but it is also to give us a chance to have a public meeting to explain the implications to both staff and the public".

Considering the failure of this Bill to respond in a serious way to the concerns of the country, to respond to the kinds of recommendations that were made by the Fraser Commission and to make the fundamental distinction between erotica and pornography, I move:

> That the motion be amended by deleting all the words after the word 'that' and substituting the following therefor:
>
> "This House declines to give second reading to Bill C-54 because it fails to clearly define pornography as material that condones violence, coercion, abuse and degradation in its depiction of human beings or portrays or promotes the sexual exploitation of children; and also, because it does not distinguish pornography from material of an artistic, literary, educational or scientific nature in a fashion acceptable to the Canadian public, including artists".

I have consulted with the Chair as to the procedural acceptability of the amendment. I understand that it is indeed within the scope that is allowed in the area of reasoned amendments.

In conclusion, I want to repeat what I said last Thursday, that if this legislation is adopted it will make Canada the most culturally repressive nation of all of the western democracies. It is an attempt to pander to the extreme right wing of the Conservative caucus. It is legislation which fundamentally violates the provisions of the Charter of Rights and Freedoms in Canada in terms of freedom of expression. It fails to make the distinction between imagery which portrays sexuality and imagery which portrays violence, degradation and sexual exploitation of children.

It is a fundamental step backward for Canadian society and I hope the House will adopt the amendment which I proposed and tell the Government to go back to the drawing board and bring before the House legislation which reflects the true concerns of Canadians and does not reflect the very narrow concerns of the moral majority element in Canadian society.

The Acting Speaker (Mrs. Champagne): The debate is now on the amendment.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): A point of order, Madam Speaker. I have a copy of the amendment moved by the Hon. Member for Burnaby (Mr. Robinson), and the first thing I want to do is commend him for distributing his amendment in both official languages. I would suggest this gesture is fully appreciated by Hon. Members, unlike what often happens with the Government which is wont to introduce its amendments in only one language, as we all know. What I wanted to say on this point of order, Madam Speaker, is that I

think the Chair has accepted the motion and we are now debating the amendment, not Bill C-54.

The Acting Speaker (Mrs. Champagne): That is precisely what I just said. The motion was considered and deemed to be in order. Debate is now on the amendment.

[*English*]

Mr. Hawkes: Madam Speaker, I rise on a point of order. I would like to correct the record. I am sure the Hon. Member for Ottawa—Vanier (Mr. Gauthier) did not want to accuse the Government of providing this House with amendments in one language as a matter of common occurrence. I think it has occurred once or twice, due to the exigency of the particular situation, but certainly it is the common practice of the Government to submit proposed amendments in both official languages. Either the Hon. Member for Ottawa—Vanier was misspeaking or maybe he intended to mislead the House, I am not sure. However, it is common practice for this and every Parliament to propose amendments in both official languages.

The Acting Speaker (Mrs. Champagne): The Chair does not feel that the Hon. Member was trying to imply that the Government normally does not present amendments in both official languages. I took his intervention to be congratulations to one of his colleagues, noting the fact that the amendment was presented in both official languages. Debate is now on the amendment.

Mr. Grisé: Questions and comments?

The Acting Speaker (Mrs. Champagne): There are no questions or comments following a 40-minute speech. We are now on the amendment.

• (1130)

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, of course we will be giving very serious consideration to the amendment to Bill C-54, because indeed we must now debate the NDP amendment motion which reads as follows:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor: "This House declines to give second reading to Bill C-54 because it fails to clearly define pornography as material that condones violence, coersion, abuse and degradation in its depiction of human beings or portrays or promotes the sexual exploitation of children; and also, because it does not distinguish pornography from material of an artistic, literary, educational or scientific nature in a fashion acceptable to the Canadian public, including artists".

Madam Speaker, when the Hon. Member for Burnaby (Mr. Robinson) introduced his motion he may have forgotten that there has been a parliamentary reform since the Conservative Government was sworn to office in 1984, and I would suggest his motion is completely out of order. As I see it, the first thing to do is to accept the Bill as drafted and refer it to a legislative committee, as was the intent of the parliamentary reform and as was the wish of the three political Parties when it was decided to change parliamentary procedure so that as many Members as possible would be able to express their views and be party to the decision-making process. Madam Speaker, I suspect the purpose of parliamenraty reform was not to promote filibustering even before a bill has gone through second reading, even before the Opposition Parties have had an opportunity to debate it.

Madam Speaker, I am pleased to take part in the debate on Bill C-54 designed to amend the Criminal Code with respect to pornography. I believe that all individuals interested in Bill C-54 ought to take time to study Criminal Code section 159 concerning obscenity. Although many private citizens and groups have criticized Bill C-54, they do not seem to understand the present law in Canada. Many correspondents have qualified our existing obscenity laws as vague and lacking in guidance. A publication is deemed to be obscene if its dominant characteristic is the undue exploitation of sex. It also mentions sex connected with violence and cruelty, among other things.

What is undue exploitation? The courts have tried to define this expression on the basis of community standards. Obviously, our penal code should be as clear and specific as possible so that citizens will know what acts are criminal and what the penalty is for this behaviour. Bill C-54 proposes a specific definition of child pornography, degrading pornography and pornography involving criminal acts or violence.

Madam Speaker, Bill C-54 must reflect the concern of all Canadians for putting an end to the alarming escalation of the availability of violent, degrading and increasingly explicit pornographic material, as well as material depicting child pornography. Hon. Members are aware that at the present time, our Criminal Code prohibits the production, publication, and distribution, and the possession for those purposes of any obscene material, written or otherwise. A publication is deemed to be obscene if its dominant characteristic is the undue exploitation of sex or of sex and any one or more of the following subjects, namely crime, horror, cruelty and violence. The Canadian courts have adopted a test reflecting "common moral standards", to determine what should be considered undue exploitation, based on what the Canadian public as a whole is prepared to tolerate.

Judgments handed down by Canadian courts have shown that the present provisions of the Criminal Code dealing with obscenity are difficult to apply. The result is a lot of confusion and concern among the public, retail merchants and distributors, and also among the police, Crown attorneys, counsel for the defence and judges. The present uncertainty about the law and how it is to be interpreted has helped to modify the character of pornography today and expand its market. In recent years we have seen a disturbing increase in the availability of pornographic material. In addition, the format in which such material is available has also become increasingly varied: video recordings, films and satellite telecasts have been added to the traditional media such as books and magazines.

All this material is now available in an increasing number of stores and boutiques.

The public has expressed its concern about the use of children in pornographic material and about the availability of this kind of material to young people.

We are all aware of the excellent work done by the Special Committee on Pornography and Prostitution, chaired by Mr. Paul Fraser. In its report tabled in the House of Commons in April 1985, the Special Committee recommended a complete review of the Criminal Code's provisions on obscenity.

This Government has held extensive consultations across the country with groups of experts, and the public has made it very clear it expects the Government to adopt appropriate legislation to deal with the problem of pornography.

Madam Speaker, in my view, the aim of Bill C-54 is to provide a solution to this problem. The Bill provides a clear and precise definition of pornography and erotica, something no previous legislation has done. The new definitions will make it easier for the courts and the public to determine what kind of sexual material may not be produced or distributed.

The Bill creates a new offence, that of dealing in pornographic material, with penalties depending on the nature of the material. In addition to visual matter depicting child pornography, violent sexual behaviour and sexually degrading acts, the definition of pornographic material includes everything that encourages or advocates such activities.

However, Bill C-54 also tries to strike a balance, since it is not solely concerned with creating new offences. In fact, it provides for new defences by excepting pornographic and erotic material used for educational, scientific and medical purposes or having artistic merit. I may point out to those who are so hysterical in their criticism of this Bill that these defences are an improvement, since they are not explicitly provided in the present legislation.

Madam Speaker, I would now like to comment on what was said by the Hon. Members for Outremont (Mrs. Pépin) and Burnaby (Mr. Robinson). It was suggested that the Bill would not only allow the Government to interfere with what goes on in the bedrooms of the nation, as the Hon. Member for Outremont remarked, but also with this country's museums and art galleries.

In my opinion, these remarks were entirely ill-disposed. First of all, Madam Speaker, the Bill does not deal in any way with the sexual behaviour of people or what Canadians do in the privacy of their bedrooms. Even a most superficial interpretation of this Bill would lead us to this conclusion. As far as museums and art galleries are concerned, it is true that the Bill makes it an offense to display erotica in a way that is visible to a member of the public in a public place, unless the public must, in order to see such erotica, pass a prominent warning notice advising of the nature of the display. However, when there is such a prominent warning notice, there is no offense.

It should be emphasized that this Bill provides for a defense based on the fact that the erotica has artistic merit or an educational, scientific or medical purpose. If the accused, therefore, can establish that erotica has artistic merit or an educational, scientific or medical purpose, the Court will have to find him non guilty.

It has been suggested that the literature on AIDS and other sexually transmissible diseases is so explicit that it could be forbidden. This again is a remark which ignores the defences provided for in this Bill and which are based on its scientific or medical purpose.

Some have also criticize the Bill because of its very wide scope, including visual representations of sexually explicits scenes between consenting adults. I must be clear on this point. The Government had no intention of amending the Criminal Code concerning the explicit representations of sexual relations.

• (1140)

This type of representations is already considered as obscene under Section 159 of the Criminal Code. The Minister of Justice (Mr. Hnatyshyn) has referred to the *R.C. Video World Limited* case, where the Supreme Court of Canada confirmed a ruling by the Appeal Court of Manitoba to the effect that the depiction of vaginal, anal or oral sexual acts, as well as masturbation were obscene. In my opinion, Bill C-54 does not amend the gist of that ruling.

Some have felt that the Bill is much too tough on those renting pornographic material involving children, suggesting that they should be liable to lighter penalties then the producer of such material. In my opinion, we should not yield to this type of reasoning. Child pornography is certainly what we find most awful and most repulsive. The producer, the distributor and the renter of this type of material are guilty of a most criminal act and none of them should be punished less severely than the others.

Madam Speaker, the purpose of this Bill is to make the fight against pornography more efficient and to give the necessary precision to the law.

Madam Speaker, I come back to the motion of the Hon. Member for Burnaby asking that Bill C-54 not be read for the second time. In his own statement and in that of the Hon. Member for Outremont (Mrs. Pépin), we find that it is extremely important and even essential to do everything possible to eliminate child pornography and to remove violence from erotic or sexual material.

Now, once more, Madam Speaker, we are faced with what, since parliamentary reform, could nearly be an unparliamentary amendment, as we are discussing a Bill and we have mechanisms such as the Legislative Committees to propose amendments—

Mr. Gauthier: You are questioning the Chair!

Mr. Grisé: No, no! Madam Speaker, you have heard the comments of the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa—Vanier on a point of order.

Mr. Gauthier: The Hon. Member has just made a value judgment on the amendment by saying that it is unparliamentary. Those are the words that he used.

I would ask him to withdraw these words because the Chair has accepted this amendment. The amendment is quite in order and in no way unparliamentary. I ask that he withdraw his comment.

The Acting Speaker (Mrs. Champagne): The Hon. Parliamentary secretary said that, in his opinion, the amendment might be nearly unparliamentary. I think that he can express in this way the fact that he does not quite agree with the decision of the Chair to accept this amendment, but he did not question it. There is no point of order.

The Hon. Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council.

Mr. Grisé: Madam Speaker, I in no way questioned the ruling of the Chair. A while ago, Madam Speaker, the Hon. Member for Ottawa—Vanier rose on a point of order to say that the Hon. Member for Burnaby had tabled certain papers in both official languages and he blamed the Government for not doing the same thing regularly. For the information of the Hon. Member for Ottawa—Vanier (Mr. Gauthier), Madam Speaker, I should like to emphasize that his comment was not referring to an amendment when a Minister had tabled a document, but simply a matter of information and a document to be laid on the Table.

Madam Speaker, I should like to deal once more with the highlights of this Bill on pornography which guarantees the freedom of expression as provided for in the Canadian Charter of Rights and Freedoms, while defining a limited category of materials which will be forbidden because of their pornographic nature.

The Bill reinforces and clarifies current legislation on obscenity through new provisions on pornographic material and erotica. It clearly defines the forbidden pornographic material. First of all, any visual matter that shows children or young people involved in sexual activity, extreme violence in a sexual context, sexually violent conduct, degrading acts in a sexual context, bestiality, incest or necrophilia, as well as explicit sexual behaviours.

Also, any matter or commercial communication that incites, promotes, encourages or advocates any conduct which I have just mentioned. These definitions of forbidden material take into account the current legislations dealing with obscene material which reflect our social standards.

The Bill proposes a new offense, in the case of a person who deals in pornography and who is involved in making, importing, selling or renting pornographic material. Such a person is liable to various penalties depending on the nature of the pornographic material. Every person who possesses pornographic material involving children is guilty of an offense punishable on summary conviction.

The Bill provides for special defences based on the artistic merit of the material or its educational, scientific or medical purpose. The accused will not be able to use these special defenses in the case of the most baneful pornographic material involving children or violent acts in a sexual context.

Whenever the defender successfully uses the artistic merit of a document as a defense, the Court will declare that such document is not pornographic. Erotica include explicit depiction in a sexual context or for the purpose of sexual stimulation of the viewer, of certain parts of the human body. Erotic material can be displayed behind a barrier showing warning about the nature of the material, or it can be covered by an opaque wrapper, and it must not be sold or rented to young people. Performances with children or youths and involving sexual acts or any pornographic representations are prohibited. Under the provisions on hate propaganda, the groups which can be distinguished by sex will now be protected against hate pornography, which will be an offence under the customs tariffs, as will be the importing into Canada of pornographic material.

Madam Speaker, the Government consulted several groups when preparing Bill C-54. I asked myself serious questions earlier when I heard the Hon. Member for Burnaby say that librarian groups, for instance, object to this Bill because they will have to reorganize certain documents, books and publications in certain areas of their library. What should be the most important in our society today? Not to change anything, or to impose certain standards and restrictions to our librarians to protect our young people and teenagers when they go to the library, and we know that an increasing number of young people go to the libraries, which is certainly a good thing! Is it not normal to want to keep such material away from our young people and to require that there be a special section in libraries for erotica which will not be acessible to young Canadians? I believe that this is much more important.

Then, there is the issue of access to certain types of publications and films for young people under 18 in the stores. For instance, there are many video stores where young people can take out movies themselves with their video club member cards. It is now quite easy for young people to rent cassettes depicting bestiality, violence and sexual acts between youngsters. It is important to remove access to such products from our youths.

Madam Speaker, it has also been suggested that Bill C-54 will prevent our medical researchers from developing products against AIDS and other sexually transmitted diseases. Making that kind of comments is totally absurd, as if medical progress

would be at a standstill if pornography could not be used as a tool. That is what the Opposition Parties have been saying. How can anyone imagine that in 1987, if medical science were deprived of pornography, no progress will be made to fight against sexually transmitted diseases!

Madam Speaker, nor do I think—

An Hon. Member: That is not what was said.

Mr. Grisé: Read the blues and find out what my colleague opposite, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), said a few minutes ago, and you will realize that I am not changing the gist of the comments made by the Hon. Member for Burnaby (Mr. Robinson).

I am about to conclude, Madam Speaker. With respect to sexual education, today we have a training or educational system which enables our children—

Mrs. Pépin: In Quebec, nowhere else.

Mr. Grisé: But it is not by allowing ready access to pornography that we will improve the sexual education of our children. It is obvious that with the proposed amendment, and this will be my last comment of course, we are against the proposed amendment. I would urge Hon. Members to adopt Bill C-54 as quickly as possible and refer it to a legislative committee so as to give better protection to the Canadian population with respect to sexuality, child pornography and pornographic violence.

Mrs. Pépin: Madam Speaker, I would like to make some comments and conclude with a question. I think my Conservative colleague is to some extent misrepresenting the purpose of a Bill that is supposed to deal with pornography. The words pornography and sexual conduct are now mentioned in the same sentence, so it is very easy to say that people are in favour of violence and pornography, while completely neglecting to mention that, since sexual conduct is mentioned in the same sentence, all kinds of sexual conduct and erotica are prohibited.

The Hon. Member said earlier that Opposition Members were hysterical in their criticism of the Fraser Report. I think he knows perfectly well this Bill does not in any way reflect the Fraser Report's recommendations. I invite him to read the Fraser Report and the speech I made in the House last Thursday, in which I referred specifically to the Fraser Report.

Women's groups that are campaigning against pornography and violence have condemned this Bill, their comment being that it was all black and white. And regarding what my Conservative colleague said about doctors and that it was ridiculous to expect works of art or colour slides that were not pornographic to be confiscated, I gave him an example of an incident that occurred in Calgary, in October 1987, when three RCMP officers confiscated forty-two slides belonging to a women's coalition group that was giving presentations to demonstrate what violence was, the dangers of pornography and the difference between pornography and erotica. The RCMP officers confiscated the lot and said: You are doing a pornographic presentation.

So we protest. And since the police will be defining what is art, what is medical and what is pornography, then this Bill will have to be rewritten because the way it is worded now, you are making no distinctions at all.

In concluding, I would like to ask the Hon. Member a question. As it stands now, the Bill criminalizes sex. Read your definition of pornography and tell me why you want to include something that is not criminal. Today, a sexual act is not criminal, and you want to make it a crime in this Bill. Explain the difference between pornography and sex and why you want to criminalize a sexual act?

Mr. Grisé: Madam Speaker, first I should like to point out to the Hon. Member for Outremont (Mrs. Pépin) that women's groups are not opposed to the Bill itself, they are against certain definitions. They want explanations and more information, but they are not directly against the Bill. So there is a slight difference between the comments of the Hon. Member for Outremont and what the various women's groups are saying about the Bill.

Madam Speaker, I should also like to refer to this Bill in light of the existing legislation about which the Hon. Member for York Centre, I believe, said:

• (1150)

[*English*]

"Taken with our proposal on sexual violence and degradation, we think this provision of the present Criminal Code is worth preserving".

[*Translation*]

When we read the text of the Hon. Member for Outremont (Mrs. Pépin) who is saying that the existing legislation should be repealed altogether . . . In the Bill we are saying that that part of the Bill will be kept, as a result of the Supreme Court ruling concerning the Manitoba court. The Hon. Member for Outremont is saying that anything in Bill C-54 which relates to what is already in the existing legislation should be deleted.

So with respect to pornography and sexuality I think that Bill C-54 specifies quite clearly what we are deleting, what we are trying to prevent in pornography, and we are not by any means undermining the Canadian Charter of Rights and Freedoms as far as sexuality is concerned.

Mrs. Bourgault: Madam Speaker, I would like to take this opportunity to commend the Hon. Member for his contribution and for recalling certain facts dealt with in this legislation with respect to the definition of pornography.

Madam Speaker, I have as a woman, for years, of course, in private and public life, been fighting with other people and making representations to all levels of government in the hope that one of them might stand up and do something to stop the

degradation of women and children. And, finally, Madam Speaker, I can now proudly claim I am part of a government that has the political courage to push matters one step further.

I would like to suggest to the Hon. Member that, as we must remember, as far back as 1978 the previous Government has attempted . . . It is easy for the Hon. Member for Outremont to speak from the other side of the House, because when they were on this side, Madam Speaker, as the situation was getting worse, as public patience was running out—because there was so much degrading material, it had come to the point where children were actually murdered for the sake of having films getting more pornographic, and closer to real life. It is easy to suggest from the Opposition benches that the legislation does not address the issue.

Madam Speaker, when the Leaders took their stand during the 1984 elections, they clearly stated they were going to do something. We came up with Bill C-54 and we of course deal with the definition.

Madam Speaker, I for one know when something is erotic and when it is pornographic. And it is my view that the justices of the Supreme Court, the judges of the lower courts, know when something is erotic and when it is pornographic. It is written down in the Bill. My view is they are playing party politics, which is really out of place here. For partisan reasons, they come up with fiddlesticks in order to suggest that the Bill is bad, that we should throw it away! Come now, that is absolutely ridiculous!

I would like to suggest to the Hon. Member for Chambly that women in my view agree with this Bill. They had one reservation as to the definition, but I think that if they read Bill C-54 carefully, they will realize it is clear and precise as to what is erotica and what is pornography.

Mr. Grisé: Madam Speaker, I want to thank my colleague the Hon. Member for Argenteuil—Papineau and Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mrs. Bourgault) for these very relevant clarifications. Indeed we must stop playing partisan politics with such an important measure concerning child pornography. As Members of the House holding a mandate from the population, how can we tell the Government: Your Bill is no good, scrap it and go back to square one! How can we do that? Madam Speaker, for too long already we have been letting people condone violence through the youth pornography trade.

Madam Speaker, again I repeat, it is unbelievable that a motion be introduced to reject the Bill. They are giving short shrift to this measure, supposedly because their Party has no use for it. It does not matter whether Canadians want it or not. Opposition Members on the other side have decided there is no rush, not to worry, we can afford to put off dealing with child pornography and pornographic violence for six months, a year or even longer. And we as Government are supposed to accept that!

I conclude, Madam Speaker. As my colleague the Hon. Member for Argenteuil—Papineau pointed out, what women's groups want—and I think they are directly involved in this issue, when we talk about pornography, a legislative measure on pornography—they have shown quite clearly that they do have reservations about some of the definitions, but at no time did they ever object to the principle of the Bill.

• (1200)

[*English*]

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, as a Member of Parliament and as a very active feminist, I am very concerned that we get good pornography legislation; so I am supporting an amendment which I think will take us somewhere in that direction.

We want tough legislation, but it must be carefully drafted. It must distinguish very clearly between what we want to ban— that is, violent, degrading, coercive pornography and child pornography—and what may be objectionable to some people but on which there is not a great deal of consent within Canadian society that it is at the level of being pornography to be banned. We must make it very clear. We might want to have some restrictions on this kind of material, for example, that it not be freely available everywhere where it would offend people and that it not be available to children. We must have very, very tough laws on pornography.

I think Bill C-54 is an attempt to go in the right direction. At least I give the Government credit for wanting to bring in tough and careful legislation, but unfortunately it makes a lot of mistakes. However, they are mistakes which can be redressed. Definitions can be redrafted. Careful work can be done. We could sit down with experts, with representatives of the women's movement, with representatives of the churches, and with representatives of art groups, to come up with something that would have broad Canadian acceptance. I am quite confident of that, but we do not quite have it in the Bill before us. We do not have it yet. It could be done at committee, but there must be agreement on the part of the Government to make real amendments.

Let me make very clear that my Party wants tough legislation. I want to read into the record a resolution that was passed at an NDP federal convention which is absolutely crystal clear in terms of the kind of legislation we want. It reads:

> WHEREAS women's groups throughout Canada are deeply concerned about the avalanche of pornographic material which condones violence, coercion, abuse and degradation in its depiction of women and children;
>
> WHEREAS such images are demeaning and destructive in their effect on the social fabric of Canada; and
>
> WHEREAS there is growing evidence of a causal link between such pornographic material and the increase in violence towards women and children,
>
> THEREFORE BE IT RESOLVED that the federal New Democratic Party:

1) defines as pornography material which condones violence, coercion, abuse and degradation in its depiction of human beings and condemns the production and distribution of such material whether in film, video, print, or any other form;

2) condemns the production and distribution of material which portrays or promotes the sexual exploitation of children and calls for severe penalties for offenders;

3) calls for a strengthening of Section 159 of the Criminal Code of Canada to reflect these concerns;

4) calls for amendments to the Broadcasting Act to prohibit the broadcasting of such pornographic material, with severe penalties for violation including the possibility of revocation of licence;

5) calls for amendments to Section 281 of the Criminal Code of Canada to add sex as a prohibited category, and to strengthen the penalties and provide a clear method of enforcement under this section so that pornographic material which degrades the human person can be prosecuted as hate literature;

6) calls on the New Democratic Party to participate in actions across Canada to develop public opposition to pornography as a form of hate propaganda, and to seek solutions to the problem.

That is tough, that is what we want, and I hope we will get it.

I want to commend the many people who worked on this issue. I particularly want to thank Mrs. Ulma Lee and Korean Christians in Toronto who have worked very diligently to bring forward petitions with literally thousands of names to protest pornography and to ask for a strong Bill C-54. I think the work was excellent. I was pleased to see it, and I fully support it.

Where will we go from here? We have proposals from many people, groups, experts, and so forth asking for careful redefinition. I should like to refer to a brief from the United Church of Canada, a very large church within society. It wants tough legislation. It wants amendments to the Bill. It commends the Government for bringing it in, but it asks the Government to work on amendments. The brief reads:

Bill C-54 distinguishes between erotica and pornography in terms of degree of explicit activity.

It asks for the qualitative, not the quantitative, difference to be taken adequately into account. It continues:

We believe the difference between erotica and pornography is a matter of quality of relationship rather than mere quantity of activity or inactivity.

We submit that the difference between unhealthy pornography and erotica cannot be measured in degrees of explicitness, but rather is determined in terms of context. Explicit sexuality in a context of commitment, mutuality, free choice, and non-violence is a good gift of God.

Pornography, in contrast, is the depiction of sexuality cut off from its full human context. Pornography loses sight of the whole person, focusing only on his/her ability to sexually gratify.

Women are reduced to vagina and breasts and men to the size of their genitals . . . By portraying human persons, usually women, as sexual playthings eager to respond instantly to male, female, sexual demands, human persons, usually women, are turned into sexual objects, degraded and robbed of their humanity.

I think that is all too true. The United Church asks for amendments to take into account, in a very careful way, what these differences are. The church shows where it supports the Bill and where it needs to be amended.

• (1210)

There is an extensive Bill from the committee against pornography which documents the way the courts have been dealing with the existing legislation. It goes to show the liberalization in our society and the growing acceptance of pornography as it becomes more and more available and harder and harder to fight. It shows also how the definition proposed in Bill C-54 is inadequate in both directions, namely, it includes some material which the vast majority of Canadians would not want included.

There are many ways in which Bill C-54 itself is not tough enough. There are loopholes that would allow some material to go through as erotica which most of us in a common sense approach would say is thoroughly offensive, degrading and humiliating normally to women and children. We need to have amendments in both directions. It shows, for example, a wrinkle which I had not thought of where the visual image may not be pornographic in and of itself but, with the text, the impression conveyed is one which is thoroughly degrading, humiliating and invites violence and degradation toward women and children. We have to take into account the whole effect. The present wording, by focusing on a dominant part of the image, may be very, very pornographic in its intent and result, although what makes it so may not be dominant in the quantity of the portrayal. Here we have a loophole.

There are pages of recommendations for careful amendment, but I cannot go into them in detail here. We need to pay attention to them. I hope the Government will look very carefully at the recommendations of this organization and that people will be active at the committee stage working for good amendments.

The question of the arts and pornography is a very difficult one. We have had representations from many arts organizations. They are afraid they will go into jail, that individual artists will be prosecuted, or they will have to censor themselves out of fear of prosecution. Artists, with very few exceptions, do not have very much money. They will have to hire lawyers to protect themselves. Clearly we need to have a law which does not include in pornography artistic, scientific, literary, educational work and documentaries. That is not the intent of the Government, but we have to make very clear that that intent is adequately reflected in the legislation, and I do not think it has yet been done adequately. The Canadian Association of University Teachers has proposed over the years amendments to ensure that that is the case. I think the Government has attempted to respond, but it has not done well enough so far.

Unfortunately, some artists are not helping by saying they do not want to have any pornography legislation whatever, that their creative spirit should be allowed to have full play without any law interfering with what they want to do. I do not believe artists ought to be above the law, and I would invite them to sit down with legislators and experts to see that we get a law that is fair. We do not want to prosecute artists. We

want to distinguish between what is largely the pornography business, the billion dollar business coming from the United States, mass produced and schlock from California, which is what this Bill is all about, and artistic and literary works. This is what the women's movement is addressing when they say they want tough legislation on pornography, but we do not want to cast the net so wide that we include artistic and literary works.

Artists have to work and be constructive in proposing amendments. It is not good enough to say that they want nothing whatever.

I recall being lobbied by an artist who said he did not want to see any limits at all on his freedom of expression. I asked him about the extreme case of snuff movies where someone is actually killed in a pornographic setting, normally a woman. He said there should be a classification of films, to which he would agree. That kind of film would get a classification of a double X or a snuff movie classification, but he added that there ought to be no prosecution of the artists involved. The person committing the murder could be sought for murder, but the film would be shown. This would be a work of art and people would analyse it and deal with it as a work of art, a film in which somebody is actually killed, which is preposterous. I am shocked to hear this sort of proposal and to hear that actors and directors would ignore the violence taking place in order to pursue artistic endeavours.

Artists have to ensure that there are limits on pornography leading to violence against women and children, women being forced to re-enact pornographic scenes in magazines, videos and so forth and children being abused in more imaginative ways. Artists are sensitive members of society, but they are members of society with responsibilities to their neighbours. They have to have it on their conscience that violence against women and children is something to which we must put an end.

What about the hate literature aspects? This Bill would include sex as one of the categories for prosecution, and pornography is included here. That is desirable, and the New Democratic Party resolution to which I have referred also specifies that. However, our resolution goes much further and says it must be made applicable. Right now the hate literature sections of the Criminal Code are virtually unenforceable, so that merely putting in the word "sex" is entirely a political endeavour. It is something that will not have any practicality in making it possible to prosecute. By all means add sex to that list, but make that section enforceable, otherwise it is only window dressing and hardly good enough for the real problems.

We need to get experts and people from women's organizations to sit down and constructively work out something better. There is no doubt that the pornography issue has been a difficult one for the women's movement. After all, women have a very wide variety of concerns, expertise and interest, and political views go from one extreme to the other as to what should be included and excluded in the Bill. There is a strong body of opinion in the women's movement to have tough laws, but they must be carefully nuanced. We have major organizations—not just extreme organizations—for example, the United Church, which asked for precise amendments, and we must look at those.

Let me raise one difficulty which comes from the United Church brief. Erotica, the sexual explicitness which is not coercive, which is consensual between adults—which does not include or involve abuse or exploitation of a child—is desirable and good. Yes, in principle, obviously it is so. If a man and a woman want to make home movies of their sexual activities, why not? Whose business is it apart from their own? However, once you get into commercial exploitation, on stage, film, television or video, you have a different set of problems. It is not so easy to deal with the question once you get into hiring someone to take on these roles.

• (1220)

How would you portray a consensual relationship between an adult man and a woman within a relationship? The United Church and other groups say that so long as there is consent and it is part of a relationship, it is not a degrading act, one person acting on another. Sexuality is part of human relationships and it is good to show that. Yet how do you do it in a film? Are you going to show the people as married? Are you only going to allow actors and actresses married to each other or who have a long-term relationship with each other to perform in these roles? The sex act can result in procreation. Do we really want children to be conceived in an act done for commercial purposes?

We are not just talking about ordinary events, we are talking about something that is qualitatively very different. I do not think people have looked at those aspects. It is all very well to say, yes, this is a healthy relationship and there is no reason why it should not be portrayed. However, once you get into hiring people to perform these roles, then you get into really serious problems, such as sexually-transmitted diseases. Should an actor or actress get a sexually-transmitted disease, including AIDS, as a result of taking on one of these roles?

There are a lot of questions which have not been adequately gone into. Experts have to sit down and consider these questions. They have to get out of this land of principle and high position which says that we are in favour of this because it is consensual, not exploitative. How is it going to be realized in a practical sense when actors and actresses, directors and so forth, are engaged professionally to perform roles of this sort? That is a much more difficult question.

I do not have very much time left so I want to conclude by suggesting that we need to have the Bill withdrawn, hold consultations with experts, and do some serious redrafting. Or, if the Government uses its majority to pass this Bill at second reading, it should go into committee and the various concerned

groups and experts should be invited to work on redrafting it at that stage.

I want to assure members of the Government that my Party will support the Bill at third reading if we get a good Bill back, and there are reasonable amendments which take into account the kinds of criticism we have raised. We want a practical response to a real problem. We have been waiting for this Bill for a very long time. We had the Fraser Commission back in 1984 and Badgley dealt with child sexual abuse before that. We really want to get moving on this.

The Government will have our full support, as I said, if it deals very carefully with this legislation. I hope this is not just a political gesture where the Government will be able to say it tried to get a pornography law through, but the Opposition would not let it. I hope it is not just a public relations effort to appeal to a certain amount of political opinion. It should be a serious endeavour to address a serious problem affecting the life and health of women and children in particular, and the dignity of everyone. I hope we will have serious amendments so we will be able to put in place a law which responds to the real situation where we have a lot of pornography, a lot of degradation, and in which women and children for the most part are suffering as a result. Let us get on with that task.

Mr. Stackhouse: Madam Speaker, I want to express appreciation for the Hon. Member's speech. I always listen to her with great interest and usually with great benefit. I was very encouraged by the support she gave for the principle of the Bill and the Government's initiative in introducing it in this House. However, all of that led me to wonder why she would support her Party's amendment to the Bill. What she wants in the way of a further careful review is surely possible at committee stage. Why else do we have a committee stage? Why prejudge it? Why assume that we are not going to have a serious assessment of the legislation by a committee which will include members of her own Party? When she urges a careful review, she is not simply urging it on members of the Government but also on members of her own Party.

In view of the reasoning contained in the Hon. Member's speech I wonder why we need the amendment? This is especially true in light of her conclusion, which was that we have waited a long time for this Bill. We are certainly going to wait a long time because it will need careful examination in committee. Therefore, why does she want us to wait longer still by supporting this amendment? If it passes, and I trust it will not, it will simply cause extended and, I have to say, futile delay.

Ms. McDonald: Madam Speaker, I suggested in my remarks that there are two possible ways of proceeding. One is for the Government to withdraw the Bill and redraft it right now. The Government could agree to do that and, in an informal and speedy manner, work on redrafting. The other possibility is to have the Bill go to committee. At that stage it could redraft it.

The reason for the amendment is to propose the speedier way of working. Redrafting can be done more efficiently in a more informal setting. Committees take time to meet. Their meetings depend upon the schedule of Members of Parliament, what happens during the Christmas holidays and other break periods. Committees meet only three days a week at most. If this were turned back to the Government for redrafting, the work could begin today. Consultations could take place on an all-day basis. One could assign people to work on the Bill without having to follow the sometimes cumbersome formalities of a committee.

I think we might be able to work more expeditiously by withdrawing and redrafting, but I certainly assure the Hon. Member that if the Bill is passed at second reading, we will work on it in committee. It may take a bit longer and be a bit more cumbersome, but we will certainly work constructively in committee if that is the way the Government chooses to go.

[*Translation*]

Mrs. Bourgault: Madam Speaker, I agree with my colleague for Scarborough West (Mr. Stackhouse) that the Hon. Member for Broadview—Greenwood (Ms. McDonald) has, in all her time in this House, always shown her concern about the problems related to child pornography, the degradation of women, and so on. Madam Speaker, as for young people today, about two weeks ago, I was invited to the *CEGEP de l'Outaouais* where the students had organized a discussion similar to those on the program *Parler pour parler* with Janette Bertrand. The students invited me to play my own role of Member of Parliament. The subject being discussed was pornography and the pornographic material available everywhere. From what they said, the situation seems very clear to young people. They pointed out that some young Canadians have said that there should be specialized stores for purchasing pornographic or erotic material as exist in the United States and in other countries.

They say that when they see movies showing acts of violence, if there has not been that much open discussion in their own families, they are traumatized by this type of material. They believe that the Government was right to introduce Bill C-54. The Hon. Member says that it would be easy for the Government to withdraw this Bill and to rewrite it, but she knows quite well that it is not that easy in Parliament. As pointed out by my colleague for Scarborough West, why does the Hon. Member not ask her colleague for Burnaby to withdraw his amendment and to tell the House Leaders: Refer this Bill to committee as quickly as possible because there will be representations by the groups concerned about the definition. Everyone knows that it is not easy to define sexual issues. It is an extremely complex subject. Why does the Hon. Member not suggest that to the House immediately? It would be more logical and quicker. We could adopt the Bill and put an end to the degradation of women and children.

• (1230)

[*English*]

Ms. McDonald: Madam Speaker, with regard to speed, we have been waiting a long time for this. This is the third year of the Government's mandate, and I think it could have proceeded very much more quickly. We have had the Badgley and Fraser reports for some time. The Government has been very slow to act. I have explained why I think that objective could be best achieved by redrafting.

The difficulty is that if we pass a Bill which contains a lot of mistakes we will be in a lot of trouble. There will be charter cases. The law which exists right now is very bad and is not very enforceable. The courts are starting to chip away at it because it does not have adequate support. If this Bill is passed without significant amendment there will be a lot of objections. People will fight it. The courts have gone in a very liberalizing direction. They have been allowing more and more pornography. You cannot enforce a law which people do not support. There must be tightening up in that area.

It is also true that there are some loopholes. The violent and degrading pornography which we are against is not included. Therefore, the law errs in both directions. In some respects it is too lenient and in other respects it is not lenient enough. This Bill needs very careful redrafting or we will be in a lot of trouble. We have a lousy law on the books. Let us take the time to ensure that we have a good law on the books which will be enforceable.

Mr. Robinson: Madam Speaker, I was interested in the remarks of the Hon. Member with regard to national women's organizations. I wonder whether she would elaborate on some of the concerns which have been raised by these groups. At its last annual general meeting it adopted a resolution that the NAC reject the proposed legislation on pornography and lobby the Government to ensure that any new legislation focus on violence rather than sexual acts, not affect the distribution of sex education material to people under 18, and not reinforce heterosexualism, and that the NAC lobby the Government to ensure that any legislation puts the onus on the Crown to prove that material does not have artistic merit rather than, as is the case now, putting the onus on the artist to prove this, which is very likely in breach of the provisions of the Charter of Rights and Freedoms.

The Hon. Member is a former President of the NAC. Perhaps she could elaborate on some of the concerns which have been raised by respected national organizations, such as the National Action Committee for the Status of Women, with regard to this legislation.

Ms. McDonald: Madam Speaker, the National Action Committee is Canada's largest such organization. It is an umbrella organization which includes groups from the extremely conservative to the extremely unconservative. There is, therefore, a division of opinion within NAC itself on how to proceed. There is certainly near unanimity on having tough laws. Concerns have been raised as to bias in the laws and the onus on artists to defend themselves. I think there would be a great deal of support for that.

I keep in touch with NAC executive members. They are keen to have a well-worded Bill passed. They are prepared to appear before the committee. Their position may be a little like mine. I believe that there are two routes to follow. The Bill could be withdrawn and redrafted. However, if the Bill goes to committee, they will be there to suggest practical and constructive amendments. We can certainly count on their support and expertise in achieving the objective of having a very carefully drafted Bill on pornography.

Mr. Ross Belsher (Fraser Valley East): Madam Speaker, I was prepared to speak on Bill C-54 and welcomed the opportunity to do that. However, I understand that in the last few minutes an amendment has been moved that we not now give second reading to this Bill. I strongly disagree with the mover of that motion and with his reasons for it.

I would like to confine my remarks mainly to why we should proceed with Bill C-54. I believe that this Bill is a guide for the future use of the Canadian public. Guidelines have to be set by Parliament. Therefore, it behooves every Member in this Chamber to accept the responsibility which we have been elected to perform, that is, to help set those guidelines.

Both the Fraser and the Badgely reports clearly pointed out the magnitude of the problem of pornography and child abuse in our society today. Upon reading these reports one must open one's eyes and recognize that even in what we like to think of as "civilized" societies atrocities are occurring to children and families, atrocities which can be tied to the availability of hard and soft core pornography.

The committee examining the sexual offences against children, commonly referred to as the Badgely Committee, found that there are two main sources of child pornography in Canada; importation and private individual production. The Fraser Commission concluded that 85 per cent of all pornographic material in Canada comes from the U.S., 12 per cent from Europe, and 3 per cent is made up domestically. Whatever the source, the people of Fraser Valley East and, undoubtedly, many other areas of Canada, want pornography stopped. Pornography offends our standards and demeans, degrades and abuses the persons involved.

Even the word "pornography" incites an emotion, the scope of which depends on the outlook of the person using it. I tend to believe that if Canadians knew the degree to which pornography was available, or in fact what pornography is, each and every one of us would stand up and shout, "We are not going to take it any more".

Bill C-54 has some very positive points. For the first time a definition of pornography will be added to the Criminal Code. The definition is clearly written in the Bill, so I will not get into it at this time. However, we are clearly cracking down on child pornography and violent behaviour. I am pleased to see

that other Members of this House do agree with that part of the Bill.

I strongly support the Bill as it now stands but would like to see it go even further. Specifically, I believe that there are too many ways out by proving artistic merit or educational, scientific or medical purpose. This leaves too much to interpretation. If the courts are to determine in each case whether a piece of work has artistic merit, we need to know the parameters for this term. It seems obvious that one person's idea of what is artistic is not another person's. "Artistic merit" will become the gateway for pornographic material to enter Canada and be circulated. This could become a major flaw in the Bill.

There are theories which suggest that a direct causal link exists between violent pornography and violence against women, although others state that this connection is somewhat difficult to prove. The Fraser Commission report concluded, albeit reluctantly, that available research is of limited use in demonstrating that pornography is linked to the causing of actual physical harm, but it strongly submitted that there is definite harm associated with much of what is pornography.

Arthur Gary Bishop, convicted of sexually abusing and killing five young boys in the U.S., once stated:

> If pornography material would have been unavailable to me in my early states, it is most probable that my sexual activities would not have escalated to the degree they did.

He further stated that pornography's impact on him was devastating and "was a determining factor in my downfall". I find this statement absolutely frightening.

• (1240)

The final report of the Attorney General's commission on pornography, published in the United States in 1986, serves to show us that there are acts that need to be seen not only as the cause of immorality but as manifestations of it. Even though it may be difficult to find a causal link between pornography and violence or abuse, this report makes a very good attempt. It is well worth reading.

Let me briefly outline the highlights of the chapter entitled "The Question of Harm". Two categories of harm are identified. The primary category of harm is not where the act leads, but simply what it is, such as murder, rape and assault. The second category deals not with what the act is, but where it will lead. We can fit pornography into this category.

Even though no cause is exclusive, the report states that pornography is harmful because it causes some people to commit acts of sexual violence, because it:

> causes promiscuity, because it encourages sexual relations outside of marriage and because it promotes so-called unnatural sexual practices which lead men to treat women as solely existing for the sexual satisfaction of men.

There may never be conclusive proof that a causal connection exists, if "conclusive" means that no other possibility exists. However, the Attorney General's Commission on Pornography states that there are multiple causes, that is, if they were to identify one cause and eliminate it, while having all the other factors remain the same, the problem would at least be lessened.

This is a very important point. Why must we wait for empirical evidence to point out one causal link between pornography and violence? Instead, it is time to acknowledge that if we correct the causes we have identified we will at least help alleviate the problem.

My constituents believe that the link I have been discussing does exist. Pornography not only causes physical harm in many cases, it causes social harm in all instances.

In today's fast-paced world, it is difficult enough to raise and protect our children. When we must constantly be on the look-out for negative external influences, the battle is even more uphill. More and more school boards are integrating a program for teaching our children to say no in an effort to prevent child sexual abuse. This is a sad statement on the way our society is heading.

Could we not prevent a lot of this abuse of our children by working hard to stop those who make or import pornography? Bill C-54 will be a start, a framework, from which I hope we can continue to take a stand against pornography, particularly as it relates to children.

The 1984 Badgley report stated that child pornography is a direct product of child sexual abuse. It states: "It comes into existence, and can only come into existence, through the base and coldly premeditated exploitation of a young person's sexual vulnerability". This is very clear. It is not the children who should or can be blamed because they are but the tools used by exploitative individuals for their own end.

The report states further that: "Where a young person has been used in the making of visual pornographic material, it is irrelevant whether some view the material as having literary, artistic, or aesthetic value". The point is that it is permanent abuse of the children and perpetuates the warped idea that children are available for such purposes.

We must also worry about the availability of pornographic material to our children. Municipalities can only regulate the pornographic industry by the way they determine how such material can be displayed.

This fall referendums were held in some of the municipal elections in Fraser Valley. Citizens clearly pointed out their abhorrence of pornography. I am proud of the stance that they took on this important issue.

It is difficult to decide what is pornography and what is artistic merit. The U.S. Attorney General's Commission on Pornography attempts to separate pornography into four levels or categories. The first and most serious is sexually violent material. This type of pornography features actual or unmistakable simulated or unmistakably threatened violence presented in sexually explicit fashion. Conclusions from

clinical and experimental research clearly indicate an increase in the likelihood of aggressive behaviour toward women as a result of exposure to this type of material.

This is not to say that everyone watching this type of pornography will become violent, but let me remind the House of Arthur Gary Bishop, the murderer whom I quoted earlier. It is not surprising that the images that people are exposed to bear a causal relationship to their behaviour.

The second level or category of pornography is non-violent material depicting degradation, domination, subordination or humiliation. This type of material bears some causal relationship to attitudinal changes. For example, rape will be viewed as less serious and the victim as more responsible. We may become somewhat numb to the reality of the crime.

The third level or category is non-violent and non-degrading materials in which the participants appear to be fully willing participants. These activities affect our perception of promiscuity. Therefore, the ultimate harmfulness of much of this type of pornography reflects individual views. This type was found to be particularly harmful when it fell into the hands of children because this is not the way that children should be taught about normal sexual relationships. This type of pornography separates sex from love, commitment and marriage, and it is that effect that is negative.

The final category of pornography as defined in the U.S. Attorney General's report is nudity. This raises the problem of trying to establish when nudity stops being mere nudity and begins to have sexual undertones. Most of us would not find certain types of nudity harmful, such as that meant plainly for educational purposes, but certainly we must agree that nudity in other cases, and in the wrong hands, can be harmful. This brings us back to the question of what pornography can do to our children.

The Badgley report gave some startling statistics with regard to the access of children to pornographic material. It found that 540 different pornographic magazines were being sold in Canada and that six of seven retail outlets surveyed displayed these well within the reach of young children. Clause 159.7 of Bill C-54 states:

> Every person who displays any erotica in a way that is visible to a member of the public in a public place . . . must (in order to see the erotica) pass a prominent warning notice advising of the nature of the display therein or unless the erotica is hidden by a barrier or is covered by an opaque wrapper, is guilty of an offence punishable on summary conviction.

This is a welcome amendment, but is tempered by the next clause which gives the accused a way out, that being artistic merit or educational, scientific or medical purpose. Again, this is too subjective.

Bill C-54 also includes an amendment to the Customs Tariff Act by adding pornography as defined in this Bill to the list of items not allowed for importation. Since over 80 per cent of all pornographic materials come from the United States, tightening our laws may help prevent some material from coming into Canada. I only hope that this goes far enough.

I realize that there are many responsible groups who believe that this Bill is not definitive enough, and that even some libraries are stating the opinion that some of the material they have for educational purposes could be interpreted as pornography. However, I believe that this Bill goes a long way in helping us to get to the root of the problem.

• (1250)

Finally, I would like to compliment the Government for the Bill as it has now been initiated to try to curb pornography. By helping to curtail the openness of pornographic material, Bill C-54 will have a positive influence on the family, and any laws the Government makes are to be used as guides for society. I can assure the House that this Bill will receive my support. I would urge all other Hon. Members to vote against the amendment before us and to support the Bill as it now reads.

Mrs. Finestone: Madam Speaker, I would like to ask my hon. friend whether or not he finds there is some displacement with respect to concerns around this Bill, for instance, the description of erotica and erotic material versus pornography and pornographic material? I can well appreciate that we have a need for this kind of Bill which will address the concerns of violence and pornographic material and its impact on men, women and children. However, I fail to understand the section on erotica. I also fail to understand not only the definition of erotica but the clause which deals with the display of erotica and exhibition of erotica to persons under 18.

Does the Hon. Member plan to take his children or his nieces and nephews to the museums of our country to show them the creative arts our artists see and which we display and enjoy? If so, what does he plan to do with some of the very beautiful nudes which are presently on the walls of our museums? How does he expect to handle that particular aspect of the Bill?

Mr. Belsher: Madam Speaker, I thank the Hon. Member for her question. Yes, I have taken my family to these museums and have found the artistic merit and composition of the art forms indeed very enlightening, but I think the Hon. Member is missing the point of what we are trying to accomplish in the Bill. We are trying to get at the publications and advertising, trying to set some guidelines and standards for what we will accept to be displayed in the open market. While I firmly believe that when parents take their children to museums to see art it is a good thing and it is the right thing, by the same token, I believe there must at least be an attempt on the part of the Government to get at a very crucial issue. I am happy to see that the Hon. Member does acknowledge the fact there is a problem in our society with which we have to come to grips. This is only an attempt to come to grips with the problem.

If we can improve this Bill in committee when going through the clause by clause study, I am sure Hon. Members will welcome that. But I come back to my original premise, that this is a start, it is an attempt to try to correct something that

is very harmful to our society. I am sure the Hon. Member agrees that this has to be done.

Mr. Robinson: Madam Speaker, I would like to ask the Hon. Member a question with respect to the kinds of imagery to which he has referred which would in fact be illegal under the provisions of this legislation. The Hon. Member has said he does not want in any way to tolerate imagery that might promote promiscuity. However, does the Hon. Member not recognize that the approach which the Government is taking, and which the Hon. Member seems to be taking, judging from his remarks, is a very dangerous and dictatorial approach? While his own personal standards may be those which he has outlined in the House today, and he is certainly entitled to those standards, what he is suggesting is that the police should enforce his conception of morality on all other Canadians, and if his perception of what should be allowed to be seen is somehow different from other people's perception, even if they are in the minority, they should be subject to criminal sanction. That kind of heavy-handed Victorian approach to sexuality is surely dangerous in Canada today.

Why would the Hon. Member make illegal, as would the Hon. Member for York Centre (Mr. Kaplan) who has just entered the Chamber, this kind of imagery? Why would he subject those who wish to have images of adult consensual activity not involving any violence or degradation, why would he make the distribution of that kind of material, a subject of criminal sanction?

Mr. Belsher: Madam Speaker, I do disagree with the Hon. Member for Burnaby (Mr. Robinson) as to what should be the guidelines for our society. It is the responsibility of this House to talk in terms of what are our freedoms and responsibilities. Too often in a very free society we have to come down so far on the side of freedom that we fail to assume the responsibility for the harmful nature and effect of certain things on our society.

While we can talk in terms of what consenting adults will do, nonetheless we do not have to have it in explicit form displayed on the shelves of our newsstands and put into our theatres. I see this as a start at getting at that very harmful influence on our society.

If the Hon. Member would be perfectly honest, he would agree that there have been harmful effects to our society from the hard-core pornographic material that is out there on our bookshelves nowadays, and at long last we must come to grips with this.

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, I want to congratulate my colleague on his remarks and say that I wholeheartedly support action taken now rather than a delay on this matter which is so crucial to society. I also want to pass along compliments to the Hon. Member for Broadview—Greenwood (Ms. McDonald) for a very thoughtful address. She said in her remarks that the New Democratic Party will vote on third reading, in any event, for a Bill to curb pornography. Therefore, I would ask the Hon. Member, in view of the comments made by the Hon. Member for Mount Royal (Mrs. Finestone) and the question just asked by the Hon. Member for Burnaby, if those are not precisely the kinds of questions that should be asked in committee, which is the reason parliamentary committees are set up? Why should we even consider a nonsensical amendment to withdraw this Bill when everyone in this Chamber agrees it is high time we got around to dealing with this critical issue of pornography? Why should we agree with the amendment? Why would Hon. Members not agree right now to send this Bill to committee where it belongs?

Mr. Belsher: Madam Speaker, I think the Hon. Member for Hamilton—Wentworth (Mr. Scott) brings up a very valid point. He was even better at expressing that point than myself. I want to re-emphasize that it really behooves Hon. Members to set the guidelines. We are the ones who are responsible. That is what the law is all about. It is the guidelines for the type of society we want to live under and be part of. While I uphold freedom in the truest sense of the word, nonetheless I want to take the responsible action we must. Therefore, I wholeheartedly say that we have to defeat the amendment put forward by the Hon. Member for Burnaby and pass the Bill.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please. The period for questions and comments is now over. It being one o'clock, I do now leave the Chair until two o'clock.

At 1 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

HEALTH

HELP FOR VICTIMS OF CRIME—REQUEST THAT GOVERNMENT CONTINUE PROGRAM TO ASSIST VICTIMS OF VIOLENCE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, millions of dollars are spent every year on rehabilitation programs and mental health services for criminals. Victims of violent crimes, however, suffer long term mental problems as a result of these violent acts. It seems terribly unfair that criminals should receive mental health services while their victims must be personnaly responsible for the expenses of the psychiatric help they need.

The Department of National Health and Welfare has just cancelled its "Victims of violence" program which was established in 1984 with a view of getting a greater understanding of the mental health problems of these victims. I

wonder what the Government is prepared to do for these victims and why it has abolished this modest but useful program.

Mr. Speaker, I hope the Government will realize that although it is important to provide our criminals with psychiatric help, it is even more important to help the victims of these crimes. I ask the Government to reimplement as soon as possible its assistance program.

* * *

TAX REFORM

REQUEST THAT FLOW THROUGH SHARE RATE REMAIN THE SAME FOR NEXT THREE YEARS

Mr. Guy St. Julien (Abitibi): Mr. Speaker, the tax reform will be upon us very soon and we are well aware that the flow through share scheme has not been abolished. But the people living in Abitibi, Témiscamingue and other Quebec mining areas want to make sure that the Minister of Finance (Mr. Wilson)'s tax reform goes in the right direction, insisting that now is not the time for reducing the 133 1/3 rate of the flow through shares.

Faced with free trade, it is vital to protect investment capital formation in the mining industry.

Mr. Speaker, Quebec prospectors and businessmen, the mayors of Abitibi and Témiscamingue, the elected representatives of these ridings in the House of Commons, and especially the whole population want this 133 1/3 rate to remain the same for the next three years.

Now, in the Abitibi-Témiscamingue region, the unemployment rate is 7,4 per cent, down from the 24 per cent and 27 per cent it was previously. Private industry has often been a very good partner in our region's economic recovery. Today, the junior members of the mining sector deserve this support from the Government of Canada for the next three years.

* * *

[*English*]

AGRICULTURE

EFFECT OF MANAGED PRICE SYSTEM IN BRITAIN

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, during the federal-provincial conference of First Ministers, the Prime Minister (Mr. Mulroney) and Premier Grant Devine indicated that any economy that gave up free trade for some form of managed prices was doomed to failure. Yet consider the experience of Margaret Thatcher's Britain where changing from a free trade grain market to high domestic prices under the managed pricing of the European Economic Community resulted in unprecedent rural prosperity in Britain.

How can the Prime Minister and the Premier explain the great leap forward rural Britain has made under the common agriculture policy? Was that rapid progress not the result of going to $8 per bushel wheat instead of buying cheap imports? Was the rejection of the cheap food policy not the chief engine of growth for rural Britain?

Given the obvious success of the British experience in abandoning free trade for agriculture, why are Conservatives here forcing this option on the people of rural Canada?

* * *

SCIENCE AND TECHNOLOGY

DIALOGUE BETWEEN PARLIAMENTARIANS AND SCIENTISTS

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, on Friday a day-long dialogue took place in this institution between parliamentarians and the science and engineering community. It was organized by COPSE, the Committee of Parliamentarians, Scientists and Engineers, and the Royal Society, and was intended to bring parliamentarians up to date on an array of current social and economic issues with scientific overtones.

The symposium started with a remarkable presentation by the Speaker of this House in which he outlined how important it is for parliamentarians to be familiar with modern science because of its importance in the solution of many pressing global problems.

Some of the topics discussed included Canada's changing population, new developments in material science, global change, the impact of science on the North, space technology, the AIDS epidemic, bio-technology, the environment and sustainable development. The symposium ended with a creative presentation by John Polanyi, Nobel Laureate, on the importance of basic science and its eventual linkage to the market-place.

Parliamentarians who participated found the day remarkably informative, and we want to thank you, Mr. Speaker, and COPSE and the Royal Society for your and their contribution and support of a positive, historic, and creative day. It is dramatically important that parliamentarians like myself become more aware not only of the importance of research and development but of the manner in which it can be used to solve in a political way the very complex problems with which society is confronted.

• (1405)

BILINGUALISM

ALBERTA—DECISION ON USE OF FRENCH IN LEGISLATURE

Mr. Sergio Marchi (York West): Mr. Speaker, the decision by Premier Getty to ban the use of French in the Alberta Legislature, without prior approval, is more than regrettable. It is a shameful betrayal of Canada's policy of official bilingualism.

Moreover, in light of the recent Meech Lake Accord, it serves to depict the Premier's weak and unacceptable definition of bilingualism.

[*Translation*]

To him, official bilingualism is but a Quebec regional policy. His endorsing of the "distinct society" clause was very convenient for him because it enabled him to play Pontius Pilate to Alberta's 60,000 Francophones. He should at least recognize French as a working language in the legislature, otherwise his signing of the Meech Lake Agreement was but a hypocritical charade. Mr. Getty should not hesitate to immediately reverse that shameful and ill-advised decision.

* * *

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—REPORT ON VISIT BY PARLIAMENTARIANS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, last week a Canadian delegation visited Central America in the cause of peace.

As part of that delegation I was privileged and happy to meet hundreds of Canadians who have been working for humanity in that region for many years. Typical of them is Joseph Gunn of the riding of Scarborough West who has been serving the Save the Children Organization.

Some of them have been there for a complete career, such as Bishop Corriveau and many of his clergy in south Honduras. Others have made a recent career change, for example, two Salvation Army captains who conduct a clinic for treating alcoholics and drug addicts in the city of San Jose, Costa Rica.

Whatever be their work, whatever be their background, they are still Canadian citizens who value their citizenship and remember their country with happiness and gratitude. I speak of them today in order that they can know Canada remembers them and that they are honoured within its Parliament.

[*Translation*]

OFFICIAL LANGUAGES

STATUS OF FRENCH IN PROVINCIAL LEGISLATURES—RESPECT FOR LINGUISTIC DUALITY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, as M.P. for the Canadian constituency with the largest number of French-speaking people outside Quebec, I greatly deplore the decision made by the Alberta Legislative Assembly to treat French as any other language except English. In my view, it does not make sense to require that a French-speaking Member, in any province in this country, beg permission from someone else in order to speak in his mother tongue at the Legislative Assembly.

Mr. Speaker, I myself had the privilege and honour to serve as M.P.P. in a province where the use of French was not officially recognized, but at least in the Province of Ontario we had the right and privilege to speak in French if we so desired at the Legislative Assembly, although there was no simultaneous translation. I urge Alberta's Premier to reconsider that decision made in his Assembly recently and I also urge the Canadian Government, whose responsibility it is to look after official languages in Canada, to take a stand on that most important matter for all Canadians and to uphold this country's linguistic duality.

* * *

[*English*]

MULTICULTURALISM

TRIBUTE TO CANADIAN ORDER OF THE AMERICAN HELLENIC EDUCATIONAL PROGRESSIVE ASSOCIATION

Mr. Bill Attewell (Don Valley East): Mr. Speaker, this evening the Canadian Order of the American Hellenic Educational Progressive Association is hosting a special banquet to honour the hard work and dedication of Canadian parliamentarians. However, I wish to commend AHEPA for its dedication to the assimilation and education of Greeks within their country of immigration.

AHEPA was formed 65 years ago. It is a philanthropic, socially conscious organization which not only operates within its original mandate but also participates in the broader social, political, and civic life of its community.

The AHEPA family of Ottawa has honoured Dr. Wilbert Keon for his remarkable achievement with heart transplants, and Dr. George Mintsioulis for his equally remarkable ability to restore sight with precision eye surgery.

The Ontario Special Olympics were singled out for special recognition since they produce real winners and give mentally handicapped individuals a true sense of their self-worth.

All Canadians can be proud of the contributions made by the Canadian Order of AHEPA, for its promotion of tolerance

and co-operation, and for its dedication and commitment to build a better Canada.

* * *

• (1410)

EXTERNAL AFFAIRS

HAITI—CANCELLATION OF GENERAL ELECTION—MILITARY COUP

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, democracy in Haiti lies a bloody tattered corpse, struck by many mortal blows delivered with impunity as the governing National Council averted its eyes from the horror precipitated by its own refusal to act.

To those who have observed the tragedy of Haiti as it has unfolded there can be no doubt that the governing National Council has engineered a coup for which it had long prepared. Once again a brutal military with easy access to modern arms has used them to brutalize its own people.

Canada and other Governments should act now to signal their utter and complete rejection of the junta, and explore within the Council of the United Nations how nations of the world may effectively intervene to give democracy another chance in Haiti.

Canada should oppose any unilateral intervention which will inevitably replant the seeds of colonialism which lie at the roots of Haiti's tragic history.

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NATIONAL FILM BOARD

INACCURATE PORTRAYAL OF THE LATE BILLY BISHOP, V.C.

Mr. Stan Graham (Kootenay East—Revelstoke): Mr. Speaker, Canadians are by now aware of the deliberate negligence displayed by the National Film Board of Canada when it produced and released "The Kid Who Couldn't Miss", the wildly inaccurate portrayal and betrayal of Billy Bishop, holder of the Victoria Cross, and the most decorated Canadian serviceman ever.

I ask the Minister of Communications (Miss MacDonald) to join me in opposition to Ms. Joan Penefather, the vice-film commissar of the National Film Board and the currently the leading critic of Billy Bishop, and request from the Chairman of the National Film Board the immediate removal from circulation of the film "The Kid Who Couldn't Miss", which really should have been called "The Film That Missed Badly". Thank you, Mr. Speaker.

[*Translation*]

POLITICAL PARTIES

NDP QUEBEC CONGRESS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I should like to congratulate my friends of the New Democratic Party in Quebec who, as a result of their excellent weekend convention in Montreal, have shown that the NDP now has strong roots in Quebec. In three years, NDP-Quebec membership went up from a few supporters to nearly 8,000. Associations have been established in 90 provincial counties and two thirds of Quebec's federal ridings. Some 360 delegates attended one of the best NDP convention I have ever seen.

There can be no doubt that the NDP will rally socio-democratic supporters and that it is becoming the real voice of most Quebecers, men and women alike, at both the federal and provincial levels, while remaining an autonomous provincial Party.

I congratulate Mr. Rolland Morin for having been elected leader of the NDP-Quebec, and I expect that in the very near future we will see true NDP Members from Quebec in the Parliament of Canada and in the National Assembly of Quebec.

* * *

[*English*]

AGRICULTURE

GRAIN STABILIZATION PROGRAM—PAYMENTS TO FARMERS

Mr. Don Ravis (Saskatoon East): Mr. Speaker, for the first time in history I believe we have a Government which is expressing firm leadership in placing agriculture on the top of the priority list.

As recently announced under the Grain Stabilization Program, all member farmers will receive their final payment by early December. Approximately $1.4 billion has been committed for the 1986-87 crop year. Saskatchewan alone will receive $377 million, bringing the level of assistance under the program up to $759 million this year in our province.

As well, the Prime Minister (Mr. Mulroney) has assured farmers that a deficiency payment will be made before Christmas to assist farmers who, through no fault of their own, are in an extreme cost-price squeeze.

In addition to current assistance for farmers, the Government is working at providing a long-term solution for eliminating subsidies at the international level. Our Government worked very hard to place agriculture on the agenda for discussion at the new round of GATT talks in Uruguay and at the Venice and Tokyo Summits.

Long gone are the Trudeau days under which the then Prime Minister asked farmers in Saskatchewan: "Why should I sell your wheat?"

* * *

[*Translation*]

OFFICIAL LANGUAGES

DEMAND THAT OFFICIAL LANGUAGES BE RESPECTED

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the question is relevant: Where is the solidarity? What about the Meech Lake Accord? What about the commitment of the provinces to maintain both official languages?

Mr. Speaker: Order! I am sorry but this is not Oral Question Period yet. I asked whether the Hon. Member had a statement under Standing Order 21. Does he have a statement. He does? . . .

• (1415)

[*English*]

Mr. Gauthier: Mr. Speaker, what happened to the Meech Lake spirit? What happened to all these provincial undertakings to preserve the duality of Canada? What happened in the Alberta Legislature for it to ban the use of French and for it to insist that those who want to speak French would have to ask permission of the Speaker to do so?

I ask Members of this House where is the spirit of Meech Lake? I fail to see how provinces which have signed the Meech Lake Accord cannot stand behind their commitment to let Canadians express themselves in the language of their choice.

What about Canadian unity? Where are we going when we balkanize languages, making it impossible for people to use English in Quebec or French outside Quebec? That is not the type for Canada that I am looking for.

* * *

THE HON. STANLEY KNOWLES, P.C.

FORTY-FIFTH ANNIVERSARY OF FIRST ELECTION TO HOUSE OF COMMONS

Mr. Rod Murphy (Churchill): Mr. Speaker, 45 years ago today a young United Church Minister, Stanley Knowles, was elected to the House of Commons for the first time.

Some Hon. Members: Hear, hear!

Mr. Murphy: As someone who grew up in the city of Winnipeg in those years I know what Stanley Knowles meant to many people of our province. He was not only a symbol of someone fighting for pensioners and democracy in the House of Commons but he was someone who represented the House of Commons to all of us.

I congratulate the people of Winnipeg for electing Stanley Knowles for so many years, and I congratulate Mr. Knowles himself for the service he has given to all Canadians.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL RELATIONS

ALLEGED TAPING OF MANITOBA PREMIER'S CONVERSATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister.

Will he explain what one of his officials was doing taping the private conversations of Howard Pawley, Premier of Manitoba, during the First Ministers' Conference? Does this practice conform with the Prime Minister's theory of ethics in government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, no one from the FPRO from the federal Government was taping anybody's private conversations.

What takes place at the First Ministers' Conference is a continuation of FPRO practices that have gone on in the past. Simply when Premiers, during the course of scrums, are giving public comments a representative of the federal Government is there, only in regard to public comments, to bring to the attention of the federal Government the extent to which these comments might impact on the ongoing federal-provincial conference. All of these were done publicly and pursuant to past practice.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I have checked with the previous administration and that practice was not followed.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Hon. Members laugh. It is symptomatic of how they view the public conduct of business in this country.

QUERY CONCERNING INSTRUCTIONS GIVEN TO OFFICIAL DOING TAPE RECORDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Premier Pawley is reported to have said that the taping took place not only of scrums but of private conversations and informal receptions.

On September 20, 1985, in this House when the Prime Minister was confronted with a leaked government communications strategy relating to the trade negotiations with the

United States, suggesting a campaign of dirty tricks against opponents of the deal, including the Hon. Member for Winnipeg—Fort Garry, myself as the Member for Vancouver Quadra, and the Member of Parliament for Saint-Henri—Westmount, the Prime Minister gave us his assurance that that practice would not be followed. I quote what he said:

I give that assurance—because we stand for individual rights and liberties.

Why then was a public servant taping Premier Pawley's private conversations? Who instructed the official to tape Premier Pawley's conversations? Was Premier Pawley singled out, or were other Premiers having their conversations taped at the same time? What kind of sneaky, sleazy operation is the Prime Minister running in this country?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are running the same kind of operation that was in full force pursuant to directives of the previous Liberal Government in 1978 and 1982. I am informed that a similar process was in place at the 1978 and 1982 First Ministers' Conferences on the economy and the 1981 constitutional conference.

Information officers of the FPRO were assigned to record public comments, at scrums, made by Premiers which related to the agenda of the First Ministers' Conference. That is all that was done and it was quite proper and pursuant to practices of previous Governments. If my right hon. friend has any information at variance with that, please share it with the House.

STATEMENTS ATTRIBUTED TO MANITOBA PREMIER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have checked previous practice and it does not accord with what the Prime Minister is saying. The Premier of Manitoba said his conversations were being taped not only at scrums but in private conversations at cocktail parties and informal receptions, and he was being shadowed and tailed throughout the conference.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I ask the Prime Minister how often this practice has occurred? Is it an official dictum of his Government that First Ministers should be surveyed, taped and followed while at First Ministers' Conferences? I would also ask if it is his policy to tape only those Premiers who oppose the trade deal, and are those of us opposed to the trade deal supposed to be engaged in subversive activities?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker. The private conversations at cocktail parties and this kind of stuff that my right hon. friend seems to have some knowledge of— perhaps he could share the specifics with the House. The information I received from the FPRO indicates exactly what I have told the House. No one was shadowed or tailed. In fact I suspect that if anyone in this country was going to be shadowed or tailed, Mr. Pawley would be among the last.

* * *

EXTERNAL AID

HAITI—CANCELLATION OF GENERAL ELECTION—REQUEST FOR SUSPENSION OF CANADIAN AID

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Secretary of State. I think he will share the incredible sense of disgust and reprehension most Canadians felt over the spectacle in Haiti this weekend involving the squashing of the first light of democracy and the reinstitution of government by torture and intimidation that we witnessed on our television screens.

In the Government's official response to the Standing Committee on External Affairs and International Trade Committee's report on foreign aid, the Government says that where violations of human rights are systematic, gross and continuous, government to government aid is denied or reduced. The basic principle is to ensure that repressive regimes are not legitimized through Canadian development policy.

Considering that the situation in Haiti clearly violates the standards set out in that statement, is the Government prepared either to suspend or reduce government to government aid to Haiti until such time as the innocent people of that country can return to the polls without being threatened by death squads running loose in that country, as they were this weekend?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I would like to inform the Hon. Member that of course the Government was shocked, and disappointed when it first heard about yesterday's events in Haiti.

I must say, however, that our aid program is very specifically directed to the neediest groups in Haiti and that at this moment, we do not think it would be appropriate to withdraw from these people, who really need Canada's help, their very means of survival.

I can assure Hon. Members that our aid to Haiti does not go directly to the government. It is not a blank cheque for the government. Generally speaking, it always goes through non-governmental organizations and provides some support for institutions, in order to help the people to help themselves.

• (1425)

[*English*]

GOVERNMENT POLICY—REQUEST FOR ACTION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will address my supplementary question to the

Secretary of State for External Affairs. His colleague says that the Government will not do anything about aid, but the question clearly is what the Government is going to do in terms of a statement or action on behalf of Canadian people against this regime.

I would like to remind the Minister of clearly stated government policy. Where there have been repression and a denial of rights, there has been a clear and unmistakable contradiction of these principles.

Will the Government not take action commensurate with those standards to show that this country will not stand by and allow democratic rights to be snuffed out and that kind of intimidation to continue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we stated the policy which the Hon. Member quoted. We are, as my colleague said, shocked and deeply disappointed by the developments in Haiti and particularly, as she indicated outside the House, by the questions relating to the role of the Government of Haiti itself in these developments.

We do not have all the information which we require in hand. The Government and the House would certainly not want actions taken by Canada to disrupt the flow of aid to those people who are most needy which would, consequently, impose a double hardship upon them.

However, if it is clear that the authorities in Haiti have been contributing to the disruption and destruction which we saw yesterday, as may very well be the case, the policy which was referred to by my colleague and which was stated by the Government in response to the standing committee will be followed. I think the House would share our desire to ensure that we have all the relevant information in hand before we take action of that kind.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—REQUEST THAT GENERAL ELECTION BE HELD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister knows that the Government of Canada did not have a mandate to negotiate a free trade deal arising from the election of September, 1984. It is now too late to have one before the proposed date of signing on January 2.

In an interview on the weekend the Prime Minister seemed to rule out having an election before January 1, 1989. The Prime Minister knows that complex legislation has to be passed by the Parliament of Canada, by the provinces of Canada, by Congress, and by many States in order to implement such an agreement some time during the course of 1988.

Does the Prime Minister not think that the most responsible thing to do, both in terms of getting a democratic mandate and in terms of being conducive to good Canada-U.S. relationships, is for the Government of Canada to have an election sometime early in 1988 so that the people of Canada will have an occasion to demonstrate their views on this important matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government has a mandate to engage in and provide economic renewal for Canadians. Within three years we have created a million new jobs. I think that is exactly what the Canadian people want.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Economic renewal finds expression in many changing and challenging ways. One of them is to innovate, to be daring, and to provide leadership in the world of new trade, new technologies, and new economic prospects and possibilities for all Canadians.

Pursuant to the creation of a million new jobs in three years this is exactly what we have done. We hope to be able to do this on a regular basis. At an appropriate time the Canadian people will have an opportunity to express their views.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, many Canadians would think that to be daring, innovative, and responsible would be to get a mandate from the people of Canada before acting.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I would like the Prime Minister to consider the serious implications for Canada-U.S. relations of proceeding in 1988 without an election. At this time he has the support of only five of the provinces. Three provinces are opposed and two are undecided. Both opposition Parties in the House of Commons are against.

• (1430)

Does the Prime Minister not think that the responsible thing to do in terms of his obligations to the people of Canada and the implications for Canada-U.S. relations in the future, is to go to the people of Canada in 1988 with his message and let them decide between him on the one side and those of us on the other?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Canadian people know that both opposition Parties are against. They are waiting to find out what you are for.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Call an election and you will find out.

Mr. Mulroney: With regard to our obligation to provide for economic renewal, my hon. friend seems to discount very quickly the creation of one million new jobs within the space of 37 months. The first 10 months of this year have brought about the creation of some 375,000 new jobs, which is a very important record.

My hon. friend will be interested in the quality of these jobs. Ninety per cent of the jobs created are full-time as opposed to part-time job creation, and 55 per cent of these one million new jobs have gone to women. That is economic renewal at its best, and we plan to continue this program of economic renewal.

Mr. Broadbent: I would even add that when the Prime Minister began the negotiations we had a $20 billion surplus. We have about a $7 billion surplus now. If the Canadian economy is so strong, why is the Government rushing headlong into one of the most complicated deals in Canadian history? That is the issue that has to be faced.

[*Translation*]

FREE TRADE—DEMOCRATIC PRINCIPLE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): If the Prime Minister wants to make his decisions as a man who supports democratic principles, why does he want to deny Canadians the right to say yes or no to the proposed trade agreement with United States? Why not make this a democratic decision?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there will be a democratic decision at the appropriate time. If I am not mistaken, the Canadian Constitution gives us a five-year mandate, and it is up to the Government to act responsibly during that time. There is also parliamentary tradition, and we still have one year to go before we finish our fourth year. We still have to deal with some important issues. I think that what we have achieved today should be reassuring for my hon. friend. If he is at all serious, and I know he is, he must be very happy with an almost unique job-creation record, more than one million new jobs, with the job-creation rate in Quebec seven times what it was under the previous Government. That is good news for Canada and Quebec. At the appropriate time, Canadians and Quebecers will have a chance to express their opinion, and I am sure the Hon. Member will regret the outcome!

* * *

LABOUR RELATIONS

AIR CANADA STRIKE—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, Friday last, the Minister of Labour skated around the question I asked him. I wanted to know whether he intended to appoint a mediator in the Air Canada dispute. Since Friday, the situation has worsened—16,000 employees are now without work by reason of the lockout. Thousands of Canadians are deprived of services. In the meantime, the parties to the dispute are not even negotiating and the Government is doing nothing to try to bring them back to the table. Here is my question to the Minister: Does he not believe he should himself meet separately with both parties, to try and convince them to resume negotiations, or else does the Minister prefer to sit on the fence, hoping the dispute will be resolved by itself?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as the Right Hon. Prime Minister indicated a few moments ago, the skating artists are on that side of the House rather than on this side. As to the specific question asked by the Hon. Member, my position has not changed. The parties have a responsibility to show to the Canadian public that they are capable of coming back to the table, and at least to try and solve the issues between them, taking into account the negative impact the dispute has on Canadians.

[*English*]

REQUEST THAT MINISTER APPOINT MEDIATOR

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, one of the answers the Minister gave me last Friday was:

> —the Government will take appropriate action at the appropriate time. But we will surely not act prematurely—

Surely this slow moving Minister was pulling my leg when he said that he would not act prematurely. We all know that he would not be able to do that in any event. Why does the Minister not believe that now is the right time for someone to talk to both parties and try to bring them closer together? For example, someone like Bill Kelly could act as a mediator or in any other function to try to get the parties to negotiate again. Or is this simply a tactic in another grand plan, preparatory to trying to privatize Air Canada?

Hon. Pierre H. Cadieux (Minister of Labour): With respect to acting prematurely, Mr. Speaker, if I understand my hon. colleague's question, I presume he's changed his mind since the last conflict because in the last conflict he was telling me I was acting too quickly.

Some Hon. Members: Hear, hear!

Mr. Guilbault (Saint-Jacques): I never said that.

Mr. Cadieux: With respect to this particular case, Mr. Speaker, the Government will act at the appropriate time with the appropriate action.

* * *

FEDERAL-PROVINCIAL RELATIONS

ALLEGED TAPE RECORDING OF PREMIERS' CONVERSATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. The Premier of Manitoba,

Howard Pawley, has said that he was taped. Will the Prime Minister confirm the statements of his officials that they taped every one of the Premiers of this country in their private and public conversations? Is that what the Government did?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is an absolutely false statement, that anyone in the federal Government properly acknowledged having taped private statements of Premiers.

The information of the Government is the information that I imparted to the Right Hon. Leader of the Opposition. Pursuant to past practice, public scrums being given by Premiers during the course of the First Ministers' Conference were recorded in much the same way as they have been in the past, for exactly the same reasons.

Mr. Murphy: I think the Prime Minister had an option. He did not have to follow what he calls past practice.

REQUEST THAT PRACTICE OF TAPE RECORDING BE STOPPED

Mr. Rod Murphy (Churchill): Mr. Speaker, not only has the Premier of Manitoba said that he did not know he was being taped, we also have information from the Premier of Prince Edward Island that he did not know he was being taped. Will the Prime Minister cease and desist this practice? Will he destroy the tapes and apologize to the Premiers of this country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I regret that the Premier of Manitoba and the Premier of Prince Edward Island did not know that their conversations were being taped when every time I saw them there were about 40 microphones stuck right in front of them.

Some Hon. Members: Hear, hear!

Mr. Murphy: Tell the truth, Brian.

Mr. Mulroney: Let me tell you, they were not running the other way.

Mr. Murphy: What happened to civility in this country?

Mr. Mulroney: I am just explaining to my hon. friend that it is part and parcel of the First Ministers' process, and it is agreed upon in advance that the First Ministers will comment to the large media contingent during coffee breaks and luncheon breaks in terms of their views of what is happening.

Premier Pawley was giving interviews, as did all of the First Ministers. There were literally dozens of journalists recording their every public word and they were volunteering regularly to provide this information to the public. The FPRO was simply part of this large horde of people trying to record their information for the purposes of accuracy so that when the federal response was prepared, or a new item was raised by a Premier, we were able to respond in kind and in an appropriate way. There is absolutely nothing improper—

Mr. Murphy: It is immoral.

Mr. Mulroney: If it is immoral, then my hon. friend has just indicted every journalist in this country, or anyone who believes in freedom and access to information.

* * *

• (1440)

EXTERNAL AFFAIRS

HAITI—MASSACRE OF CITIZENS—CANADIAN REACTION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs or the Minister for External Relations. It refers to the shameful massacre of innocent people in Haiti, which must have created revulsion throughout the entire civilized world. I, therefore, ask the question: what initiative can Canada take, through the United Nations or other international body, to show what passes for a Government in Haiti the absolute horror with which the world views both that Government and the action that was taken yesterday?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, as indicated earlier by the Secretary of State and by myself, all Government Members of course are very concerned about the situation in Haiti. We are worried and also concerned about the apparent lack of action by the authorities in the face of the escalation of violence yesterday during the elections, and also the day before the elections. We will need explanations from the authorities as to the reasons why yesterday's elections were cancelled, so that we may knowledgeably appraise the situation. We are, therefore awaiting explanations on the situation that developed yesterday in Haiti and will consider later what position should be taken with respect to that Government.

* * *

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF FORMER U.S. RESERVE BOARD OFFICIAL

Mr. George Baker (Gander—Twillingate): Mr. Speaker, Paul Volcker, former head of the U.S. Reserve Board, in his keynote address last night to the fortieth anniversary of GATT in Geneva said that while he had to support any new trading arrangement between Canada and the United States, he went on to warn: "Trade deals, such as the Canada-U.S. deal, are a threat to the system of multinational trade and could degenerate into regional trading blocs". What is the response of the Prime Minister to these statements? Does he not feel that such

criticisms delivered to almost 100 nations in the world can do irreparable damage to Canada's stature in the eyes of our international trading partners, both present and future?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the negotiations into which we have entered with the United States are explicitly authorized by the GATT and are entirely consistent with the GATT. More than that, other trading nations in the world know as we do of the force and destructiveness of protectionist pressures in the United States.

I have spoken, if the Hon. Member has not, to Trade Ministers and Foreign Ministers of other countries, all of whom welcome this initiative, both because it demonstrates to the protectionists in the United States that there is a way to deal in the world other than hiding behind walls, and because it is breaking new ground that will be important to the whole GATT in terms of the new issues that have been dealt with in the negotiation between Canada and the United States and that can serve as a model for the world, establishing trading rules in matters like services, investment, and other fields where there are not now good enough rules.

PRIME MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in response to the seemingly endless criticisms and weaknesses of this trade agreement, the Prime Minister on the weekend had one soothing, sweeping, cleansing message. He said: "Don't worry, it will all come out in the wash". Does the Prime Minister feel he can really go ahead with this deal when the vast majority of Canadians are either totally opposed to it or want more information?

Some Hon. Members: False!

Mr. Baker: And, by the way, where is the final text? When will it be released? It will all come out in the wash all right, after Canada has been put through the wringer and hung out to dry. The only wash the Prime Minister knows about is a whitewash.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Transport, the Hon. Member for St. John's West, is absent today so my hon. friend will have to await perhaps a direct answer.

Meanwhile, the Hon. Member refers to the weaknesses of the free trade agreement. If that is so, this will come as a great surprise to countries such as Korea, Taiwan, Japan and Israel, all of which, having been apprised of the realities of the Canada-U.S. trade agreement, want to negotiate a similar agreement for themselves because they think it is such a fine trading instrument.

GENERAL AGREEMENT ON TARIFFS AND TRADE

PANEL'S RULING—EFFECT ON WEST COAST FISHING INDUSTRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It is in regard to the GATT panel ruling which stands to ruin the West Coast fishing industry. Since this item is on the agenda for this week's GATT meeting in Geneva, and is to be handled by officials from the Department of External Affairs who are presently in Geneva, will the Minister assure this House that he has directed those officials who are now in Geneva to oppose the panel ruling?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, as the Hon. Member, I think, knows, the panel's report has no legal status in the GATT until it is formally adopted. This requires the consensus of all GATT members. The first discussion of the report in GATT will not take place until tomorrow. We have representatives there who will be making representations on behalf of the Government at that meeting.

CANADIAN RESPONSE

Mr. Jim Fulton (Skeena): My supplementary question is directed to the Secretary of State for External Affairs. Surely some Minister has directed those officials who are in Geneva as to whether they are for the panel report or opposed to it. My question is very simple to the Secretary of State for External Affairs. Has he directed his officials to oppose the contents of the panel ruling?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we are very aware of the importance of this issue to the West Coast processing industry. We have been working closely with the industry, with the unions and with the Government of British Columbia with respect to this. We are engaging in detailed consultations on our options in responding to the GATT panel.

Mr. Fulton: When are you going to make up your minds, at midnight?

* * *

TRADE

UNITED STATES ACTIONS AGAINST FISH IMPORTS FROM CANADA

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Prime Minister or to the Secretary of State for External Affairs. Since the Mulroney-Reagan trade agreement—

Some Hon. Members: Order!

Mr. Henderson: —our fishing industry has been harassed through a series of trade actions by the United States, for

instance, the British Columbia salmon and herring harassment, the fresh cod fish harassment where all cod under 19 inches in length have been banned from going into certain parts of the United States and, of course, last week we found that whole lobsters packed in brine and over 6,000 pounds of groundfish has been seized by the Americans upon entering that country. This was fish which had been packed in my own Province of Prince Edward Island.

In light of these facts, what serious action is the Prime Minister going to take against the Americans to stop this harassment? Is he going to continue to allow the Americans to impose their fish management regulations on our Canadian fishing industry?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we share the concern of the Hon. Member for this harassment to our fisheries by the United States. We have made very strong representations to the United States with a diplomatic note and we are waiting to hear its response. We are also examining all avenues we can follow within GATT against this type of harassment by the Americans which we feel is totally unwarranted.

I want to make very clear to the hon. gentleman that this is what this Government has been talking about for a very long time, the problems with protectionism, with the non-tariff barriers, and the harassment our trade with the United States has been going through. That is why we have been negotiating a free trade agreement with the United States of America.

REQUEST THAT CANADA-UNITED STATES TRADE AGREEMENT BE TORN UP

Mr. George Henderson (Egmont): Mr. Speaker, I want to address my supplementary question to the Prime Minister because here is one area where the Prime Minister clearly has an option. Will the Prime Minister tell the President of the United States, and his Government, to halt this trade harassment, withdraw the regulations they are putting on our Canadian fishing industry, forthwith? And, if they do not do that, will the Prime Minister tear up the free trade agreement that has been signed by the Prime Minister and the President?

• (1450)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): To answer the last question first, no, we are not going to do that. That is not the problem, that is the solution to the problem, so we are not going to tear it up.

We will be doing everything within our power to stop this harassment of our fisheries, which we feel is totally unwarranted. We will take any action possible to stop this harassment.

UNITED STATES OFFER TO SELL SUBSIDIZED GRAIN TO U.S.S.R.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

On Friday the United States offered the Soviet Union another highly subsidized sale of grain. That is the third offer this year from the United States to the Soviet Union, and the second since the signing of the trade deal with our Prime Minister and President Reagan.

In light of the fact that a few weeks ago in the House the Secretary of State said that this was at least a violation of the spirit of the trade agreement and that he would talk to Mr. Shultz in Brussels, I wish to know now from the Secretary of State for External Affairs why the Government is so ineffective, incompetent, and inept, that despite talking to Mr. Shultz on Friday of last week, the United States made another offer to the Soviet Union, which is an important market for Canadian grain, using a subsidy that violates the very deal signed by the Prime Minister and the President of the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, just to be precise, and I know that the Hon. Member would wish to be precise, what I said and what I believe is that this is inconsistent with the spirit of the deal. I do believe it is inconsistent with the spirit of the deal. I think it makes bad sense in trade law, and I think it makes bad sense in terms of promoting the acceptability of the trade arrangement that has been negotiated between Canada and the United States. I do not think it serves the interests of Canadian or American farmers, but it is part of the trade war in agriculture that is going on between the European Community and the Government of the United States. We are victims of that war.

As was indicated in a statement made by a Member of this House earlier this afternoon, we have been among the leaders in the establishment and functioning of the Cairns Group to try to bring an end to that type of costly conflict between two massive Treasuries.

No one regrets more than I do that the United States is carrying on that type of program. So far, the reality is that, despite those programs, the quality of the production and reputation of Canada have meant that we have been able to maintain and even increase our share of world markets, but that does not make what the United States is doing acceptable.

UNITED STATES EXPORT ENHANCEMENT PROGRAM

Mr. Lorne Nystrom (Yorkton—Melville): I mentioned the offer of last Friday, but according to the press today China has accepted to buy some 265,000 tonnes of wheat under the U.S. Export Enhancement Program of subsidies.

What on earth is George Shultz telling the Secretary of State for External Affairs? Why are we so ineffective at putting the message of Canada across when it is a direct violation of one of the sections of this trade deal that the Prime Minister wants to sign with President Reagan? Why are we so ineffective?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what he is telling me is that the Export

Enhancement Program is not a policy that the United States administration mounted, nor one that it likes, but is part of the law of that country. Particularly in the circumstances of an election year, I am afraid that we will face more of those types of actions under the Export Enhancement Program.

I will continue to oppose and protest them. I would hope that instead of trying simply to make this a partisan matter in the House of Commons, there would be a common action on the part of Members of this House who want to stop this type of practice which is damaging to our farmers and distorting international trade practices, and that there would be a common determination on the part of all of us here to try to persuade the Americans to leave aside that type of destructive subsidy.

* * *

ENVIRONMENTAL AFFAIRS

NIAGARA AREA STUDY—REQUEST FOR RELEASE

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of the Environment. It arises out of a report in *The Ottawa Citizen* this morning which states that an Environment Canada study completed over one year ago will soon be released.

The report indicates that the over-all death rate from cancer in the Niagara area is 5 per cent for men and 3 per cent for women over Ontario's average, with an approximately similar infant mortality rate.

I wish to ask the Minister of the Environment when the report will be released, if it was not this morning? Since the report calls for major initiatives now, what corrective or remedial action will be formulated or planned to accompany that release?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is referring to a study that was conducted by a sociologist and an economist on contract with the Department of the Environment. It synthesizes much of the existing information on the effects of toxic chemicals in the Great Lakes.

Because the report cut across many different disciplines, the scientists in my own Department established a panel to vet the study from a scientific point of view. That panel found the study wanting on grounds of scientific rigor, and recommended to me that it not be published with the imprimatur of either my Department or the Government of Canada.

However, because it did contain a lot of useful information that would stimulate debate, the scientists recommended that the study be released in the name of the two authors. I have accepted both recommendations. The report is being released today, and it is available upon request.

THE ADMINISTRATION

PARKER COMMISSION INQUIRY REPORT—REQUEST FOR PUBLICATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, talking about reports that have been suppressed, I wish to ask the Government a question on the Parker Commission Inquiry into the conflict of interest allegations involving the former Minister of Regional Industrial Expansion.

Why is it taking Cabinet longer to study the Parker Commission Inquiry Report than it expects Canadians to study and assess the so-called Reagan-Mulroney trade report?

Why is the government taking so much time? You have had it for five days, it has been printed, translated—

An Hon. Member: Order.

Mr. Speaker: The Hon. Member, who is an experienced Member, is getting a little out of order. I am sure that he would want to put the question appropriately.

Mr. Gauthier: Mr. Speaker, why is the Government hiding the report? Let us read along with it what is in the report, and let it tell us when the report will be made public.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that the Privy Council received the report on Thursday while I was in Toronto for the First Ministers' Conference. Immediately upon my return, I began to consider the matter today. I will meet with my cabinet colleagues. It is a substantial report where recommendations are made that warrant legal analysis by the Department of Justice, which is presently ongoing. As quickly as the matter is complete, it will be fully released.

[*Translation*]

REQUEST THAT GOVERNMENT TABLE REPORT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): So, Mr. Speaker, the Cabinet has had the report of the Inquiry Commission for five days. I am informed that it has been printed and translated as expected.

Why does the Government not table that report in the House today? Why not allow Canadians to read it along with the Cabinet? Will there be a report on the substance, the content of the inquiry, and another one with recommendations? Does the Government hesitate because there is more than one report?

The Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member seems to be suggesting that it is somehow peculiar that a report containing several hundred pages which was received last Thursday, while the Prime Minister was presiding a First Ministers' Conference in Toronto, has not been tabled yet on the next Monday. There is nothing unusual in the fact that my colleagues and I started to consider it . . . First of all, we have to read it, to examine it.

And when the Government will have well considered and analysed it along with its recommendations, it will be tabled in due time . . . Yes . . . Yes, and a Member as serious as the Hon. Member for Ottawa—Vanier knows full well that his question is trivial. There is absolutely nothing improper here.

* * *

ACID RAIN

REQUEST FOR DETAILS ON POSSIBILITY OF AGREEMENT WITH AMERICANS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of Environment who is aware that an American team is now in Ottawa either to negotiate or to discuss a treaty on acid rain. Will there be a real treaty with the Americans and, if so, will it provide for concrete and specific acid rain reductions or only reseach, discussions and publicity? Are we to expect real action or propaganda?

• (1500)

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member will know that on April 6 last the President of the United States committed himself to a negotiation process which might well lead to a bilateral accord between Canada and the United States similar to the Great Lakes Water Quality Agreement.

On May 22 Canada put to the American negotiators a specific program proposal which would see acid rain-causing emissions reduced on a targeted and scheduled basis on both sides of the border.

There have been meetings between Canada and the United States at the officials' level, both in Washington and today in Ottawa, toward that end. The negotiators are in fact meeting even as we talk. We will know later today, I hope, something a little more about the American response to our specific proposal. I will keep the House and the Hon. Member informed.

CONTENT OF POSSIBLE AGREEMENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, does the Minister know that Canadians would rather have a treaty on acid rain than any trade deal?

Will he come clean with us about what we are going to get? Will there be real reduction standards? Will there be real spending on the part of both countries? Or is this just another exercise in public relations as I am afraid the last one was?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the people of Canada want a trade deal and an acid rain deal, and I hope we will get both.

[*Translation*]

ADMINISTRATION OF JUSTICE

INQUIRY WHY GOVERNMENT OPPOSED APPEAL OF LUC PAQUETTE TO HAVE CRIMINAL TRIAL PROCEEDINGS CONDUCTED IN FRENCH

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Justice, I will direct my question to the Prime Minister with regard to the status of our other official language in Alberta.

According to an Appeal Court ruling, a person accused of a crime, in this case Luc Paquette, is not entitled to have his criminal trial proceedings conducted in French.

Could the Prime Minister explain to us why, notwithstanding the claims of the Federal Government in favour of minority linguistic rights, as in the Meech Lake Accord, the Federal Government, in this case, opposed Mr. Paquette's request to have his trial conducted in French? This is terrible, I must say!

The Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member says it is terrible, when in fact this Government has never failed to promote both our official languages. Terrible, you say, when talking about a ruling that I have not seen. The Minister of Justice is absent. He will study this decision and report to the House.

To a Government which has negotiated the Meech Lake Accord, which has moved major amendments to the Official Languages Act, which has always looked after the interests of minorities . . . you have the audacity to talk about a terrible situation? Come on!

RIGHT TO HOLD CRIMINAL TRIAL PROCEEDINGS IN FRENCH IN ALBERTA—POSITION OF PRIME MINISTER

Hon. Bob Kaplan (York Centre): This was a Federal case. The Federal Government has won, at the expense of minority rights!

Mr. Speaker, could the Prime Minister agree to find out about this trial and change his policy of denying the right of people accused of criminal acts in Alberta to have their trial proceedings conducted in French?

The Right Hon. Brian Mulroney (Prime Minister): Absolutely, Mr. Speaker! If my Hon. friend had listened to my reply, he would know that I will be delighted to do so! I do intend to do so. The Minister of Justice and Attorney General of Canada will give careful consideration to this ruling and report to my Hon. friend and the House, with all necessary clarification.

[*English*]

EXTERNAL AFFAIRS

HAITI—POSSIBILITY OF CANADIAN INITIATIVE AT UNITED NATIONS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Secretary of State for External Affairs. Could he tell the House whether Canada intends to take any action at the United Nations in respect of what the United Nations may be able to do to restore democracy to make free elections possible in Haiti?

This would be another avenue through which the people of Haiti might be able to have their tragic situation addressed. Does the Secretary of State for External Affairs have anything to say about the Canadian position on that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is a very helpful suggestion. We will take a look to see if some initiative can be taken through the United Nations after we have received the fuller information which, as my colleague indicated, we are seeking from our authorities and from others in Haiti.

Mr. Speaker: The Hon. Member for Abitibi. This will be the last question.

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[*Translation*]

INDIAN AFFAIRS

THE CHILDREN OF WASWANIPI—BUILDING OF SCHOOL—GOVERNMENT POSITION

Mr. Guy St. Julien (Abitibi): Mr. Speaker, my question is for the Minister of National Health and Welfare. Since 1979, Cree children in the Waswanipi reserve in Abitibi go to school in old mobile homes and old houses. A new school was to be built in time for the beginning of 1988. Plans and specifications are ready, tenders have been called, the contractor has been chosen and his bid is valid until December 6. But the Department of Indian Affairs now blocks the project. Mr. Speaker, my question is this: Would it be possible for the Minister of Indian Affairs and Northern Development and his officials to meet this week with Chief Abel Kitchen of Waswanipi and Great Chief Mathew Coon Come in order to solve this problem which is causing hardship to the children? At the beginning of 1988, many of the future pupils in Waswanipi will have to stay home if no solution is found. Mr. Speaker, all Abitibi residents want this school built soon in the interest of these children.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Development I should like to tell my hon. friend that the Minister is not only aware of the Hon. Member's interest in this issue but also of his desire to advance education on the reserve.

It is my understanding that within a certain fixed budget there was a possibility to build a school, but additional funds might be needed.

The Hon. Member's suggestion to meet and to resolve those differences is a helpful one. I will pass it on, but it is my understanding that the Department would have a similar view to trying to resolve it in that way.

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties, and I think Your Honour would find unanimous consent to revert to the introduction of Bills to permit the introduction of the Bill presently on the Order Paper in the name of the Minister of State for Grains and Oilseeds, intituled: "an Act to amend the Canadian Wheat Board Act".

May I say in advance that I appreciate very much the co-operation and understanding which I received from the opposition House Leaders in this matter.

Mr. Speaker: The House has heard the suggestion of the Minister of State. Is there agreement?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we sometimes try and help the Governement correct some of its mistakes—

Mr. Gauthier: Not too often, though.

Mr. Guilbault (Saint-Jacques): Having been consulted this time, we will help the Minister introduce his bill.

[*English*]

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

Hon. Frank Oberle (for Minister of State (Grains and Oilseeds)) moved for leave to introduce Bill C-92, an Act to amend the Canadian Wheat Board Act.

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

Some Hon. Members: Agreed.

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

POINT OF ORDER

QUALITY AND SPEED OF TRANSLATION SERVICES—RULING OF MR. SPEAKER

Mr. Speaker: I should like to advise Hon. Members that I have a question of privilege and a point of order upon which to report to the House.

On September 22, 1987, the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) raised a question in relation to the Translation services required by Members of Parliament. A point of order of a similar nature was also raised on November 18, 1987 by the Hon. Member for Regina West (Mr. Benjamin). The Chair has carefully considered both matters and, because of their similarity, will deal with both of them in the ruling.

[*Translation*]

The Hon. Member for Thunder Bay—Nipigon referred specifically to two occasions when, to put it in his own words, "the translation services of the House of Commons and of the committees of the House have been hard pressed to fulfill their obligations, and to enable Members of Parliament to complete their work and carry out their duties".

• (1510)

[*English*]

In the first instance, the Hon. Member argued last spring that the work of the Standing Committee on Multiculturalism was impeded because the translation of documents was not always available at the time the committee was considering various drafts of a report. In the second case, the Hon. Member referred to the one week delay in the presentation to the House of the report of the Special Joint Committee on the 1987 Constitutional Accord because of difficulties encountered in completing the Translation work. The Hon. Member suggested that the problems facing the Translation Bureau are the direct result of staff reduction in recent years and the policy of contracting out translation work since 1978.

[*Translation*]

In his contribution on the issue, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) most appropriately reminded the House that, when requiring translation services, the House of Commons is merely a client of a Government department, namely the Department of the Secretary of State. The Chair also appreciates the good words of the Hon. Member regarding the exceptional quality of the translation provided by the Translation Bureau, despite the recurrent difficulties.

The Hon. Member for Saint-Denis (Mr. Prud'homme) was right in talking about the sensitivity of the whole issue and the frustrations felt by some Members when unable to benefit from the necessary services in order to function adequately in their own language.

[*English*]

Last November 18, the Hon. Member for Regina West apprised the House of the fact that two meetings of the Standing Committee on Transport had to be cancelled because its report, sent to the Translation Bureau three weeks earlier, had not been translated. The Chair had this matter investigated and it was discovered that the Translation Bureau had negotiated with the research branch of the Library of Parliament, which is preparing the report, an extension of its deadline to complete the translation. This was done without the committee's knowledge. Although this is clearly an administrative misunderstanding, and not a point of order, it nevertheless shows again how the operations of the various committees of the House can be frustrated.

In relation to the question of privilege raised by the Hon. Member for Thunder Bay—Nipigon, the Chair would like to indicate at the outset that, in order to establish that there exists a *prima facie* case of privilege, the Speaker must be satisfied both that privilege appears to be sufficiently involved to justify giving the matter precedence over all other matters before the House, and also that the matter is being raised at the earliest opportunity, as specified in Citation 81(1) of Beauchesne's Fifth Edition.

While considering the matter, the Chair consulted the precedent of November 5, 1968, to which the Hon. Member for Thunder Bay—Nipigon referred in his intervention. At the time an Hon. Member complained about the insufficient number of translators and interpreters available to meet the needs of the House and its committees. Speaker Lamoureux did not find a *prima facie* case of privilege, but acknowledged the merits of the Member's grievance.

The Chair cannot conclude otherwise in the present matter raised by the Hon. Member for Thunder Bay—Nipigon. Neither the House nor the Members were prevented from actually performing their duties, although I would admit that access to some of the working tools was not made easy for some Members. Therefore, the Chair must find that the matter raised by the Hon. Member for Thunder Bay—Nipigon does not constitute a *prima facie* case of privilege.

But, as was the case with Speaker Lamoureux in 1968, the Chair finds the matter of the utmost importance and is thankful to both the Hon. Member for Thunder Bay—Nipigon and the Member for Regina West for raising it in the House. It is, indeed, very distressing to realize that some Members and, in particular, francophone Members, do not have the same immediate and ready access to documents and files as other Members have. It creates an unfairness which is simply not acceptable.

[*Translation*]

As indicated by the Hon. Member for Saint-Denis, the Chair has been very sensitive to this issue. While one understands the problems facing the Translation Bureau in the management of its operations, the House, as a special client, is

right to express its concerns to the Department of the Secretary of State with respect to translation delays. The Board of Internal Economy has examined the matter in the past and officials of the House have approached the Translation Bureau on many occasions in order to improve the situation and to see that the level of service provided fulfilled the best expectations of the House of Commons.

We were assured by the Department of the Secretary of State, last April, that every effort would be made to avoid delays, but in the light of the comments of Hon. Members, it appears that in some areas the time taken to provide translations is still unacceptably long. The solution ought not to be to ask the committees of the House to delay their work while unduly waiting for a translation to be completed; on the contrary, the Department of the Secretary of State must be made fully aware of the particular needs of legislators so that the required resources are made available in order to meet the translation requirements of the House.

[*English*]

The Hon. Member for Saint-Denis (Mr. Prud'homme) suggested that a mandate be given to the Standing Committee on Management and Members' Services to consider the matter. But may I be permitted, with respect, to indicate to the Hon. Member and the House that the standing committee may already have that power in its general mandate, as provided in Standing Order 96(3)(c), to review:

> —and report to the Speaker as well as the Board of Internal Economy, on the administration of the House and the provision of services and facilities to Members—

The fact that the Hon. Member for Thunder Bay—Nipigon and the Hon. Member for Regina West chose to bring their concerns to the attention of their colleagues is a good indication to the Chair that the question of translation services continues to be viewed as fundamental by many Members. Again, I must thank both Hon. Members as well as the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Saint-Denis for sharing their views with the Chair.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I rise today to address Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof.

I want to begin with perhaps a look at the injustice and the imbalance of the scales of justice inherent and implicit with the application of the Bill. What we have here is an unbalanced view by the Minister of Justice (Mr. Hnatyshyn) being presented, to try to counteract the very serious concerns that we have with child pornography, obscenity and violence toward men, women and children. We have as well concerns about human sexuality and its normalcy in society. We have all those groups who have looked at the Bill and see that it is contrary to the basic principles of law that say a defendant is innocent until proven guilty. We can find it no longer acceptable to have this kind of repressive and regressive legislation within our laws.

With respect to that aspect, often there have been individuals who have said that this Bill is right, that it is on target and that it is a response to what the community is asking for. But this Bill has raised a tremendous furor in the artistic and the legal world. There are serious concerns about its propriety. The legislation has not been overlooked in international circles either. I have been told that the fiftieth Congress of the International Writers' Organization, PEN, meeting in Lugan, Sweden, passed a resolution on May 15 expressing concern about this proposed law, especially the section dealing with artistic merit which shifts the burden of proof from the state to the defendant.

One talks about obscenity, pornography and kiddy porn or child porn in this Bill but at the same time we are addressing the issues of erotica. There is an intrusion by the state into the life of people within their own homes. I suggest that adult Canadians expect their legislators, their Government and their police to treat them as adults. I suggest also, Madam Speaker, that the conduct of consenting adults in the privacy of their homes is a personal affair and is not the affair of the state. While saying that, Liberals are concerned with recent trends that demonstrate an increase in violence, battering and the number of pornographic books, magazines and literature which depict an untrue picture of sexuality to our young people. Child pornography, violent pornography, and human degradation need tougher legislative sanctions of the type proposed in Bill C-54. I suggest that concern has been raised about the long-term effect of this violent and degrading pornographic material. There are studies to this effect which were conducted on prisoners.

• (1520)

The public needs to be educated against violence to men, women and children, but success depends on how you go about it and how the attitude of Government is reflected in the law. I suggest that pornography needs a much more clear definition. The Government should be prepared to re-examine its definition of erotica and pornography. The Bill tries to cover a garden variety of sex, and that is totally repressive and regressive.

As far as I am concerned, what is really at issue is child pornography and violent pornography, and the definition of erotica. Because of the broad definition in this Bill, erotica is reduced to covering mere nudity; when it is associated with

sex, it becomes illegal. I find that unacceptable in today's society. If you read the definition of erotica, it is really enough to blow your mind. It says:

> "erotica" means any visual matter a dominant characteristic of which is the depiction, in a sexual context or for the purpose of the sexual stimulation of the viewer, of a human sexual organ, a female breast or the human anal region;

That is a pretty broad definition of the normal facts of life. Under pornography we have a long list of no-nos, many of which I agree with. Yet when you get down to Clause 1(a)(vi), it includes:

> masturbation or ejaculation not referred to in sub-paragraph (iv), or vaginal, anal or oral intercourse,

I suggest it all depends how those normal daily functions, in many cases, are defined. This is a rather broad sweep to cover what I think the legislation wants to cover, which is undue exploitation. That has been covered in previous legislation but not defined as accurately as one would like. I suggest that this is not the place for that particular definition. I hope that when this Bill goes to committee, this particular clause will be examined much more closely and put in the right place. There should, in any case, also be some improvement in the definition.

I suggest that the obscenity legislation in Canada has been ambiguous, and this is what we are trying to clear up. That is the whole point at issue. Two provisions in our Criminal Code have been employed to prosecute alleged offenders in the past. There was the antiquated "disgusting object" provision, and the obscenity code modified in 1962 as a result of a Supreme Court ruling which called for the inclusion of a community standards test. Then the obscenity provision was amended by Bill C-58 in 1959 to qualify "obscene" as any publication the dominant characteristic of which is undue exploitation of sex. Again that term left considerable room for defence against prosecution, as did the indefinable nature of community standards. These provisions, coupled with Customs and Excise restrictions on obscene materials, and provincial legislation, have helped create a climate of subtle repression of artistic freedom. Yet the lack of definition accorded the terminology used has provoked the Government to outline in sweeping terms what it has deemed pornographic.

The Government seems to have a very difficult time in making definitions. We have seen it in the copyright legislation and we see it again in this Bill. The definition of pornography and erotica is too narrow and vague. That results in the criminalization of sexual activity among consenting adults. I hope all Members of this House plan to have a criminal activity of this sort at some point or another in the near future.

The dominant characteristic in an artist's mind is symbolism. It is character study. It is theme, or other artistic development or expression. Sexual stimulation or the naked body are essential conduits for this artistic intent. Whose perspective decides whether sex is the end or merely the means to an end?

If you read Clauses 159.4, 159.5 and 159.6 you have to ask yourself, what did the Department of Justice have in mind? They are regressive, repressive and unbelievable. I call them the fig-leaf clauses. They are talking about exhibition of erotica to persons under the age of 18 years of age, yet they define erotica as normal sexual behaviour. I am not talking about violence and other than tender loving care, as we think about it in today's world. That is not what the intent was, but that is the way they wrote the Bill. It talks about the exhibition, or sale or rental of erotica to persons under 18 years of age. Then it talks about what the offences are going to be and how they are to be defined. You have to prove that the accused took all responsible steps to ensure there was no erotica in the thing sold, rented or offered for sale, and that it has artistic merit.

Having to define and defend artistic merit, and being guilty until proven innocent, is a rather strange concept in British common law and certainly not what we are used to. I suggest that when you have to prove your innocence, it becomes a strain, a drain on time and dollars. Lord only knows that our artists are not exactly the best paid in our society. Yet it is not enough to prove that the purpose is artistic merit. If the art falls below what is called the artistic merit threshold—and who determines that—there is no defence. It is not up to the Crown to prove there was no artistic merit. The accused must establish that there is artistic merit once the Crown has proved that the work falls within the broad definition of erotica. This definition is too narrow, excludes the act of love between two consenting adults, and all the normal parts of the body, which are in themselves, as well as the act of making love, legal. There is something rather strange in the whole approach.

The erotica clause has an interpretation which now classifies intercourse as pornography. The definition of pornography is thus made to stand on depictions that may simply be offensive to some members of society. I hope, first, that it is not offensive to most of us and, second, that the legislators will clean up their act in terms of that wording. I do not think that was their intent.

• (1530)

The reverse onus provisions of Bill C-54, which require artists to prove artistic merit, place an unjustifiable hardship upon the artistic community. Where they have to prove that the consumer is under the age of 18 there is no artistic defence. The following example used by Pierre Berton demonstrates the silliness behind some of these definitions.

If the Charlottetown Festival revived *Johnny Belinda*, it would have to plead artistic merit in order to enact the rape scene. The same would apply to *Les liaison dangereuses*. It would not matter whether the actor or actress in these instances were fully clothed or whether the rape was clearly simulated. Moreover, if there is a single 17-year-old in the audience at a family festival, artistic merit goes out the window as a defence and it is pornography.

Therefore, if you show any sexual activity on the screen or on the stage which involves anyone who even looks as though he or she is under 18 years of age, there is no defence. You cannot say that it is educational or artistic even if the part of a teenager is played by a 25-year-old. You are still guilty of depicting pornography. Do you think that is the purpose of this legislation or is it only that they did not understand what they were writing?

The Actors' Equity Association believes that such provisions intended to prevent child pornography would effectively prohibit productions of coming of age material and material dealing with the topic of sexual abuse and exploitation of children. For example, the internationally acclaimed play by Dennis Foon, *Feeling Yes, Feeling No*, concerning sexual abuse prevention would be in jeopardy.

Not only are live theatre and movies affected, but so are art galleries and museums. For example, the painting now presently hanging in the National Gallery of Canada by Paul Peel entitled *After the Bath* might well be in contravention of Bill C-54 as it shows naked children clearly under the age of 18. It would be hard to imagine the Crown charging the National Gallery, but this might well arise if the Bill remains unaltered.

We may be able to prevent that by putting up a sign indicating that the painting is erotica or if we wrap it in an opaque material. Of course, we would then have to peek behind the opaque material to find out what the erotica was. There are things in this Bill which I find absolutely mind blowing.

I believe that the defence of artistic merit is unworkable in its present form. It represents a significant departure from the normal approach to criminal sanctions contained in other parts of the Criminal Code. It is a sort of looking glass approach which creates a philosophic and legal bias in favour of the Crown against the rights of the defendant. Long ago Canadians elected to follow the British tradition which prefers to allow a few guilty people to remain free rather than deprive an innocent person of liberty.

Clarke Rogers, artistic director of Toronto's Theatre Passe Muraille, sums up well the feelings of many creators on this point with the following statement:

> The inability to distinguish between works of art and gross pornography is a social failure, not an artist's problem. Yet we become the scapegoats. All that you do is intimidate artists and encourage self-censorship in the name of economic survival. If you're constantly being threatened by big legal bills, creativity is bound to suffer.

I am sure that all Members of this House would agree with that. Theatre and art gallery owners will be wary of presenting any work which may appear to violate pornography laws as interpreted by the local law enforcement authorities.

I would like the House to give serious thought to some of the concerns which are being expressed by other groups. The Canadian Artist's Representation association believes that they have been placed upon the fringes of society, unable to enjoy freedom of expression through Bill C-54. They said:

> —it is a part of our function as artists to question society; to hold a mirror up to society; to analyze our own shortcomings; and to explore the more remote territories of human experience. We rejoice in our senses. We do not create "pretty pictures" or amuse. Because we are not society's clowns and because we are vitally important to our society's well-being any restriction placed upon freedom of artistic expression will be a serious jeopardy to us and our society as a whole.
>
> We believe that such restrictions upon our rights and freedom of artistic expression are not demonstrably justified in a free and democratic society. Have we as a society elevated moral and political censorship to the status of a social idea?

I think not, Madam Speaker, and I know that my Party does not think so and we are looking toward proper amendment.

I would like to bring to your attention an exchange which I had in committee with Mr. Macerola, the Director General of the National Film Board. I asked him whether he thought that we could make and show *Le déclin de l'empire américain* under the new pornography Bill. As you know, that film won all kinds of awards.

[*Translation*]

Do you think that the new legislation on pornography would allow you today to produce and show the movie *The Decline of the American Empire*? No, replied Mr. Macerola. Did you point it out to the Minister? Yes, said Mr. Macerola. Did you discuss the matter with the Minister of Justice? Yes and not only with respect to *The Decline of the American Empire*. We are now drawing up a list of motion pictures taken out of our catalogue to be in a positiom to advise the Minister that it would be impossible to produce such movies with the new bill.

We went on dealing with various findings which show that the contents of some of the provisions of the bill should be amended.

[*English*]

Mr. Pelletier, the Acting Secretary General of the National Museums, said that they saw an earlier version of the Bill and that it had been changed somewhat recently. A document was prepared within the corporation by their policy people examining the implications and they were worried. They brought that to the attention of the Minister.

The Canadian Independent Record Production Association said that it is are concerned that the present Bill may be akin to using a sledgehammer to crack a nut and may well result in creating more anomalies and abuses than it cures.

Objections come from Brick Books, the League of Canadian Poets, the Toronto Arts Council, the Playwrights Union, Harry Cuff Publications, the Canadian Library Association, the Association of Canadian Booksellers, the Photographers Gallery, and the Royal Canadian College of Organists. I could go on and on. I plead through you, Madam Speaker, with the Government to amend the Bill and section off the part on erotica which is totally unacceptable, regressive, and repressive in today's modern society.

Mr. Nicholson (Niagara Falls): Madam Speaker, the Member for Mount Royal (Mrs. Finestone) and I, I am sure, agree on how difficult the problem of pornography is. She and I were members of the Special Committee on Child Care. I remember having a very serious discussion with her on some of the difficulties in prosecuting pornography cases. We discussed the case of *Penthouse* magazine which, depending on your point of view, is soft core pornography. However, in at least one instance it was convicted. It was very difficult to get a conviction because, as I am sure the Hon. Member would agree, the present provisions in the Criminal Code are inadequate. They are vague, in some cases to the point of being almost unenforcible. Therefore, all of us share the problem of what to do with this very difficult problem. The Government has made an attempt to do so in Bill C-54, with which I am pleased and proud to be associated. It defines for the first time in the Criminal Code exactly what pornography is.

• (1540)

If the Hon. Member and her Party and Members of the New Democratic Party do not like the definition, I suggest that it is incumbent upon them to give us their definition of pornography. It has been my experience on the justice committee for a couple of years that while everyone agrees there is a problem with street soliciting, pornography and sexual exploitation, whenever the Government attempts to come to grips with the problem and put a definition before Parliament, the Opposition states they do not like it because it is either too narrow, too broad, too vague or too regressive.

I suggest to them, as I have suggested to witnesses who have appeared the committee, that if they have a better definition, let us see it in the committee. I sit on the legislative committee with the Member for Mount Royal. Let us see their definition and have an opportunity to compare. We are all trying to control the same problem.

I have heard comments in this debate that the definition is too repressive, too vague or too narrow. Let us see what the NDP and Liberals have to propose. I think that is only fair. If they have as many reservations as they say they do about what I believe to be an excellent piece of legislation, let us see what they have to offer.

Mrs. Finestone: Madam Speaker, I think that is a constructive observation. I recommend that the Hon. Member reread the Fraser and Badgley reports which contain some definitions that I believe all three Parties could address.

I believe that the present provisions are inadequate. One can see on the cover of *Hustler* magazine a woman's legs sticking out of a mincemeat grinder, with other parts of the body coming through, or the picture of a woman bound and hanging on a Christmas tree. I do not believe that is very appetizing or what Canadians want.

I agree with the Hon. Member and I stated in my speech that we need change. I also recommended that we need to consider other changes. I sincerely hope we can agree upon a description that will remove the particular reference to masturbation, ejaculation, vaginal, anal and oral intercourse. I think those are totally unacceptable and out of place.

Mr. Cassidy: Madam Speaker, I am concerned about the comment of the Hon. Member for Niagara Falls (Mr. Nicholson). He is trying to pretend that there have not been constructive and specific alternatives put forward, which have attracted broad support from women's groups, the artistic community, others who are concerned about censorship, human rights, and people concerned about pornography, particularly against children.

The Hon. Member for Mount Royal (Mrs. Finestone) just mentioned the Fraser committee report. This report came to grips with the issues and the Hon. Member is being deceptive and misleading in suggesting that constructive proposals have not been put forward not only by Members of my Party and the Liberal Party, but from what appears to be a much broader basis of support than the proposals being put up by the Government which seem generally to be put before the Conservative Party by REAL Women and a few other groups that are excessively right wing and do not represent the mainstream of Canadian society.

My question to the Hon. Member is related to her comments on the film *The Decline of the American Empire*. That is an award-winning, commercially successful film and it represents part of the coming-of-age of the Canadian cinema. I agree with her view that this film would not in fact be able to be shown in any way in Canada according to Bill C-54.

The lovely film entitled *Lies my Father Told Me* dealt sensitively and evocatively with Montreal some 60 years ago. It is based on Mordecai Richler's book. I presume that scenes which involved children learning a bit about life by finding out that the woman down the street made her living as a prostitute because of the Depression would not be allowable according to the Bill. As I understand it, even a chance depiction of a female breast in a television production which came to us from France, the United Kingdom or other countries that do not have the puritan standards which the Conservatives want to impose upon us would in fact be treated as erotica and could not be shown to children, meaning people up to the age of 18. Therefore, a whole range of television productions, including drama, science, and art from other countries would effectively be banned from Canadian television.

Is that how we are proceeding into the 1990s with the Conservatives? Are those the kinds of standards that a repressive minority is trying to impose on a majority who are concerned about pornography but do not at the same time want their ability to function as adults to be seriously impaired by such a ridiculous restriction?

Mrs. Finestone: Madam Speaker, my hon. colleague is right on target. Not only will it affect the choice at the film theatre and the selections on our TV screen, it will also affect those of us who go to the public libraries for books. It will certainly

have an effect on the paintings in our museums. I hope the Minister of Justice will not be insensitive to this restrictive and repressive Conservative view and will make the necessary changes.

Mr. Scott (Hamilton—Wentworth): Madam Speaker, I respect and fully understand the importance of the arguments that the Hon. Member for Mount Royal (Mrs. Finestone) has been making. As a former journalist, may I associate myself with her argument that the definition of undue exploitation of sex is far too ambiguous. One could drive a legal transport truck through its passages, as most people have since this particular definition came out.

Since school children, including my 16-year old son, are returning home at this hour, I respectfully request that we defer all of the explicit references such as those which have been made by the Hon. Member for Mount Royal and the Hon. Member for Ottawa Centre (Mr. Cassidy), until we get to committee. I believe that is where we can iron out some of the real problems, including the definition of undue exploitation of sex.

Would the Hon. Member not agree that the House is in agreement that this matter should be referred to the committee at once and dealt with there in the more informal surroundings that are not within ear-shot? I would respectfully suggest that Hon. Members please refer this matter to committee at once and let the committee deal with the more lurid details.

• (1550)

Mrs. Finestone: Madam Speaker, in acknowledging my hon. colleague's concerns for the nebulous aspects of the present Bill, and also respecting his sense of personal discomfort with some of the wording referred to in the Bill, I would, however, bring to his attention that as a mother and a grandmother—and, by the way a grandmother of my third grandchild—I have always referred to the parts of the body by the way they are defined. I have not used itsy bitsy cutesy phrases. I do not know what is wrong with using natural and normal phrases. Human sexuality is a beautiful part of life. Without it we all would not be here, nor would we have a future. I would suggest it is not an aberration and it is not difficult to discuss with one's children. I would hope that the kind of books which would be accessible in the libraries and schools of this land, and the kind of films we will use, will be such that our children can protect themselves and be able to make an intelligent decision as to how to handle themselves. I hope that will be carefully and clearly thought through in the legislative committee.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for York East (Mr. Redway)—Immigration—Senate Committee's Report on Terrorism; the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Health—Acid rain—Health hazard query/Request for stricter pollution emission standards; the Hon. Member for Burnaby (Mr. Robinson)—External Affairs—Victims of brainwashing experiments funded by CIA/Request for financial assistance in seeking legal redress.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee; and on the amendment of Mr. Robinson (p. 11291).

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I am participating in this debate because I am concerned that Bill C-54 is just a clone of Bill C-114, which was presented by the Government a year or more ago and which was found so seriously wanting, it had to be quickly withdrawn. It had to be quickly withdrawn because there was a general feeling in the community of Canada as a whole that the views of the narrow so-called moral majority were in fact not acceptable views to be imposed upon Canadians as a whole when it came to the question of pornography.

My Party, as our justice critic has already indicated, has in convention considered the matter seriously. We have devoted a lot of time to this particular question and we have indicated that we do believe there needs to be changes in Canadian law. Quite specifically, we have said that the law should be changed to define as pornography, material which condones violence, coercion, abuse and degradation in its depiction of human beings and this should include the production and distribution of such material whether in film, video, print or any other form. We also said that the definition of pornography should include material which portrays or promotes the sexual exploitation of children. We called for severe penalties for offenders. In response to the Hon. Member for Niagara Falls (Mr. Nicholson), therefore, the New Democrats have at the very least been very specific.

What we are debating right now is a reasoned amendment on second reading of this particular Bill which was proposed by my colleague, the Hon. Member for Burnaby (Mr. Robinson). The amendment states we should decline to give second reading to Bill C-54 because it fails to clearly define pornography in the way I have just mentioned. It does not distinguish pornography from material of an artistic, literary, educational or scientific nature in a fashion acceptable to the Canadian public, including artists. I suppose part of the reason I am participating in this debate is to say, let us be sensible and relax a bit while at the same time recognizing that new laws on pornography, particularly on child pornography, are needed.

There is something that is deeply troubling to me. If I turn on the television some evening when I am rather tired, in the course of that evening I can see 8, 10 or 15 acts of extreme violence, the kind of acts which lead people to think that we live in a violent society and older people to think that they are hardly safe to walk on the streets at night, something which, at least in Canada, is certainly far from the truth. Yet those kinds of depictions of violence, which are quite out of sorts with what actually happens in our daily lives in a country which is relatively peaceful in relation to violence and which has a low murder rate, and so on, go unpunished. At the same time, the least passing look at a female breast on television will, according to this law, be considered erotica and because it is shown to children, there will be no artistic defence, as I understand, and in fact might lead to up to two years of imprisonment. In certain cases, some of the definitions of pornography can lead to up to 10 years in imprisonment.

The way in which artists help to perhaps define societies and what societies might become is interesting to me. I would draw to the attention of Hon. Members and to the attention of the viewers who are watching this debate, including some of the 16-year-olds referred to by the Hon. Member for Hamilton—Wentworth (Mr. Scott), Margaret Atwood's recent novel, the *Hand Maid's Tale*, which I read a few months ago. It depicts a society in the 1990s with severe sexual repression, and what happens when a society has severe sexual repressions along those lines. People who are rich, powerful and well connected then go and do on the side what they are telling the population as a whole it cannot do.

It is equally ironic that we should be discussing this Bill not that long after the collapse in utter disarray of the moral majority in the United States. We find out that this is not just something that happens in fiction but in real life. People like Jimmy and Tammy Bakker were playing around in all kinds of ways, rather similar to the kinds of things that occur in soap operas on daytime television, which those two condemned so roundly. To put it mildly, they failed to live up to the standards of sexual conformity which they were seeking to inculcate in their followers.

The entire right wing in the United states showed a total incapacity to live up to basic standards of ethics and laws and indulged, condoned or were involved in such things as Irangate and the various kinds of shenanigans which went on there. They showed themselves totally unprepared to live up to the most basic of constitutional law as it is understood in the United States. To bring us back to the debate here, as you are about to do, Madam Speaker, these are the same people who have been passing messages to the moral majority, to the new right wing in Canada, saying we need the kind of legislation which is represented in Bill C-54. If we have that kind of hypocrisy taking place, we are going to get lousy results. At the same time, excessively repressive legislation, I believe, is going to backfire in all kinds of unpleasant and undesirable ways.

My colleague, and former colleague in the Press Gallery, the Hon. Member for Hamilton—Wentworth, suggested he was concerned about what his 16-year-old son might see on the way home from school. Some years ago I took two or three of my teenage sons, at that point in their mid-teens, to see the movie *Fame* in Toronto. That movie, for people who have not seen it, is a movie about young men and women at the high school for the performing arts in Brooklyn. It is not about just growing up artistically but growing up as human beings. Some make it and some fail. One of the scenes which I can depict without trouble on daytime television is of a young girl who wants to be in films and is tricked into going for what is said to be a film test. In fact, some cruel adult makes her strip in front of a camera for a so-called film test when in fact it is just erotic exploitation of a young person. I ask myself if it would be better for a teenage girl living and growing up in Toronto who wants to get into films to learn the lesson to watch out for that kind of thing by seeing a film or to have it happen to her in person. The answer is obvious.

During the course of that film there was the scene where the boys in the school happen to find a way of looking into the girls' washroom. In what I thought was a rather innocent and amusing way they saw one or two of the girls changing. Again, that is something which happens in the life of every teenager, I would assume. It happened in my life and I am sure it happened even in the boyhood or teenage years of the Minister of Justice (Mr. Hnatyshyn). That, too, would attract the attention of the moral protectors under Bill C-54.

In fact, we could not get into the film *Fame*. We could not take our teenage kids into that movie despite the fact it had a very solid, positive message about growing up in all kinds of ways, and in ways which are real to teenage men and women. Later, as a consequence, we sneaked our children into the film. We broke Ontario's film censorship laws and took our children into an unrestricted movie that was part of a double-header, and when the first film ended they stayed and watched the second film and received the types of benefits—

• (1600)

Mr. Oberle: Breaking the law?

Mr. Cassidy: The Minister of State for Science and Technology (Mr. Oberle) states "breaking the law". If there

are bad laws, sooner or later people will start to find ways of changing them.

I wish to cite another example. The *Tin Drum*, an artistic film of the highest merit, one of the finest films that I have seen from continental Europe in the past 15 or 20 years, was banned by the Ontario film censor. As Leader of the Ontario New Democrats, I took a group, we defied the law, and attended a special screening of that particular film. As someone who had spent some time in post-war Germany, I was astonished at how effectively that film, using all types of literary and artistic devices, transmitted the terrible and awful things that had happened in Germany before, during, and after the war. Because the central character in that film is an adult with only the growth of a child, it would not be permitted under Bill C-54.

I would venture to say that a reasonable number of Conservative MPs from the Toronto area have seen the production of *O Calcutta*. I believe it has been running in Toronto for seven or eight years. I think that it is a silly production, but I am not sure whether the moral fibre of Toronto has gone permanently to the dogs because of a stage production which features nudity and which is essentially preoccupied with sex.

In all of this, I look at the Bill and ask myself, what is really different from Bill C-114? The Library of Parliament has kindly prepared a summary which I have looked at. I wish to read the definitions of simple pornography.

In Bill C-114 was outlawed pornography which was defined as visual matter showing vaginal, anal, or oral intercourse; ejaculation, sexually violent behaviour, bestiality, incest, necrophilia, masturbation, or other sexual activity. That was particularly criticized because of the reference to "other sexual activity" which could presumably mean giving your cousin a kiss.

However, Bill C-54 is almost the same. It refers to bestiality, incest, or necrophilia; it refers to masturbation or ejaculation, and then it refers to vaginal, anal, or oral intercourse.

The Hon. Member for Hamilton—Wentworth stated that the details will be fixed up in committee. Let us address the principle involved. The fact is that the Bill is a clone of the previous Bill. The Bill means that a great deal of normal—let us put it quite bluntly—human activity, which I venture to say every Member of Parliament has taken part in, and hopefully with a great deal of pleasure, anticipation, and fond remembrance is dirty. That is true of the adult population. Members of Parliament, our constituents, and all of us would not have been here if it had not been for human sexual activity. We must be careful before we turn around and say to our children and everybody else that somehow everything in this area is dirty. It is not.

Activities which involve violence and sex are dirty. Activities that involve brutality and degradation of one human being by another are dirty and should be stopped. Activities which involve the exploitation of children in a sexual sense are dirty and should be outlawed. But for goodness sake let us have some sense of proportion in all of this.

I find it astonishing that a Government could have brought in a Bill which responded to widespread concerns about pornography, and then narrowed the definition and made it so restrictive, repressive, and objectionable that virtually every important group representing women, as well as the artistic community and people concerned about censorship, has spoken against Bill C-54.

ACTRA, the AIDS Committee of Toronto, the Canada Council, the Canadian Committee Against Customs Censorship, the Canadian Conference of the Arts, the Coalition for the Right to View, Feminists Against Censorship, the International Women's Day Committee in Toronto, Media People for Social Responsibility, the National Action Committee on the Status of Women, the Ontario Association of Art Galleries, the Ontario Coalition for Abortion Clinics, the Ontario Film and Video Appreciation Society, the International Writers' Organization, PEN, the Periodical Marketers of Canada, the Toronto Arts Council, and the Writers' Union of Canada. That is one range of groups. What about the media? *The Globe and Mail*, *La Presse*, *Le Devoir*, *The Ottawa Citizen*, the *Toronto Star*, *The Toronto Sun*, and *The Vancouver Sun* have all spoken out against the legislation in Bill C-54.

What is being done in this Bill will mean, among other things, I suppose that the police can come along and either if by hazard or with a search warrant can go into my library and look and see if I have any documents which I made about 25 years ago which are deemed to be child pornography.

Mrs. Bourgault: That is an exaggeration.

Mr. Cassidy: I am not exaggerating, Madam Speaker. The Hon. Member suggests that I am exaggerating. A book which involves children in one part of the book and which talks about intercourse in another part of the book could be deemed to be child pornography, and I could probably be jailed for having that book in my library, even though I inherited it from my father who bought it 30 or 40 years ago. That is the situation.

Some Hon. Members: Nonsense.

Mr. Cassidy: If it is nonsense, then we should change the Bill so it is not a possibility. I speak with passion. A former Prime Minister said that the state had no place in the bedrooms of the nation. I wonder if the state has a place in the libraries or the book rooms of the nation, along the lines of what are presently suggested.

Would a book which talks to children about sex in a positive and sensitive way, for example, *Show Me*, be permissible or not? Will we be in a situation where every work of art and every work that touches upon sexual subjects and which has been published in Canada over the last 50 years will risk being taken before the courts? Many of those books are still in circulation, if they are not in first printing, perhaps they are in used bookstores. Used booksellers and booksellers in general

and people like myself who have a substantial library will have to look through all of our books to see whether or not they are all right.

What about *Arabian Nights*? Could I be taken to court because I have a copy of *Thousand and One Nights* in my library, and which certainly involves sex? It involves young people under 18 or apparently under the age of 18.

An Hon. Member: Read the Bill.

Mr. Cassidy: The Hon. Member says to read the Bill. I will read the Bill. They will know that the test of artistic merit is not a test which has to be proven by the Crown, it is the defence which has to be proven by the accused. I could be dragged through the courts and forced to pay thousands of dollars in legal fees in order to prove that *Arabian Nights* had artistic merit, and therefore—

An Hon. Member: Absolutely not.

Mr. Cassidy: The Hon. Member states "absolutely not". Well, let him change the Bill.

In addition, if somewhere in *Thousand and One Nights* there was a concubine in a harem, who, according to the book might have been less than 18 years old, then there would be no defence of artistic merit. That is what is in the Bill.

Now I simply say to the Hon. Members opposite in the Conservative Party, is this the ridiculous type of thing that they are trying to suggest? They will make this country into a laughing stock around the world when people look at what is being put forward in Bill C-54. I do not think that I can accept that.

I repeat that I believe, as my Party believes, that it is necessary to have a redefinition of pornography. What we have now has proven to be inadequate and unacceptable. I have no problem saying that. However, it is crazy to put a legitimate artist in a situation where, for example, he or she may have to go to court and with limited resources defend whether or not a work of art has artistic merit. We are all put in a situation where the entire Bill will inevitably be challenged under the Charter of Rights and Freedoms because of its restraints on freedom of expression. I believe it incontrovertibly goes far beyond what is necessary in a free and democratic society concerned about pornography as the degradation of women, about pornography where violence and sex are linked, or about pornography where perhaps males are being encouraged to indulge in acts which are demeaning to the human dignity of another person.

• (1610)

This is why I endorse and support the reasoned amendment moved by my colleague. I hope Hon. Members will join with me in saying to the Government, as many in the media have said, "You blew it again". The Fraser and the Badgley committees have come up with some positive alternatives. Let us go back to those and come up with a Bill which will have broad consensus support, particularly from mainstream organizations representing women across Canada.

Mr. Blenkarn: Madam Speaker, I have looked at the definition of pornography, and I have heard the allegations of the Hon. Member for Ottawa Centre (Mr. Cassidy) that Members of the House were engaged in activities which would be wrong under the Bill. The Hon. Member felt that it was common for Members of the House to be involved in degrading acts in a sexual context, including a person who treats any other person as an animal or object, who engages in acts of bondage, who penetrates with an object the vagina or anus of the person, who defecates, urinates, or ejaculates on to other persons, or who is involved in bestiality, incest, or necrophilia which, for the information of the House, is intercourse with a dead body.

I thought that we had honourable people in the House, but it may be that we are going too far in this Bill, because the standard of conduct of the Member opposite and his colleagues in the NDP would treat these matters as ordinary matters. Would the Hon. Member like to tell us which Members of the House are involved in defecating and ejaculating over other people, in bestiality, incest, or necrophilia?

Mr. Cassidy: Madam Speaker, I think the Hon. Member knows that in the first place the acts to which he has just referred have always been illegal. I would hope that no Members have indulged in such acts.

However Clause 6 of the Bill indicates that any visual matter which shows vaginal intercourse is pornography. In addition, if it is done or is associated in any way with a person under the age of 18 years, not only is it then child pornography but also the defence of artistic merit is not admissible in the courts. For example, an actor involved in a stage presentation which was deemed to have met those particular criteria could be subject to a jail sentence for simply having participated.

I must assume that that is what the Government intended when it included that in the Bill. As a consequence, between that and the very restrictive rules relative to erotica, the Government has included an important area of human expression in which presumably all Members or almost all have engaged with pleasure and certainly without which none of the Members of the House would be here, except for perhaps a few members of the Conservative Party who may have been the products of virgin birth. To suggest that that is not part of normal human expression and to treat it as dirty is wrong.

Mr. Fulton: Madam Speaker, I wonder whether the Hon. Member for Ottawa Centre (Mr. Cassidy) could expand a little on a point which he made earlier in his speech regarding—

Some Hon. Members: Oh, oh!

Mr. Fulton: Madam Speaker, Hon. Members on the government side seem to have a lot to say. I hope they will rise to speak on the issue.

Prior to being elected I was involved in the field of corrections, probation, and parole. I happen to know something of what I speak in terms of those persons who unfortunately have serious sexual deviations and problems resulting in all cases from childhood and childhood training. They are not instinctual behavioural problems associated with human sexuality.

I wonder whether the Hon. Member would expand for a moment or two on the value, not only to young people but to humanity generally, of learning from film and literature about human sexuality.

It is only through these kinds of learning experiences that standards of acceptable sexual behaviour can be learned. Sexuality in terms of what is acceptable sociologically in Canadian society and elsewhere in the world is only learned through film, literature, and so on. I should like to hear further remarks from the Hon. Member, because I think Canadians generally are interested in what kind of law is most appropriate to provide the kind of peaceful and sane society in which we would all like to live and raise our children.

Mr. Cassidy: Madam Speaker, I thank my colleague for a good and sensitive question.

I have three sons. The youngest is now 19 years of age. I have watched them and their friends learn about life. They have always seemed to choose the hard way, but that is their affair. I have watched them grow up and gradually begin to make friends with young women. Some of them have now reached the point of adulthood where they are sharing their lives with young women.

One does not suddenly become a sexual being the moment one turns 18, which I believe is the essential picture suggested in the Bill. Communications between parents and teenagers, as I well know, are not always easy. Often it is difficult, no matter how much we would like it to happen, for parents to be the only source of information and guidance for our young people.

This is why we have story-tellers, and we have had story-tellers in society since the days when a few savages sat around a camp-fire half frozen in the northern nights of Canada. Today our story-tellers are novelists. They produce pictures, films, and plays. They are the story-tellers of our times.

As we said in our Party resolution, material which promotes the sexual exploitation of children and is violent or degrading in a sexual context toward children is clearly inadmissible. However, what about sensitive material dealing with children reaching out as they begin to recognize that they are sexual beings or dealing with the difficulties faced by young girls who menstruate these days at the age of 12 or 13? It may be as many as 10 years or 12 years in society today before they decide to get married. They must contend with a whole range of feelings, responsibilities, potentials, and risks, as we increasingly have a more egalitarian society which more equally understands the obligations of men and women in terms of preventing conception and in terms of raising children. These kinds of things must be felt by boys as well once they reach the ages of 12 years or 13 years. Through older brothers and sisters they cannot help but be aware of burgeoning sexuality. These are the facts. We cannot take away those facts by pretending they do not exist.

I have a friend who teaches in a school with a very repressive, may I say, religious point of view under which only religion teachers are entitled to talk to 14, 15, and 16 year old kids about sex. This does not stop the fact that they are brimfull of hormones and that they are trying to learn about these things. It is a very difficult matter which needs to be approached sensitively. It does not require the sledge-hammer approach which I am afraid we find in Bill C-54.

It is a difficult area. Although I welcome changes in the law, I do not welcome these changes because I do not think they adequately come to grips with what is needed in terms of helping young men and women on their way to adulthood in sexuality as well as in other things.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, I am pleased to rise today to deal with this major Bill aimed at correcting a situation which has existed for the past 20 years and which has been deteriorating year after year.

• (1620)

Madam Speaker, I must admit it is not easy for a person raised in a very conservative family and under a rather puritan system to deal with such issues as sexuality, pornography and bestiality. When I was attending school, we simply did not talk about those things, and although my father and mother were very good parents, they always had a lot of difficulty talking openly about sex.

Ever since we came into office three years ago, Madam Speaker, it is clear that each time legislation was introduced, NDP and Liberal members have always whined about the new calamity which was being visited on the Canadian public. They always exaggerated, describing any new piece of legislation as terrible and frightening. Whether it is the famous Bill C-22 or other Bills which they claimed would result in hundreds of thousands of jobs being lost, while on the contrary they created a great many. In short, Hon. Members opposite always find Government legislation terrible, but in the end people adapt to it. A Government certainly cannot hope to please the Canadian people 100 per cent. I do not believe that those who make money selling pornography exploiting children and, of course, women—as women, we have always been victimized by this somewhat uncommon moneymaking exercise—will be pleased with this Bill. That is understandable.

Madam Speaker, I remember that, not so long ago, when the Government introduced Bill C-49, we heard exactly the same arguments from hon. Members opposite. I realize today that municipalities finally got over it and people involved in prostitution have changed their attitude. I suggest that people will do like- wise with Bill C-54.

First of all, the House should remember that in 1978, the Liberal Government of the day introduced a similar Bill—I do not know what it did with it—but nothing came of it. It is easy to be a Liberal today and speak against Bill C-54—after having been in office for 25 years and unable to come up with legislation to curb prostitution and the pornographic plague from which, as I see it, stem other types of violence on which I will be commenting later on.

In 1981 or 1982 ex-Minister of Justice McGuigan had also made an attempt to introduce a minor amendment to the Criminal Code, but he finally came to the conclusion that dealing with this kind of issue was not a popular endeavour within his own Party, so he opted for commissioning the Fraser committee. Madam Speaker, we have to be honest enough to admit today that after so many years—I think this need to be said—there was a lack of leadership in governments, and the situation has degenerated to such an extent that Canadians can no longer tolerate what has happened and is still happening today in society.

Madam Speaker, I am glad to see that a Conservative Government which has more faith in traditional and family values has had the courage to introduce this Bill which is the logical complement of Bill C-15. At long last we have found ways to make sure that in future our Canadian society will show respect for the dignity of women and the integrity of our children.

Madam Speaker, the Bill sends a crystal-clear message to men and women who exploit children: such behaviour will no longer be tolerated. Our children have the right to be protected against such exploitation and such prejudices. All of us here in the House must see to it that children are sheltered from degradation and sexual violence.

Madam Speaker, very often, the movies, pornographic material and other disgusting things being showned to men and women who view this kind of material will cause a simple fantasy in the mind of these people to degenerate into an act of violence or even murder. One just has to read newspapers that specialize in murder stories, for instance *Allo Police* or *Photo Police*, to see that very often there is pornographic material involved in cases of murder or sexual assault on children or women. One can easily imagine how a person who has access to this violent material, especially if that person is young and unarmed, if I can use that phrase, how a teenager can be traumatized and how this type of material can encourage him or her to do the same thing.

Personally, Madam Speaker, I would like all pornographic material including movies and any other kind of pornographic material to be accessible only to adult persons. In other words, one should not be able to view or buy any of these things in book stores, not even the so-called adult movies. It is so easy nowadays to rent a videotape. And when one tries to draw the line between pornographic movies and so-called erotica, it is easy to make up definitions that do not mean anything in reality.

What we have here is an amendment to the Bill that doesn't mean anything, because the amendment proposed by the Hon. Member for Burnaby (Mr. Robinson), who is the official critic of the New Democratic Party on the matter of justice, provides for . . . actually, it does not provide anything. If the amendment is passed, it will mean that nothing more will be done and that the Bill would have to be reintroduced and studied all over again. This would bring about confusion to no end and ultimately there would be no answer to the Fraser and Badgley Committees.

Madam Speaker, the Bill provides for innovative and useful changes. To start with, it gives a clear and detailed definition of pornography that contrasts with the present legislation. That is important and must be underlined. The present legislation defines an obscene publication as follows: any publication a dominant characteristic of which is the undue exploitation of sex or of sex and one or more of the following subjects, namely violence, etc.

Presently, artists and writers must deal with a very vague definition of the word "obscene" and they have but one available defence, that is to serve the public interest. Although the artistic value is taken into account upon determining whether there has been undue exploitation, it is not by itself an excuse. At that level, Bill C-54 is a significant and genuine improvement.

Madam Speaker, a number of observers have suggested that Bill C-54 goes too far on the grounds that writings can encourage or promote sexual conduct involving children or for that matter any degrading or violent sexual behaviour. Some librarians believe that the provision in the Criminal Code dealing with obscenity does not apply to writings, as against Bill C-54.

I submit, Madam Speaker, that those people although they may be well meaning are mistaken. That provision of the Criminal Code clearly and specifically applies to written material. There is no doubt about that, Madam Speaker. Librarians and authors should not only realize that writings have been subjected to the Criminal Code for a number of years, but also appreciate that this Government is dealing with the matter of writings in a more subdued way.

Finally, anyone with artistic or literary concerns should note the improvement in Bill C-54, as against the legislation introduced by the former Minister of Justice in June 1986.

Madam Speaker, it is my view that for partisan reasons they are indulging in hairsplitting. It is my very honest belief that we must trust Canadians. I am sure, Madam Speaker, that you and I know very well the difference between erotica and

pornography. I am also sure that any judge who would have to rule on that is quite capable of drawing the line between a movie that depicts normal sexual activity for educational purposes and a movie that depicts a sexual act for pornographic purposes, in other words that deviates from the normal sexual act in order to make it attractive for viewers, that goes further and uses some kind of violence, performing the sexual act in such a manner that it be not viewed as a normal sexual act. That is clear in Bill C-54.

Suggesting, as they do, contrary to the Bill, that erotica and pornography are ill-defined amounts to running with the hare and hunting with the hounds. In fact, it means opposing the legislation while being in favour, but this is something we have known for a long time, Madam Speaker, since 1984 the Opposition parties do not know where they stand. As for us, we know where we stand; Bill C-54 states our position. The Liberals and the New Democrats do not know where they stand. They agree with the Bill, but they do not agree with it. They move amendments which would have us withdraw the Bill and begin the entire process all over again, and it is long and difficult and would involve negotiations and discussions which would not achieve anything.

In my opinion, Madam Speaker, the arguments of the women's groups are being used inaccurately. Some have said that the women's groups are against the Bill. It is not true. They are not against the Bill. Quite the opposite. The simple fact is that, like other groups, certain women's groups have expressed an opinion about the definition. The committee to which this Bill will be referred will certainly be able to make recommendations about the definition which concerns the opponents of this Bill. However, they are not opposed to the provisions on child pornography or to the provisions dealing with other matters. They do not even oppose the Bill because of the definition. They have simply expressed their concern about the definition of pornography and erotica.

Madam Speaker, the Minister of Justice (Mr. Hnatyshyn) should be congratulated for having finally introduced Bill C-54. As the Hon. Members will certainly recall, Bill C-15, which also dealt with sexual offences against children, was passed by this House last June. If Hon. Members are honest, they will recognize that the Conservative Government has responded adequately to the recommendations of the Fraser and Badgley commissions. If they want to be honest intellectually and otherwise, they will also admit that the Government and the Minister of Justice deserve our congratulations for having finally adressed this issue.

Madam Speaker, I am looking at my colleague for Niagara Falls (Mr. Nicholson). I shall never forget that, when I was a member of the committee considering Bill C-49 on prostitution, the mayor and pressure groups from Niagara Falls came before the committee to speak about the ills of prostitution. A question was asked of the mayor of Niagara about pornographic material. In his mind and in the opinion of the groups that appeared before the committee examining Bill C-49 on prostitution, pornography was the starting point for all kinds of violence. Any way one looked at it, some pornographic material, a film, a magazine, articles, could always be traced back as the source of violence.

Madam Speaker, I do not think there is any Member who does not recall the horrors inflicted on some children by maniacs, as they are called, because they are very sick people. At the hearings or trials, it was once again clearly demonstrated that those people got the idea of committing such acts of violence from something they read or from viewing pornographic movies.

Something had to be done since we are in 1987. That issue has gone on for the last 20 years. It was about time a government stood up and came up with a bill that is not one hundred percent perfect, of course, but that takes into consideration the public concerns at large. And I am sure, Madam Speaker, that Canadian men and women will give credit to the Governement for having dared speak up, in this piece of legislation, and bring forward a bill that will deal with and, hopefully, put an end to the degradation and violence inflicted upon women and children, and will lead to greater dignity for our country as a whole.

• (1630)

[*English*]

Ms. McLaughlin: Madam Speaker, I found the Hon. Member's speech very interesting. I agree with her that this is an important issue and needs to be discussed now. Like my colleague from Broadview—Greenwood, I think it is good that the Government has brought this issue forward for discussion. I can definitely say that the Conservative Party is bold in bringing this forward. My hon. friend is a feminist and I am sure she has fought to have this issue brought forward. We are all very concerned about it. However, there are a couple of things I would like to raise with her.

She mentioned that she knows what eroticism is. She knows what pornography is. She also mentioned that Madam Speaker knows, but I will not ask her to comment. She mentioned that the courts know. Given that she knows the definitions, which seems to be the heart of the dispute, why would the attorneys-general, who will be in part responsible for dealing with this question of definition, raise such serious concerns? They will be involved with those courts which my hon. friend says should be so clear on the definitions.

[*Translation*]

Mrs. Bourgault: Madam Speaker, my thanks to my colleague from Yukon (Mrs. McLaughlin). Of course, like all the women who sit in this House, we are the first ones to be interested and concerned by that question since we have been the models, we are the persons who have been exploited over all those years. Now my colleague is saying that the Attorney General will be responsible for the definition. Somebody has to be responsible. The role of Parliament is to legislate, courts are there to interpret the laws, and I think I can safely assume that Parliament could amend the definitions if it ever becomes clear

that the Attorney General is unable to define clearly a precise problem. As I have said earlier, I have faith in our court system, and in Canadian men and women. I am sure that we will eventually agree upon a definition of erotica and pornography.

• (1640)

[*English*]

Mr. Nicholson (Niagara Falls): Madam Speaker, I would like to congratulate my colleague on the very fine way in which she articulated the problem and the challenges which the Conservative Government faces. She gives the Government full marks for being bold in this area as should the entire Parliament and as do, I believe, the people of Canada.

I have to take exception with comments which I have heard made by members of the New Democratic and Liberal Parties that this measure is not finding wide support among the people of Canada. That is absolutely wrong. Much of the support for this Bill, I admit, is not coming from lobby groups but from individual Canadians who recognize pornography when they see it in the corner store and who want something done about it.

When I heard the allegation that this concern about pornography and the Government's response to it was only something which the Tories had dreamed up and that it did not have widespread support, I checked my mail of the past week on the subject of Bill C-54.

A Mr. Ed Woodman from Niagara Falls concludes his letter to me of November 10 as follows:

> I hope and pray, sir, that you will throw your whole weight behind this 100 per cent.

I also received a letter this past week from Mary Beasley of Shakespeare Avenue in Niagara-on-the-Lake. She said:

> I would like to state my support for the passage of Bill C-54, as I am strongly opposed to pornography. This legislation is long overdue.

Among other things she says:

> I wish my voice to be heard and to count in this battle.

I can tell Mrs. Beasley and other constituents such as Phil LoForti and Erwin Huisbrink that they are being listened to in this debate. The Government is again bringing forward the kind of legislation for which the people have been asking. We are not passing the buck as has so often been the case in justice-related issues.

My colleague referred to the prostitution Bill which was before the House. That is another example of where the buck was passed. The previous Government talked and talked about how concerned it was with the subject. However, it was the Conservative Government that finally did something about it. It gave tools to the law enforcement agencies to do something about the problem of street soliciting. The same is true in this case. Anyone can criticize, saying that they do not like the definition or that it is too narrow, too broad, too vague, too this, or too that. However, as my colleague has said, we have had the courage to go ahead and try to do something about this problem.

The people who are not part of lobbying groups, who are not being financed by the Government, are being listened to. This legislation is a response to the very genuine concern of people about pornography. I would again like to congratulate my colleague and invite any further comment she might have.

Mrs. Bourgault: Madam Speaker, my colleague is right. The great majority of Canadians have been waiting too long for this Bill. I have received many phone calls from constituents who were sick and tired of being obliged to take pornographic videos away from their young children. The 15 or 16-year-old children do not understand why these videos are available at the store if they are harmful.

During the leaders' debate in 1984 the three leaders agreed that the Government of Canada had a responsibility to stop the illegal entrance of pornography and the degradation of women and children. The Government has decided to act and I am proud to be a member of the Government which has addressed this problem. The women and children of Canada will finally regain dignity in our great country.

Mr. Roland de Corneille (Eglinton—Lawrence): Madam Speaker, I rise to speak on this most important Bill dealing with a most important subject. When Calvin Coolidge was President of the United States he was asked by his wife who was unable to attend church that morning, "What did the Minister say, Cal? What did he talk about?" Coolidge, who was known as a man of very few words, said, "Sin". She asked, "What did he say about it, Cal?" Coolidge's reply was, "He's agin it".

I think we are all against sin. We are certainly concerned about the recent avalanche of pornographic material, especially as it becomes harder and harder in its depiction of violence, whether on television, in magazines, or what have you. We are alarmed and horrified by the pornographic and sexual abuse of children.

Various things have been said about one party and another. However, in order to counter the deluge of material which has been increasing over the years we must ensure that we pass legislation which will stamp out the proliferation of violent and degrading sexual material, especially that which applies to women and children.

Brutality, bestiality, degradation and violence are regarded by us all as abhorrent. We must try to prevent that which will educate or in any way influence people to perform violent acts or to accept them in a human and decent society. We are, therefore, in agreement with those steps which will move in that direction.

We must ensure that in doing this we do not create legislation which achieves the goal we want while bringing those goals into disrepute and making the Bill itself an objection.

That is the task of every Member of the House of Commons. It is not merely the goal of the Opposition, although it is certainly our special role to study legislation and pick it apart in an effort to ensure that it is good legislation. There are parts of this Bill which concern librarians and the artistic community. There are parts of the Bill that concern churches and religious leaders. They are not happy with aspects of this Bill. It is their responsibility to communicate their concerns and make sure that the Bill is good. Personally, I must call attention to the clause which deals with the subject of erotica. Clause 1 of the Bill states:

> 'erotica' means any visual matter a dominant characteristic of which is the depiction, in a sexual context or for the purpose of the sexual stimulation of the viewer . . .

• (1650)

It then lists certain parts of the anatomy.

Clause 159.7 then states:

> Every person who displays any erotica in a way that is visible to a member of the public in a public place, unless the public must, in order to see the erotica, pass a prominent warning notice advising of the nature of the display therein or unless the erotica is hidden by a barrier or is covered by an opaque wrapper, is guilty of an offence punishable on summary conviction.

It is provisions such as these which concern the libraries, the religious community and the artistic community. They ask whether we are dealing with those things such as hard core pornography that we want to stop, or also including in the Bill such an omnibus list of concerns that it will create a backlash and a loss of respect for this legislation.

I hope the committee will examine this Bill very carefully and make sure that the objectives I have outlined will be achieved and, at the same time, eliminate those concerns so that, by being so puritanical or unenforcible in its nature, this Bill will not earn derision rather than respect.

We all know the dangerous results of the Bill that was passed in the name of temperance. That Bill which in effect imposed prohibition did not cease the use of alcohol as hoped, or bring about temperance in alcohol, but stimulated its use in the United States far beyond anything it had been before. That Bill brought about waves of crime, gang wars, smuggling and tax evasion. That Bill which was supposed to bring temperance left in its wake a whole way of life that was violent. It brought about total disrespect for the law. That is certainly what we must avoid. We must not pass legislation that will bring about such a backlash from the general public that it will be merely regarded as a joke.

We must deal with this matter with respect and great care. For example, we must recognize that 5 per cent or less of the pornographic materials to which we all object is created here in Canada. Over 95 per cent of it is created in the United States or transshipped through the United States. When we consider free trade, let us hope that this will not be more of the free trade that we want. I hope we will remember that not all blessings come from the south when we think of what it means to have open borders.

We also must consider whose responsibility it is to prove someone's innocence or guilt. The committee must carefully consider the question of responsibility for proving whether or not this law has been contravened. There must be due process and respect for the ancient rule and view of British common law that a person is innocent until proven guilty. We must not create a situation in which it is up to the artist, for example, to prove his or her innocence. I do not know that anyone could regard themselves as artists and feel free in any society if they were afraid there would be laws in this country making one guilty until proven innocent.

I hope the House will make a radical examination of these matters when the Bill goes to committee, to ensure that mistakes are not made again.

I refer to Bill C-114 which was known as the Crosbie Bill. The Government presented this Bill to the House for passage. However, not only did the Opposition and many people throughout the country object to the Bill, Members of the Government benches, in private and in caucus, urged that the Bill not be passed because it was bad legislation.

It is not necessarily correct that the Government has taken positive action simply because it has brought forward a Bill to finally deal with a subject. If the Government is so incompetent in drafting a bill to deal with a particular problem that it cannot get the support of its own benches, obviously it had better take a hard look at this Bill.

There are many people who definitely want to stamp out every form of hard core pornography, which is evil, and at the same time want to make sure that our freedom of speech is maintained. Our artists must not feel that they live in a country where they cannot create a society that will bring about sensitivity and respect for the love of people and their relationships. We must ensure that that legislation does not attack love, sexuality or the artistic depiction of love in some way.

I believe the committee should analyse some present forms of art that are acceptable to Canadians to see whether this Bill will pass the test. Let the committee be absolutely sure that the language will eliminate what we want while respecting the values of our society, especially for education.

Let us also be sure that our children will be educated safely and adequately due to the dangers of AIDS, sexual diseases and so on. We must pass legislation that does not merely supply a platform for someone to make a point. Let us have legislation that is worded in a way that good educational material for children about sexual behaviour, sexual relationships and explanations will not be ruled out and make us in the House of Commons look absurd.

• (1700)

I see my time has expired at this point, or at least that my time is up.

The Acting Speaker (Mrs. Champagne): The Hon. Member will have an opportunity at a later time to continue his intervention.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Nelson A. Riis (Kamloops—Shuswap) moved that Bill C-268, an Act to amend the Canada Elections Act (non-listed electors), be read the second time and referred to a legislative committee.

He said: Madam Speaker, I would like to begin my comments by suggesting that often many Canadians take our democratic privileges for granted. When one considers the turn-out in federal, provincial, regional and local elections, one is somewhat disappointed by the relatively small turn-out which would indicate that many Canadians simply do not take the opportunities presented to them to cast their ballots for the candidates of their choice. We have been reminded of the precious value of what we have in Canada, what we have known for many decades, by the recent developments in Haiti. For years and years its people have not had an opportunity to express their views of those who would govern them. The attempt at a return to democracy in Haiti has resulted in terrible bloodshed and harassment of voters by armed thugs and we have seen the democratic process which was attempting to reawaken in Haiti set back for some time.

It is interesting, when we consider that the United Nations identifies about 165 countries in the world, how many of these countries actually practice a democratic way of government as we do in Canada. How many of these countries actually hold free and open elections based on the principle of universality and on the right of an election to be called regularly so that the people of these countries have an opportunity to evaluate those who govern them and decide whether they want to change or continue with the status quo? Out of those 165 countries, less than 30 countries actually practice a democratic system as we know it in Canada. That really brings home to us just how precious is our democratic way of life.

Today's Private Members' Bill is really two-fold. It recognizes this precious way of government in our country, and it offers three changes to the way people cast their votes so as to make our system perhaps more equitable and able to provide a fair opportunity to more electors.

I want to begin by reminding Members that in the last federal election, at the last minute, so to speak, 510,000 people had their names added to the voters' list. This gives us an idea of how accurate and thorough the normal procedure is for assembling those voters' lists. For one reason or another nearly one-half a million Canadians found themselves off that list and had to take steps at the last minute to have their names placed on the voters' list, either successfully or unsuccessfully.

This modest Bill attempts to do three things. It attempts, first, to allow urban voters to be sworn in and be able to vote on election day. This is a privilege, of course, that we have had in rural Canada virtually from the very beginning because in times past it was recognized that as high as 80 per cent of the residents in Canada were rural dwellers, and the assumption was that it would be difficult to find everyone at home, or to make the necessary calls to place everyone on the voters' list. In order to provide a sense of fairness, on election day, if one was living in what was designated as rural Canada, one could be sworn in, have one's name placed on the voters' list and be able to place one's ballot. Such is not the case in urban Canada. With more than 80 per cent of Canadians living in urban centres, it is time, I feel, that that same opportunity be offered to urban voters.

I suppose in sociological terms, one can make the case that the modern city often makes it difficult to enumerate voters because of the transient nature of the population. People are regularly moving, particularly in some parts of our cities, and I am thinking primarily of those living in rented accommodation. There are incredibly high levels of transition with apartment dwellers. I know from talking to some of my colleagues in the House of Commons that there is 100 per cent turnover from one election to another for a lion's share of their constituents which indicates the rather transitory nature of many of our voters.

The days when everyone knew their neighbours and could offer suggestions and assistance to help urban voters get on the election rolls are unfortunately passed for many Canadians who now live in virtual anonymity. They do not even know the person in the next apartment, in the next condominium or, in many cases, in the next house. In sociological terms one could make the case that the same opportunity ought to be offered to those living in our urban areas as traditionally provided to those living in the rural areas.

A second provision in the Bill allows candidates and canvassers to have entry to apartment buildings, condominiums or hotels which have in place a "no soliciting" policy. I recognize that a number of provinces through various pieces of legislation, usually respecting the Landlord and Tenants Act, provide this opportunity and in a sense prohibit owners of apartment blocks, hotels and condominiums from stopping canvassers and candidates from entering buildings to go door to door in order to offer the traditional presentations that we find during a federal election campaign. However, there are some provinces where this provision does not exist and I feel that because of the federal Government's constitutional control over the electoral process, it would make sense to complement what some provincial legislators have already done in the past,

and that is to provide this access. I think in the tradition of the federal electoral process, it ought to be part of our Act as well.

I think we have all encountered, and it is actually prohibited by law, harassment of canvassers and candidates from certain apartment blocks where the owner perhaps simply does not like the individual involved or does not want to present any kind of harassment to his or her renters or those staying in the apartment, hotel or condo. This would simply make it impossible for one to deny the access of a candidate or canvasser to that particular building.

Although I do not see this as a significant problem, I think we have all encountered it, this would simply set the record straight so that every Canadian, regardless of where they live in a community, will have access to canvassers or to candidates. This information, of course, is necessary. We assume that in the democratic process, the voter will cast his or her ballot as a result of informed decision making. That requires them to have access to canvassers and access to candidates. It is also important for the canvasser or candidate to have access to all of the voters for their files and to complete their information and, of course, to present themselves face to face with the person who will eventually be casting the ballot. It is an attempt at fairness in order that all Canadians, regardless of where they live, will have access to that same level of information.

• (1710)

The last part of the Bill is to allow travellers and students who are temporarily resident outside of Canada to vote in federal elections. Canadians are among the most travelled people in the world. On a per capita basis we are the world's travellers. In the summertime Canadians are well known for travelling abroad. During the cold winter months the mass exodus into the sun belt is now a Canadian phenomenon. If an election is called in the summer, as was the last federal election, or in the depths of winter, large numbers of Canadian travellers will be outside the country, to say nothing of the students involved.

One of the most positive aspects of our student population is the increasing numbers of Canadian students, young and not so young, who are taking the opportunity to pursue their studies outside of Canada, to spend a year or two at other institutions of higher learning and take advantage of opportunities in schools and institutions abroad. We ought to take steps in order that we do not deny those people the opportunity to cast a ballot on election day.

In the Canada Elections Act steps have been taken to provide that opportunity to those serving in the Armed Forces, and those working abroad in External Affairs offices. They are able to register and cast their ballots in a federal election. This Bill suggests that the same opportunity ought to be provided to Canadians who can swear their residency in Canada, indicate and demonstrate that they are citizens of the country, and if they are students studying abroad or Canadians who are travelling abroad, that they will not be disenfranchised or lose their right to cast their ballot in a federal election.

In a nutshell, that is what Bill C-268 is all about. It is an attempt to remedy three problem areas. As parliamentarians those areas are not particularly new to us. On a number of occasions the Chief Electoral Officer of Canada has brought these and many other problems to the attention of parliamentarians. When one considers that hopefully a winter election is in the offing, the Government will see fit to call an election on the free trade, and that will mean a winter election when a lot of Canadians are outside of the country and a lot of students will be caught outside the country.

Mr. Blenkarn: Which winter?

Mr. Riis: I hear that other Members are listening. If it is not a winter election, possibly it will be a summer election. But at whatever time, there will be large numbers of Canadians caught outside of the country and denied the right to cast their ballot.

I hope that Hon. Members will see fit to send this Bill to a legislative committee for thorough examination and study. Hopefully it will be passed at the following sitting, and we can get on with removing some of those more obvious inequalities and injustices when it comes to casting our votes in a federal election.

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I think that the House should be indebted to the Hon. Member for Kamloops—Shuswap (Mr. Riis) for bringing this Bill to the House. It is an important Bill. It deals with issues that the House must from time to time deal with, and that is the Canada Elections Act. As the Hon. Member pointed out, there will be an election one day. We would not want to have that election without adding four people to the representation from British Columbia in this House. I am surprised that the Member pointed to a winter election. Any election would have to be after there was an opportunity for a representation to the extent of the way it ought to be bearing in mind the last census.

I wish to address the issue in Clause 2 of the Bill which deals with the question of canvassers for a candidate or the candidate himself being able to enter rented or condominium premises. The Bill also mentions hotels. I point out to the House, and my friend, that in a number of provinces that right has already been given. The reason it is given is that under our Constitution the provinces are responsible for the property and civil rights in the province. The provinces of Newfoundland, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, and British Columbia have provided that not only in provincial elections or municipal elections which are within the purview of the province, but also in federal elections, candidates and canvassers are entitled to enter and bring forth the necessary messages to let people know that an election is on, and present their candidate's viewpoint. That is a very important right.

Obviously, apartment houses are private places. To give someone the right to break in or enter private premises and wander the corridors and do the things that candidates or canvassers do in an election, knock on doors and disturb people and ask for a vote, to some extent is interfering with privacy. But it is an important interference of privacy. I think the House would agree that it is important.

The House would also agree that perhaps we do not have the right constitutionally to insist in the Canada Elections Act that we can break down the privacy of private property, as that property is within the jurisdictional confines of the provinces.

If, in bringing this Bill to committee, we find that we cannot go ahead with Clause 2, perhaps we can use the pressure of the House to persuade the provinces of Prince Edward Island, Nova Scotia, and Alberta to extend the rights that other provinces have given people who are campaigning in federal elections.

I wish to point out that the Province of Alberta extends that permission to people who are campaigning in provincial elections, but not in federal elections. It would not be much of an extension to extend the benefit for federal elections.

The question of whether canvassers should be able to enter hotels is another matter that ought to be looked at very closely, and if people in hotels should even be enumerated. Normally hotels are places where people stay for a short period of time. There are certain requirements of being resident at the time an election is called, and actually being resident in the hotel and not just temporarily staying there. The question boils down to how is a hotel defined. Perhaps the Bill is deficient in that definition. Surely, it is not the right to enter any hotel. Surely, it is not the right to enter the Westin Hotel and wander up and down the halls knocking on every door and saying, "I want your vote". That hotel is there for people who come to this city to do business, and it is not a residential hotel where people stay week after week or month after month and use it as their permanent residence from which they will vote. There must be some definition work done on this Bill, or perhaps the word "hotel" removed from the Bill. Certainly, the committee can do that.

I do not wish to take up a great deal of time on the matter. I think it is good that the Hon. Member has brought the Bill to the House.

• (1720)

Turning to the section dealing with the special voting right, I think that matter has been before the House previously. Certainly it has been brought to the attention of the House by people studying the Canada Elections Act. Of course the question is: What about people travelling abroad or who are only temporarily abroad? It seems that to extend the voting ability to people who are just temporarily abroad would be most improper and most difficult. Perhaps proxy voting systems might better solve the problem. However, to have some provision where people could register their vote with an embassy or consulate would seem to be very difficult, particularly people who are away from the country on holiday. Clearly people who are away on a long-term stay, temporarily no longer resident in Canada or staying outside Canada on a posting, ought to be given some special right to vote in our elections.

Having made those few comments, I commend the Hon. Member for Kamloops—Shuswap on a good Bill. I hope that it will go on to committee.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Madam Speaker, I would like to join the previous speaker in thanking the Hon. Member for Kamloops—Shuswap (Mr. Riis), since the Bill is in his name, for introducing this Bill on October 6, which means we now have an opportunity to consider his Bill this evening.

Madam Speaker, we know it is only a matter of time, and I hope it will be very soon, before the Government tables Bill C-79, an Act to amend the Canada Elections Act and other Acts in relation thereto. First reading was on June 30, 1987, and I think the Government will be bringing in the Bill for second reading very shortly. I intend to take a very active interest in the proceedings when we consider this Bill.

Meanwhile, the Hon. Member has submitted a number of proposals to the House, and at first glance,—and with my experience of election campaigns, both my own and the campaigns of others, which should total about 100, with at least eight of my own—I believe there are a number of items here to which we can say yes immediately. I hope that if we do not reach some kind of agreement this evening, we will be able to reconsider the Hon. Member's suggestions when the Government brings in its own Bill very shortly.

I agree it is very annoying when you get people who arrive at the polling station on election day who, the day before, suddenly realized they were not on the voters' list. I must admit it is very frustrating, both for the elector and often for the political organizations who urged these people to get out and vote during the election campaign. But there is also the question whether this has to be left until the very last day, until election day.

It works all right in small urban centres and in rural areas. Then there is no problem. However, in our cities, many people would think twice about giving this kind of last chance to someone who comes in under the wire, at a time when everybody is busy processing hundreds of voters. Someone will have to decide who is and who is not a voter and swear them in. I think that would unduly delay the process and would also discourage some electors who are already on the list. However, I do feel positive about this proposal.

I know that Bill C-79, the Bill the Government intends to table very shortly, contains a reference to this problem, since so far, we can add electors to the list up to the seventeenth day before the election. I believe the Government is proposing in

Bill C-79 to extend the revision period until the 12th day, including a specific clause that provides for the registration of a voter. That is in Bill C-79. Now, with this Bill, we could . . . and I am all for it, not that I am against what the Hon. Member is offering us, but the Government goes so far as saying that until three days before, that is until the Friday before the vote, it will be possible to go to the office of the returning officer in order to add to the electoral list the name of the people who might have been left out during the revision and who might come up at the last minute.

So I think the Hon. Member, who is a reasonable gentleman, will be interested to discuss it further when we deal with Bill C-79, an act to amend the Canada Elections Act and other acts in relation thereto.

To this day, I am satisfied that there is at least a disposition to act. I wanted to put forward an amendment myself but there we have a proposal by the Government to extend the period until Friday. That is a considerable improvement, especially for people who live in urban areas. Because my colleagues and I, during the electoral campaign, we keep finding people who are not on the list and it is very frustating not to be able to have them added. At least, we know that we will be able to have them added to the list up until the Friday before the election. So whether it is the Friday before or the very same day, I believe there is not much difference between what the Hon. Member is proposing, what we have been requesting for a long time and what should be done. There will be a possibility when the day comes to combine all the various proposals.

The second proposal of the Hon. Member would also be a source of difficulty as some building owners forbid any entry because the tenants are senior citizens, people who are afraid of seeing so many visitors circulate in their building, as the previous speaker pointed out. There also, I am rather inclined to agree with my colleague. However, I would like us to be able to examine all implications very carefully.

We all know what it means and how difficult it is to visit certain large apartment buildings in Montreal, Toronto or Vancouver. There could be twelve candidates coming once, twice or three times. This could mean up to thirty-six visits by people, either by themselves or with others, to campaign in a building. There are problems, but it is always possible to find solutions. For my part, I am an optimist. We can look at all that later on when we examine the legislation which the Government should bring back very soon. The Hon. Member is certainly better informed than I am about that as he is the House Leader of his party. I imagine, however, that Bill C-79 will be referred to a committee in the near future. If this Bill does not pass today, I hope that he will be in the House then to go over all his proposals.

Therefore, there are no major objections except for the fact that this will create difficulties. We shall have to look at a way to appease the fears that many people may have in seeing all kinds of visitors in their buildings, especially in the major centres, where people have a greater tendency to be scared. I do not blame them. It is a major problem in the downtown areas where there are big buildings in which no strangers are admitted. But how can we defend democracy if we cannot talk to people? It would be appropriate to have a lengthy debate on this issue.

The third proposal of the Hon. Member, the last one, after which I shall sit down and let others speak as provided by our rules, aims at allowing travellers and students who are temporarily residing abroad to vote in a general election, just like the members of the Canadian Armed Forces and public servents posted are allowed to do.

However, I forsee problems in this regard also. For twenty years, we have been looking at ways to make it possible for the greatest number of Canadians to vote. How can we do that? Members of the Armed Forces are registered annually, and so are public servants on foreign postings, but it would be difficult to do the same for students and travellers.

I am certain that our discussions will be lengthy when the Government Bill is being considered. In fact, the Bill includes a whole section on the right to vote of others than the military and public servants. This raises enormous difficulties. The Hon. Member is aware of that. Where will we stop? Students in Canada, that's understandable. Students abroad, that's also understandable, but is their status permanent? We always have much sympathy for students. As for Canadian citizens travelling abroad, we do not know. Once you open the door in the case of travellers, the next time you probably would want to open it for . . . As a matter of fact, a provision in the Government's Bill makes it possible to extend the right to vote to people temporarily residing outside Canada without losing their citizenship. But as you know, their situation is similar to that of people coming to Ottawa to work for a while. If you keep talking long enough about the people who are in Ottawa on a temporary basis, you suddenly realize that they are here on a permanent basis. This will create difficulties.

I know that in the Bill introduced by the Government, it is difficult to decide when to say yes or no? Personally, I have no final opinion on this for reasons which I will explain when we deal with this Bill. I prefer not to indicate my final opinion, because I intend to be very actively involved when the House considers Bill C-79. The reason I wanted to speak to this Bill was to show the difficulty we will have to face, but there is no doubt that it will be possible to follow through with our colleague's number one proposal.

As far as the second proposal is concerned, we will have to decide how we can assure the safety of people living in a building while carrying out our duties during an election campaign in a democratic society. I share the concern of my Hon. friend on this.

As to the third proposal, we will consider it more thoroughly soon, because it represents something which I feel is new, complex, but we want to extend the right to vote to the

greatest number of Canadians. With his proposal, therefore, our Hon. friend has given us food for thought.

Mr. Guy Ricard (Laval): Madam Speaker, the Hon. Member for Kamloops—Shuswap (Mr. Riis) is tabling today Bill C-268 to amend the Elections Act in order that we may have a greater number of registered voters on the voters lists during an election. First, I must commend him for his work because I believe there is a genuine problem there. Whenever there is an election and an enumeration is made, there is always a number of persons—that may be quite high in some cases—whose names do not appear on the voters list. This may be due to two things: first, people are not enumerated, either because they are not home when the enumerators call and their names cannot be entered. Second, during the revision process names are omitted from the list. And in order of course for a voter to have his or her name on the list, he or she must meet that requirement.

Therefore, Madam Speaker, the Canadian Government in Bill C-79, an Act to reform the Elections Act, indeed had that in mind and provided for a mechanism to revise voters lists so that a greater number of persons may have their names entered, and there is a mechanism as my colleague from Saint-Denis (Mr. Prudhomme) stated earlier, for unregistered people to have their names added to the lists. But there is another one also, for those whose names were written down but were omitted from the list itself.

On voting day, those people can apply to the electoral officer to have their names entered on the voters lists because they were omitted. They must of course submit evidence of having been enumerated. That is the main requirement. If they cannot submit such evidence, of course, they are not listed but if they can, they may then go back, with a permission or a chit from the electoral officer, to their own polling stations in order to register and exercise their most basic right.

Now, let us turn to the way the Bill now before us is submitted, Madam Speaker, and I will deal with Clause 1 only which provides that a person whose name does not appear on the voters list could do so, if this Bill is passed, provided he or she is vouched for by a voter whose name appears on the voters list, who is known there and who can testify to the identity of that person whose name is not on the voters list. I can see some danger in that. The danger might be minimal in rural constituencies, but in urban areas where there may be as many as 300 polls in the same riding a person resorting to that principle could make arrangements with other people in various polling stations and vote about ten times on the same day.

Madam Speaker, I can still remember—and I am sure you do as well—the way elections used to be held in the old days in the great Province of Quebec where they would use that same principle: a person was substituted for another of one's own choice and asked to vote. That happened time and time again. Thank God we had election legislation to do away with that kind of things. But if we follow clause 1 of Bill C-268 to the letter, I have the impression we will go back in time and once again defeat the purpose. I do not think we can afford to do that in 1987.

I believe the basic problem as such is real and as the Hon. Member for Saint-Denis (Mr. Prud'homme) said earlier, we will have to try, at the second-reading and committee stages of Bill C-79, to foresee everything so that will never happen again. I know it is not easy. I know there are cases, as considered by the Hon. Member in his bill, where people cannot be contacted in apartment buildings, hotels, for instance. That is obvious. But could there be a mechanism flexible enough so that all those people could really be contacted and enumerated? That is what we will have to do.

The Hon. Member alluded earlier to the possibility of a winter election on free trade. I must tell him that in an election campaign on free trade people will be so eager to come and vote for it that there will be much fewer names missing on electoral lists.

• (1730)

[*English*]

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I am pleased to speak to Bill C-268, an Act to amend the Elections Act presented by my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis). Having recently experienced a by-election, I think the problems addressed in this Bill are more apropos for me than others. There are serious problems which I personally have experienced.

Just subsequent to the by-election, I received a number of phone calls and communications from constituents most concerned because, in their words, they were disenfranchised. I quote briefly from one of my constituent's letters which reads in part:

> I was born in Canada and have lived here all my life. For the past six years I have been a resident of the Yukon Territory residing at the same address. I have voted in previous federal and territorial elections in Whitehorse. When residents of the territory were enumerated, apparently the whole apartment block I lived in was missed.

When this person phoned the returning officer it was too late to register and so she could not vote. A number of other people raised the same question.

It is extremely important to support this Bill. I cannot speak so much for the provinces, but in the Yukon territory the issues which my colleague addresses in his Bill are already contained in our Territorial Elections Act, for example, being able to be sworn in at the polls. In a territorial election one can be sworn in at the polls, as is being proposed in Bill C-268. In the past federal election this was not possible. This is confusing because the general public will not make these distinctions. People assume election procedures are similar.

Because one could be sworn in at rural areas but could not be sworn in at Whitehorse, there was a lot of anger, confusion and frustration during the recent by-election because people thought they could be sworn in at the polls. This Bill will go a long way to putting consistency into the regulations as to who

can and who cannot vote. In many ways, Whitehorse is a rural area to many people. In our riding many people work out of town, particularly in the summer.

• (1740)

Although the previous speaker said the proposed amendments would address this problem because you could be registered on the Friday previous to the election, I am afraid I cannot agree. For example, I have seen many construction workers and highway workers who live in lodges out of town and do not even come into town until perhaps the Sunday prior to election when their employer has allowed them some time off. It is quite possible that they would be left off the lists. The amendment proposed would not address that issue. I do not believe this is strictly a regional problem. I am sure many people in many Canadian towns work outside of those towns and simply are not there to be registered at enumeration time.

This Bill rightly addresses a very serious problem for many people. I realize, as the previous speaker said, that there are always problems of abuse. There are those problems the way it is now. An enumerator comes to your home and you can say you are John Smith, I suppose. Yet we rely on the honesty and integrity of our citizens to make the system work. It will not work if we do not operate from that assumption. Therefore I believe this Bill will not occasion any further abuses but will in fact address a very serious problem of disenfranchisement. I feel very seriously about this issue, having witnessed many of the problems this summer, and harmonizing territorial and provincial legislation with federal legislation simply makes good sense.

On the second issue of access to condominium apartment buildings and hotels, I recognize there are some problems with that. However, again in territorial legislation at least, and I understand it is in the legislation of many provinces, it is possible to enter apartment buildings and so on for this purpose. Generally speaking, the person entering the building must have a letter to show that they are legitimate workers for the Party or the candidate. I appreciate that this can cause some concern but if everyone entering the building has the proper documentation, I do not see it as a great problem. Again, this conforms with existing territorial and in many cases provincial legislation which allows entry to apartment buildings or condominiums during elections.

As to the question of hotels, I quite agree that going to a hotel down the street from this House may not be necessary in order to enumerate and canvass. Yet in many areas of Canada, and I suggest many urban areas, certainly in my own area, many people reside in hotels. On every enumeration list numerous people appear as permanent residents of a hotel. That is not unusual. For a variety of reasons people choose to live as permanent residents of hotels. I do not think one can make a sweeping statement about hotels being a non-legitimate residence for election purposes. It is a residence for many people in my riding and I believe in other ridings in which I have canvassed and worked for other political candidates.

With respect to those two issues, in particular that of trying to bring about consistency between territorial, provincial, and federal legislation so that people understand what they can and cannot do with respect to swearing in at the polls and access to apartment buildings, I think they are very important and would lead to greater democratization of the system.

As to the third issue, that of allowing overseas visitors and students to register to vote, I presume at an embassy, again I cannot see that as particularly contentious. Obviously if you are abroad you must have legitimate documents as a Canadian citizen, some travel documents, and so on. It seems to me it is not particularly hard for such a person to register abroad and vote.

In conclusion, I very strongly support the points made in this Bill. It is very important that it receive support and go forward because the issues it addresses will unfortunately not be addressed, at least at this point, by the amendments in Bill C-79.

Mr. Reginald Stackhouse (Scarborough West): Madam Speaker, like other speakers in this debate, I want to support the intent of the Bill which I think will redress serious problems affecting many electors in our country.

I think of the provision in Section 2(89)(1) as affirming the rights of the elector rather than giving any advantage to the candidate or the Party or the campaign worker. It affirms the right of the tenant in the apartment, the owner of a condominium, or a permanent long-term resident in a hotel or apartment hotel to have access to the candidates among whom he or she must select. That right has been denied in many parts of this country on the assumption that if you are living in an apartment, condominium or hotel you somehow do not have a residence. There is an assumption in our country that unless you own a house, you do not really have a home.

Increasingly we find that people make their homes in the kinds of domiciles to which this legislation refers. I raised my children in a house. We now live in an apartment. I have owned a condominium. They are all great, but the assumption that a house is what everyone must have is no longer viable. Different kinds of accommodation suit different kinds of people at different stages in their lives. At all stages of their lives, regardless of condition or circumstances, they should have an equal right to participate in democracy.

Thank God we live in a country where voting does not put us at risk. I certainly want to endorse what the Hon. Member said in introducing his Bill, that to contrast the deplorable and savage situation in Haiti with the rights we have in this country is to make a statement which will drive home to everyone the great privileges we have in a democracy like Canada. However, always we have to make the system work more effectively. I believe that is the intent here and I hope the Bill will have an opportunity to be considered and find its way into legislation, particularly with reference to the provision

that will extend the right of people travelling or living temporarily abroad to have an opportunity to demonstrate that they are still Canadian citizens.

Earlier today I made reference to some of the volunteer workers I met just last week in countries of Central America. They had been there perhaps one year, five years or 25 years and were still Canadian citizens. They prize their citizenship. They bring honour to Canada. I have to wonder why we should not extend the provisions of this amendment to include those people who are working abroad for the objectives of the Canadian people and Canada in another part of the world. I am thinking of the clergy, social workers, aid workers, all of whom stay out of this country for a long time. Do they cease to be Canadians? I was privileged to meet so many of them, young, old, middle-aged, male and female, of different religions and political ideologies, but all with two things in common: Their dedication to the good of the human race, and their love for their native land. I hope that at some point in committee study and further examination of this legislation, it will be possible to provide for them.

• (1750)

When I read the explanatory note with regard to Clause 3 of this Bill which indicates that this provision would allow travellers and students temporarily resident outside Canada to vote in general elections, I thought that there ought to be some provision for the teacher as well as the student. There are many people who are temporarily outside this country as teachers. There are junior faculty members at colleges and universities in other countries who intend to come back here when there is an opportunity for a long-term teaching position. Must they lose the right to vote?

I hope there will be an opportunity for us to consider the many Canadians who go out of this country for different periods of time in order to practise their professions, take employment, serve in service organizations or whatever, who have a great love for their country and a great sense of belonging which they can manifest most effectively by casting their vote.

I want to take that a step further, namely, to provide for the Canadian traveller. I like very much the way in which this legislation refers to those travelling abroad because more and more Canadians today have the opportunity to do just that. I think of people who take early retirement, who have perhaps put away a little money during their working years with the hope of taking a long-postponed trip. They may find that their trip takes place just at the time when an election has been called.

I once checked into the dating of elections and found that elections have been held in this country in every one of the 12 months. There is no reason to assume that an election will not be held in any particular season. Must people who are fulfilling a perfectly legitimate and admirable desire of taking a long trip lose their vote?

I can recall being in a position where I would have lost my vote but for the provision of an advance poll. However, a person who is away on an extended trip of the kind I described when the advance polls are held has no opportunity to vote. I am pleased, therefore, to join the Hon. Member who introduced this legislation in pleading that there be some recognition of this need.

In conclusion, this Bill points out the great opportunity of Members of this House. There are so many human needs which, to use the colloquialism, fall between the cracks. There are needs which no government Department or Minister has thought of, needs which have not found their way into the policy statement or election platform of any Party. However, they are important needs. It is then up to the private Member to recognize them and seek redress of them in legislation which he or she can introduce. Such a Bill as that has been brought before us today. I know that in principle it receives the general approbation of this House. I trust that at some time it will find its way into the statutes of the country.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Madam Speaker, I welcome the opportunity to join in debate on Bill C-268, an Act to amend the Canada Elections Act. This Bill makes a number of interesting suggestions on how we might improve the framework and procedures for voting in federal elections. It is, indeed, a timely subject.

The Government has taken a close look at the Elections Act, taking into account various recommendations made by the Chief Electoral Officer in his annual reports, recommendations made in the past by Members of this House, particularly those on the Standing Committee on Elections, Privileges and Procedure, and recommendations based on the experience of the last general election. The Government has also suggested changes to bring the Act into line with the Canadian Charter of Rights and Freedoms.

There is an overlap between some of the proposals made by the Member for Kamloops-Shuswap (Mr. Riis) and amendments which the Government is proposing to make to the Canada Elections Act through Bill C-79. One example of this is contained in Clause 3 of Bill C-268 which we are presently debating. As Members know, the present Canada Elections Act provides the means for people in the Armed Forces and the public service and their dependants who live abroad to vote under special voting rules.

The Member who sponsored this Bill now suggests in Clause 3 of the Bill that this category of voters be broadened to include Canadians who are travelling abroad or living temporarily outside Canada at the time of a federal election. He goes on to suggest that these Canadians should use the same voting mechanism as that which is now in place for the Armed Forces, public servants, and their dependants who live abroad. I can say that I support this proposal in principle, although not in detail. In principle it is consistent with reforms proposed by the Government in Bill C-79.

The issue of overseas voting has a long history. The Government's White Paper on election law reform points out, for example, that a recommendation to extend the franchise to Canadian citizens living abroad for voting in general elections was made by the Standing Committee on Privileges and Elections as long ago as June 30, 1981, and again on June 26, 1984.

The Government announced its approval of the extension of the franchise to overseas voters in the White Paper. Further, it provided detailed proposals for a complete revision of the special voting rules contained in Schedule II of the Canada Elections Act. It is these amendments, with some additions, which are contained in Bill C-79.

The proposal made by the Member for Kamloops-Shuswap for extending the right to vote to more Canadians abroad is a good one, but it is not complete. For example, there is no provision to indicate how voters already abroad would make a statement of ordinary residence to indicate where their vote should be assigned. This step is now done automatically for Armed Forces and public service personnel and their dependants living abroad.

Under the present special voting rules the small number of Canadians now eligible to vote abroad do so at their base if they are in the Armed Forces, or at their respective unit or post if they are diplomats or other public servants living abroad.

This special voting procedure is adequate for the present population of Canadian voters abroad. In fact, under Bill C-79 it will be continued for Canadian Forces personnel overseas. However, the administrative difficulty of handling the much larger population of Canadian voters abroad who will soon be enfranchised through the present voting system would be too great.

According to estimates by the Department of External Affairs the number of Canadians residing abroad in 1983-84 was approximately 2.3 million. That represents almost 10 per cent of Canada's population. It is for this reason that a new system of voting by mailed ballot is proposed to replace the present special voting rules for all Canadians other than Canadian Forces personnel living outside of Canada.

Canadians will be eligible to register for voting abroad up to 10 days following the issue of the writ under the proposed Bill C-79. The voters' lists for Canadians abroad will then be closed to ensure that there is ample time for the sending and return of mailed ballots. To accommodate the procedure of mailed ballots there will be a longer voting period provided to overseas voters.

• (1800)

In essence, I think Bill C-268 is unnecessary because Bill C-79 will deal with what the Hon. Member has in mind.

The Acting Speaker (Mrs. Champagne): The hour provided for the consideration of Private Members' Business has expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

IMMIGRATION—SENATE COMMITTEE'S REPORT ON TERRORISM

Mr. Alan Redway (York East): Madam Speaker, during this past summer I had a visit to my constituency office from a delegation representing the survivors of the Air-India crash that occurred over two years ago. They wanted to point out to me their concerns about the fact that under our current immigration laws they believed it was easy for known terrorists and potential terrorists to enter Canada and cause us problems.

That was an understandable concern on their part, bearing in mind the fact that the Air-India crash had occurred years ago now and, in spite of at least two investigations and an ongoing investigation by the Canadian Security Intelligence Service, no one has been convicted of the bombing of that aircraft, no one has been arrested or even charged in connection with the bombing of that aircraft. Therefore, the feelings of the survivors of that Air-India crash are certainly understandable.

They are not the only ones who expressed their concerns to me about immigration and refugee laws and procedures with respect to terrorists and potential terrorists. Many other people expressed those same concerns to me last summer. In fact, one of my good friends, a leader of the Italian community in Toronto, Sabastiano di Lorenzo, expressed those same concerns. In fact, on the day before Parliament was recalled for its emergency session, he indicated to me that he expected to see and hear me speaking out on this issue on his behalf and on behalf of all his friends and neighbours who felt the same way.

That is also not surprising in view of the fact that at that time 174 people had just landed on the coast of Nova Scotia. Many of them did not have any identification papers and there was evidence that those who apparently had identification papers at one time destroyed them when they landed. Therefore, there was a concern growing out of that situation.

Furthermore, the concern was also being expressed because of a report that was released at that time. It was the report of the Senate Special Committee on Terrorism and public safety. That report, which was released in July of this year, outlined the problem of international terrorism and pointed out that in Canada between 1960 and 1985 there were some 351 acts or threats of violence by terrorist groups in Canada against Canadian targets. At the same time, between those years 1960,

and 1985, there were another 48 acts or threats of violence by terrorist groups in Canada against other countries.

• (1805)

The report went on, as you will remember, Madam Speaker, to outline the legal framework in which we operate with respect to terrorists. It outlined the organization which was in place to try to deal with terrorists. It had some comments on the role the media should be playing with respect to terrorists and, on top of that, it dealt at considerable length with the whole issue of our Immigration Act, procedures and policies. It expressed the concern that those policies had been developed prior to the rise of international terrorists. It expressed concern as well that the system was now buckling under the weight of the numbers of people coming to this country, perhaps as applicants for landed immigrant status, perhaps as refugee claimants, or perhaps just as visitors. It pointed out that in 1986 some 80 million people entered Canada and there was in fact no way to identify these people properly, block the entry of terrorists, detain them or deport them.

Since that time we have had Bill C-84 and Bill C-55. I see that the Parliamentary Secretary is here tonight and I would like to ask him if those two Bills meet the recommendations of the Senate Committee on Terrorism. If they do meet those recommendations, why is the Senate holding up the passage of those two Bills? If in fact they have met the exact recommendations the Senate made to the people of Canada with respect to immigration procedures dealing with terrorists and potential terrorists entering this country, why is it holding up the passage of those Bills?

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, it is a pleasure to be back in the House and to respond to the Hon. Member for York East (Mr. Redway). I would like to give a little history. First, let me deal with the Air-India situation. Investigations are proceeding. At the point in which evidence is gathered that will enable prosecution, I think the Hon. Member can rest assured that the Government will move as quickly and thoroughly as possible to do what can be done to right that very grievous wrong which was perpetrated on so many innocent people.

The Hon. Member may or may not realize that in June of 1986 the House of Commons committee on immigration presented a unanimous all-Party report which certainly expressed our concern about the security issue. It was a departmental report that was subsequently caused to be put together interdepartmentally really, to look at the security concerns related to immigration. The Senate in the meantime conducted its investigation into the issue of terrorism.

The two reports have really led to the two pieces of legislation, at least in part. The Government introduced in May of 1987—which was really rather quick for the Government; it was about 10 months time—Bill C-55, which dealt with part of the problem that had surfaced to that point. In August, after releasing the Senate report, the Government responded very quickly indeed with a piece of legislation tabled in the House shortly after we came back on August 11. Those Bills are in the Senate.

The Hon. Member asked why they are not proceeding quickly through the Senate. I think he might have to ask the Senators. Certainly, Members of the House, the elected people of this country, have expressed their concern not only with the issues which are dealt with in the two pieces of legislation, but we have also had the ruling of the Speaker that the matters are urgent. Time is going on. Months are passing in the other place and so far it has not returned the Bills or approved the Bills.

The problem which was identified through both investigations had many facets and features to it, but today, under current legislation, until the Act is changed, we have no assurance that we can in fact detain people whose identities are unknown or who are suspected of being terrorists. The thrust of the two Bills would give the Government the powers to do that, always safeguarding the rights of the individual in terms of the provision of council, moving to use the federal court system instead of the CSIS body to make final determination so that it is done under Canadian law.

• (1810)

Much more could be said, Madam Speaker, and perhaps we could have a debate on another day.

HEALTH—ACID RAIN—HEALTH HAZARD QUERY/REQUEST FOR STRICTER POLLUTION EMISSION STANDARDS

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, usually when we talk about the effects of acid rain, we talk about the physical environment and the destruction of lakes, rivers, farms, maple forests, buildings, and monuments in our cities.

Recently I raised a question with the Minister of National Health and Welfare (Mr. Epp) respecting the health consequences of acid rain. There are basically two types of health consequences. One is the immediate, and those are consequences which are largely in the respiratory system and the effect, for example, on asthmatic children. There have been some studies which show that lung functioning is not as good in children who live in areas with a large amount of acid rain, compared to children who live in areas with very little acid rain. This is certainly cause for concern.

There have been some American studies recently published in the newspapers respecting acid rain pollution killing 4,000 people. There was reference to death rates for different forms of cancer. For example, breast cancer and colon cancer may be affected by acid rain. We do not know the exact numbers for Canada, that is an estimate of 4,000. In the United States there have been estimates of up to 50,000 premature deaths a year. That is very serious.

Incidentally, comparing those rates to tobacco related diseases, 4,000 for Canada is much less than the 35,000 people who die from tobacco related diseases who are directly smokers, but it is a lot more than the people that we have been able to document, which is in the hundreds, who are dying from the indirect consequences. This is a very serious problem, probably affecting a substantial number of people in Canada.

We cannot approve the association of acid rain and health consequences in an experimental fashion, which is in a way similar to the fact that we cannot prove a connection between tobacco smoking and lung cancer or heart disease deaths. It is a statistical association. There will never be more than a statistical association, because morally speaking we could not separate people at birth into groups who will be exposed to acid rain, or tobacco smoke, and people who will not be exposed, or who will be minimally exposed and in years later see what rates of cancer they get. Cancer takes a long time to develop; respiratory ailments usually take some time, although in the case of asthma there may be immediate consequences. It would be unconscionable to do that type of thing, and totally impossible to think about it. So the statistical association must be investigated.

That would help us considerably in our fight for acid rain in the United States. That is where at least half of our fight for acid rain controls has to take place, because half of our acid rain in Canada comes from the United States. American Congressmen and Senators would be much more keen on tough measures if they could see the health consequences, and not only the effects on the environment. Given their legislative programs and the atmosphere in which they work, that would help our American friends who are concerned about the environment and give them useful ammunition in the struggle for good, strong laws and programs.

Unfortunately, that is not what our Government has been doing. I am sorry to say also in the case of the recent conference in Geneva on emissions of nitrogen oxides of various sorts, our Government's representatives took a very complacent attitude indeed. What they asked for was simply not adequate. We need tough emission standards for cars and trucks. There needs to be real reductions. Instead, Canada opted for a freeze which is not to come into effect immediately, but after some years. In the meantime, these pollutants are increasing in quantity. I suspect in our very approach to the question of so-called critical loadings, that the Minister likes to talk about, that in the case of the nitrogen oxides each country would set its critical loads, how much the environment can take and still survive.

• (1815)

I suspect that these amounts have not been estimated correctly. We do not know what are the consequences of these kinds of emissions year after year. We do not know whether the effects in areas where there has already been substantial destruction have been reversed.

The same goes for health consequences which were not considered when the critical load numbers were decided upon. It became a much more political exercise—what can we get the Americans to accept, not what are the health consequences or how can we protect the Canadian natural environment and the health of Canadians?

We need to go a very long way in pressing our case with the Americans. I am sorry that the opportunity in Geneva was not taken for Canada to be a leader in the reduction of emissions. Canada took the same position which the Americans have been taking on acid rain in our bilateral discussions, that is, that the case has not been proven, that we can be complacent, and that we do not have to worry about it.

We have a long way to go to clean up our own act. I urge the Government, when it looks at the issue of critical loads, to consider the health consequences, to look seriously at what is happening to the health of Canadians, and to look seriously at what is happening to our waters, forests, and farms.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the Government shares the Hon. Member's concern about the potential linkage between acid rain and health consequences. However, I do not think the Government shares the Hon. Member's view that scientific data are irrelevant, can be ignored, or can be taken on one side of the fence.

It is clear from scientists in a number of countries that the link between particular health hazards and the presence or absence of acid rain cannot be proved or disproved.

I think the Hon. Member knows that the Department of National Health and Welfare has been actively engaged in research and attending international symposiums around the world because of the concern that there might indeed be a link and that steps might have to be taken if those links are at all demonstrated. She mentioned the studies on lung function, particularly in children, conducted by Health and Welfare Canada in terms of areas where acid rain pollution was high and areas where acid rain pollution was low. There was a 2 per cent impact in high pollution areas on lung functioning, but certainly no correlation was established with lung disease. In fact, when children were removed from the pollution, lung functioning returned to normal. I think that is the scientific evidence.

Similarly the Department has conducted studies in the cottage areas of Canada where water is sitting around in cisterns and in tanks of one kind or another. There are elevated levels of chemicals associated with acid rain, but a flushing of the systems tends to remove the contaminants, so they are relatively easy to get rid of.

A major study is under way, sponsored by the Government of Canada in collaboration with American environmental scientists. It is a five-year population based study which may provide us with more answers down the road. It is just another indication of the Government's concern for this issue.

Also the Hon. Member mentioned the association of sulphur dioxide with colon and breast cancers. That study more clearly showed that the presence or absence of Vitamin D might be associated. There is some sense that indeed acid rain pollution might affect Vitamin D levels because of its impact on ultraviolet radiation. However, it is a bit of a leap to come to the conclusion that acid rain is indeed responsible for those increases in cancer. Scientifically it is a very difficult proposition to make and to hold on to.

In fact, just two short months ago an international symposium on the health effects of acid aerosols reviewed adverse health effects studies in many countries. It clearly concluded that more research was needed, because none of the results to date have anything more than a very tenuous link to the phenomena identified by the Hon. Member.

• (1820)

EXTERNAL AFFAIRS—VICTIMS OF BRAINWASHING EXPERIMENTS FUNDED BY CIA—REQUEST FOR FINANCIAL ASSISTANCE IN SEEKING LEGAL REDRESS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, it was a little over seven years ago that nine Canadians, all victims of terrible brainwashing experiments by the late psychiatrist Dr. Cameron at Montreal's Allan Memorial Institute, launched a $9 million lawsuit against the CIA of the United States. Indeed, both the CIA and the Canadian Government, particularly the Ministry of Health and Welfare, funded these experiments which were not only unethical but brain damaging, resulting in permanent damage to the victims of the experiments which took place in the 1950s and early 1960s.

For seven years, these Canadians have been seeking justice in U.S. courts. Unfortunately, they are also seeking support from the Canadian Government but to date, at least, that support is sadly lacking. Nine victims have sued the CIA for its part in these grisly experiments, alleging that the CIA was criminally negligent and reckless in supporting Dr. Cameron's brainwashing experiments. One of the victims has died since the suit was launched. We can only hope that more will not die before justice is finally done in this matter.

What we are talking about here is a horror story in which both the Canadian Government and the CIA were implicated. As one of the victims, Velma Orlikow—incidentally, the wife of one of our colleagues in the House, the Hon. Member for Winnipeg North (Mr. Orlikow)—said:

> —get off your horse and help us. We need some help from our government. We're innocent victims of something that happened that should never have been. You can't put us back where we were, but at least do something to help us now. Do something to stand up and say this can't happen in Canada.

The lawyer who was working tirelessly and courageously on behalf of these victims cannot understand why the Canadian Government will not stand up for nine Canadians who were victims of terrible experiments. He says:

> I keep asking Canadians why your Government is acting this way. Some say it is the usual Canadian fright of the Big Brother to the South. Others say it is Canada's, now admitted, involvement with Dr. Cameron. I still do not know. But one thing I do know—it's a hell of a note when a 75 year old U.S. civil liberties lawyer cares more about these injured Canadian citizens, now in the twilight of life, than their own Government.

What did the Conservative Government do in response to this tragic situation? It appointed a former Conservative Member of Parliament who was defeated in the 1984 election to conduct the study, a Mr. George Cooper. Cooper came to the conclusion that there was no moral or legal responsibility whatever on the part of the Government of Canada to the victims of these experiments. Cooper suggested that there was perhaps no permanent harm done and that the involvement of the CIA was simply, in his words, "a red herring". All of this without Cooper even interviewing a single one of the victims of these experiments and without examining any of their medical files or reviewing any of the records of the CIA offered by the U.S. Government.

Approximately a year ago I asked the then Minister of Justice what action he would take to assist these individuals in their lawsuit against the CIA in Washington. The Minister of Justice stated at that time that the Government has assisted and will continue to assist the plaintiffs. Nothing has happened so far. On June 3, 1987 I asked the Minister of Justice (Mr. Hnatyshyn):

> In view of the commitment over a year ago by the then Minister of Justice to consider seriously assisting these people financially, when will the Conservative Government finally move to assist these victims of these terrible experiments in their pursuit of justice against the CIA.

The Minister of Justice said:

> I can only say to the Hon. Member that I am in a process of consulting and looking at this matter . . . I hope that we will be able to come forward with some concrete results in the very near future.

How much longer must the victims of these brainwashing experiments wait before getting action from the Canadian Government? What about a simple offer of assistance of legal aid or access to all documents which might help them in their court battle? This same Government was very eager to assist the Hon. Member for York—Peel (Mr. Stevens) in spending hundreds of thousands of dollars on his legal fees. Why will the Government not do the right thing in this case and assist the victims of these brainwashing experiments as well? Joseph Rauh said:

> If I were a Canadian I'd be ashamed of my own government.

• (1825)

I am ashamed of a Government which has so far refused to do the right thing and assist the victims of these experiments. I hope the Parliamentary Secretary will rise in his place tonight and give some concrete support to the eight individuals and the estate of the ninth, and some assurance that they will not be doubly victimized. They were victimized by these terrible experiments by Dr. Cameron and now they are being victimized by their own Government. The time for action and justice is long overdue.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam

Speaker, sometimes the Hon. Member makes me somewhat ashamed to be in this Chamber. He is somewhat loose with the truth where the reputations of others are concerned. I would simply point out that he said Mr. Cooper was defeated in the 1984 election. Mr. Cooper was a Member between 1979 and 1980. He has first rate credentials in the legal profession extending over at least 20 years. This attempt to paint him as something less than perfect as a political appointment is unworthy of the Hon. Member.

It is also unworthy of him, in a situation so serious and one about which this Government cares so much, to attempt to paint the Government as a do-nothing Government. In 1977, long before we became the Government, this case was brought to the attention of the Canadian people. Since the late fall of 1984, when we became the Government, we escalated concern about this matter by bringing it up directly between our Secretary of State for External Affairs (Mr. Clark) and his U.S. counterpart, Mr. Shultz. They have had top-level political discussions on this issue.

The Hon. Member mentioned in a denigrating fashion the Cooper commission. That legal investigation by a reputable member of the Canadian Bar was brought about by this Government for the purpose of determining whether there was any possibility of legal liability on the part of the Government of Canada.

Mr. Robinson: It was a whitewash.

Mr. Hawkes: He calls it a whitewash. He uses inflammatory language and attempts to turn a very serious human problem into political advantage for himself and his Party. He cheapens himself in the process.

This Government is still considering the possibility of financial assistance under current laws for this group of people. We have provided not only all of the information available in Canada to the plaintiffs for use in their U.S. court action, but insisted that we be allowed to turn over to the plaintiffs' counsel all the information provided to us by the U.S. government counsel. That has been done.

The Government is in touch on a regular basis with the plaintiffs and their lawyer. To try and characterize that as doing nothing is to cheapen the Member's intervention, his question, and put in doubt the sincerity of his commitment to these nine people. I think this Government has shown more commitment to the human dimension of this situation than the Hon. Member has.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, December 1, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF TWENTY-SIXTH REPORT OF CANADIAN NATO PARLIAMENTARY DELEGATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 101 I have the honour to present to the House, in both official languages, the twenty-sixth report of the Canadian NATO Parliamentary Association.

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

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CANADIAN MULTICULTURALISM ACT

MEASURE TO ENACT

Hon. David Crombie (Secretary of State of Canada) moved for leave to introduce Bill C-93, an Act for the preservation and enhancement of multiculturalism in Canada.

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

Some Hon. Members: Agreed.

Mr. Crombie: Mr. Speaker, it is with a great sense of pride that I rise to table an historic Bill in the House today, the Canadian Multiculturalism Act. The Bill enshrines in statute the recognition of Canada's multicultural reality, sets forth the multicultural policy of Canada, and contains a firm government-wide commitment to implement it. It provides a legislative base for multicultural programs which will assist cultural preservation, combat racism, and promote institutional change.

[*Translation*]

This legislation will establish the freedom of Canadians of all origins to maintain, enhance and share their cultural heritage. The Bill recognizes all Canadian citizens as full members of the Canadian community.

[*English*]

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

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I thought the Secretary of State (Mr. Crombie) was making a statement when he started to speak on the introduction of his Bill on multiculturalism. I am told that it was not a statement, but it is not usual for Ministers to make statements of that nature when introducing Bills. Is it going to be the new practice that when Ministers introduce Bills they explain what is in the Bill?

Mr. Crombie: Mr. Speaker, I hope we are not going to get into a procedural problem. My advice was that if I wanted to rise to indicate what was in the Bill within 60 seconds, it would not be a statement. If, on the other hand, there is need for a statement to be made or someone else wishes to make a statement, I have no difficulty with that. However, that was my advice with respect to the procedure in the House.

Mr. Marchi: Mr. Speaker, I have no problem with the Minister's 60-second statement. I know that the Minister's Department was probably working overnight to prepare the statement and the news release which will accompany his press conference. However, it would be appreciated if at least the critic for the proposed piece of legislation were given notice of at least an hour or an hour and a half as is the tradition of the House.

I received materials at about 10.15 or 10.20. It is difficult for the official critic to read and digest the legislation as well as to prepare our position in order to offer Canadians the position of the Official Opposition on the legislation on such notice. I think that 40 minutes is cutting it very close.

I have brought this to the attention of the Chair on previous occasions when Ministers with responsibility for immigration have been negligent. I have no problems with the Minister's statement. However, I would appreciate it if the Minister and the Government would keep the traditions that we offered them when they were in the Opposition.

• (1110)

Mr. Crombie: Mr. Speaker, in the last few years I believe I have introduced some four or five Bills in the House. I am well aware of those traditions. Indeed, if time permitted I usually walked over to the critics and handed them the material I was able to provide within the procedures of this House. I have done that on each and every occasion.

Indeed, this morning, in keeping with the traditions the strict procedures of the House, I made that available to both critics, with a handwritten note stating that this was the material I was able to give them.

It is impossible for me to give them the Bill before it is tabled in the House and when I have lock-ups in the rest of the city.

As always, I appreciate the comments of my hon. friend, but I say to him that I do not accept any suggestion that this Minister or the Government has not observed both the spirit and the technical aspects of the traditions and procedures of the House. I sent a letter to the critic of the Official Opposition and the critic of the New Democratic Party with all the materials save and except the actual Bill which, of course, I am not allowed to do. As I said to the critic this morning, I hope we will be able to proceed with this historic Bill in a way which would at least match the sense of expansiveness and future that this Bill itself engenders. I think it will be unfortunate if my hon. friend wishes to bog this down unnecessarily.

Mr. Gauthier: I am not bogging it down. I am asking a question of the Minister. I think that is unfair.

Mr. Speaker: It seems to the Chair that the Bill which was introduced has, at least in principle, support on both sides of the Chamber. Unless any Hon. Member feels a terribly burning urge to make further comment, perhaps the Chair could settle this matter by reminding Hon. Members of Standing Order 107(2) which states:

> A motion for leave to introduce a bill shall be decided without debate or amendment, provided that any Member moving for such leave may be permitted to give a succinct explanation of the provisions of the said bill.

The Hon. Minister said that he had an indication that he had some 60 seconds. I want to assure the Hon. Member for Ottawa—Vanier (Mr. Gauthier) that the message I sent to the Minister was that he had 30 seconds.

However, it is important to note that it is the case that any Member introducing a Bill can speak succinctly, as the rule states, and I shall be very firm in making sure that it is succinct.

I believe the Hon. Member for York West (Mr. Marchi) is only expressing what Members on both sides of the House, depending on where they sat at different times, have always wished to be the practice. I think the Hon. Minister has given some explanation for that.

Again, as always, I would urge Ministers to do everything possible to be sure that information is given as soon as possible, especially to the opposition critics. I think it was made quite clear by the Minister that he understands that tradition and does in fact honour it.

PETITIONS

MANDATORY INSTALLATION IN CARS OF AIRBAGS AND THREE-POINT SEATBELTS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, it is my duty to present to the House 553 petitions signed by residents of Canada. They are to be added to the 30,735 petitions already tabled.

They are signed by petitioners from Gaspé, Dolbeau, Gull Lake, Kipling, Torguay, Grenfell, North Battleford, Meadow Lake, Simpson, Kindersley, Carnduff, Eston, Lafleche, Quill Lake, Stonehenge, Kenaston, Davidson, Medston, Unity, Weyburn, Swift Current, Richard, Welwyn, Lodewood, Regina and Saskastoon.

These petitioners are calling upon Parliament to institute mandatory airbag restraint systems for the driver of passenger cars and are calling for the installation of three point adjustable lap-shoulder seatbelts for rear passengers.

[*Translation*]

OPPOSITION TO TAX ON FOOD

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is also my duty to table in the House over one hundred petitions from residents of Sackville, Grande-Digne, Cap-Pelé, St. Anthony, Cocagne, Ste-Marie, Fox Creek, Port Elgin, Moncton, Richibucto, St-Charles, St-Joseph, Memramcook, Ste-Anne-de-Kent, Buctouche, and many other communities in my riding.

My petitioners are very concerned about the fact that the Government, which has already introduced twenty-five new taxes or tax increases, is now considering, as part of its tax reform proposals, a Bill that would include a tax on food. They humbly pray Parliament to reject any measure that would have the effect of putting a sales tax on food products.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 196 will be answered today.

[*Text*]

PROMOTIONAL ACTIVITIES AND DONATIONS BY TOBACCO COMPANIES

Question No. 196—**Ms. McDonald:**

> 1. In the past five years, by year, did any tobacco companies claim promotional activities and/or sponsorships as allowable business expenses and, if so (*a*) in what amounts (*b*) what amount was claimed for promotional activities and/or sponsorships for (i) amateur sport (ii) professional sport (iii) arts (iv) others?

2. For each of the same years, did any companies claim donations to registered charities and/or organizations, as defined in the Income Tax Act and, if so, in what amounts for (*a*) arts (*b*) sports (*c*) health (*d*) others?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): I am informed by the Department of National Revenue and Statistics Canada as follows:

1. Revenue Canada, Taxation is unable to provide the information requested. The Department's data gathering systems do not capture this type of information. It would be necessary to audit the income tax records of each company to obtain the information requested.

2. Data for the past five years are not available. However, the following information is available.

(a) A special study done in 1983 covering corporations with assets of $25 million or more and charitable donations claimed for tax purposes of $75 thousand or more gives the following results for the tobacco products industry.

General Purpose (Arts and Culture)	1978	1979	1980	1981
	Thousands of Dollars			
Dance/Ballet	0.9	3.8	2.0	3.6
Theatre Cos.	6.0	11.1	6.8	9.7
Opera Cos.	1.9	1.4	0.3	11.0
Symphonies/Orchestras	3.4	3.2	5.0	6.8
Choirs/Other Musical	0	1.2	1.0	1.9
Museums	20.0	18.1	29.6	29.5
Galleries	8.0	5.5	7.5	8.3
Libraries	1.0	4.1	1.8	2.3
Archives	0	0	0	0.3
Language/Ethnic Groups	2.7	0	0	0
Total, Arts and Culture	43.9	48.4	54.0	73.4

(*b*) Not available.

(*c*) & (*d*) The study referred to above reveals the following:

General Purpose	1978	1979	1980	1981
	Thousands of Dollars			
Welfare	226.5	258.5	351.1	453.7
Health	60.4	126.9	180.1	244.9
Education[1]	232.3	163.6	201.6	355.4
Religion	29.1	31.1	45.3	73.0
Community Benefits	177.3	127.7	144.2	203.6
Other	8.3	30.8	30.2	23.9
Total Donations	733.9	738.4	952.5	1354.5

[1] Amounts displayed in the previous table are included in this line. (Total, Arts and Culture).

Notes concerning the data given in 2 (a) and 2 (c) and (d)

Only charitable donations claimed for tax purposes are available. Corporations which did not have positive taxable income may have made charitable donations which could not be claimed for tax purposes.

Charitable donations can be carried forward from one tax year to another. Therefore donations claimed in a tax year may not relate to actual donations made in that year.

The data do not include donations made by charitable foundations which are themselves non-taxable corporations.

Gifts to the Crown have been included in these data. Where they occur they are included with "community benefits".

[*Translation*]

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

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

Some Hon. Members: Agreed.

• (1120)

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee.

Mr. Speaker: It is my duty to report to the House and rule with respect to the report stage of Bill C-87. I understand that the Hon. Member for Ottawa Centre (Mr. Cassidy) has had discussion with the Table Officers with respect to his amendments.

Bill C-87 is an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof.

There are 19 report stage motions standing in the name of the Hon. Member for Ottawa Centre on today's Notice Paper in amendment to Bill C-87, the customs tariff. I have had an opportunity to review the motions and I am now ready to make a ruling. After extensive discussion between Officers of the Table and the Hon. Member, I have agreed that Motion No. 1 will be debated and voted on separately.

Motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11, which relate to parliamentary approval by either resolution or legislation, shall be debated together and a vote on Motion No. 2 will apply to Motions Nos. 3, 5, 6, 7, 9, 10 and 11.

Motions Nos. 4 and 12 will be debated together with a vote on Motion No. 4 applying to Motion No. 12.

Motions Nos. 8, 11A, 12A and 13A caused the Chair some procedural difficulty. I would refer Hon. Members to Beauchesne's Fifth Edition at Citation 523. However, because some doubt existed in these instances, I am prepared to allow the Hon. Member the benefit of that doubt. Therefore, Motions Nos. 8, 11A, 12A and 13A will be grouped for debate and a vote on Motion No. 8 will be applied to Motions Nos. 11A, 12A and 13A.

Motions Nos. 13, 14, 15 and 16 will be debated separately and voted on separately.

I should say to the Hon. Member for Ottawa Centre that I appreciate his co-operation in the discussions that took place in making this ruling and I trust that he and other Members will be satisfied with the decision of the Chair.

The House will now proceed with Motion No. 1.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 1.

That Bill C-87 be amended in Clause 15 by adding, immediately after line 26 at page 4, the following:

"(3) Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States."

He said: Mr. Speaker, I put forward a number of amendments on Bill C-87. The first one happens to deal with Clause 15 of the Bill, which allows the Governor in Council to make regulations that deem goods produced outside a country to have originated in that country for the purposes of the Customs Tariff Act. That does not, perhaps, come directly to the intent of many of my amendments, but it certainly comes there indirectly.

The problem we have with this Bill is that a Bill which in general would be seen as being innocuous—it is a combination of a number of years of work, consultation internationally and consultation with the trade community with respect to the harmonization system of tariffs—also covers a lot of matters which have been revealed as being, perhaps, wanting in the former Customs Tariff Act in the circumstances we face right now.

The circumstances we face now, as the Hon. Minister of State for Finance (Mr. Hockin) is well aware, is that the Government is using its executive powers to take Canada into a free trade arrangement with the Government of the United States without effectively any detailed reference to Parliament or to the Canadian people. Therefore, we have been put in a position where, lacking a detailed text of the trade agreement, lacking an understanding of what the Government intends to do, and facing a deadline by which this deal will be signed, sealed and delivered a month and a day from today, we simply have to try to anticipate some of the problems which the Government's headlong rush toward this trade agreement is likely to create for Canada, and try to head it off by use of the undoubted powers of Parliament to exercise control over the executive. That is specifically what is being done in the amendment to Clause 15 and the other clauses.

Just the other day in Edmonton the writer and economist, John Walston Saul, made a presentation to the Standing Committee on External Affairs and International Trade which referred specifically to the fact that the United States now has agreements with Mexico which allow the duty free import from Mexico into the United States of goods produced in Mexico, provided they are made with raw materials or components which come from the United States.

In the so-called Maquiladora industrial program which began in the 1960s, this has led to a rapidly increasing amount of trade between Mexico and the United States in which multinational corporations, U.S. based corporations, establish warehouses on American territory but then build factories on the other side of the border. What meaning does that have for Canada? At present none, because those goods if they are imported and treated by the Americans as being American goods are then subjected to Canadian tariffs, most favoured nation tariffs, if they come into Canada. Under the free trade agreement, however, as it will stand, we have a situation where a government may—I do not know if it will, but it may—deem that these goods, which in fact are produced outside of the United States, actually originate in that country. We also have a situation where there may be no effective means of determining that the bulk of the value added on goods coming from the United States into Canada in fact was value added in Mexico and not value added in the United States of America. That is the purpose of my amendment.

I will read the amendment. It states that, notwithstanding any regulation made under subsection (2), notwithstanding the power of a government to deem goods from outside a country to actually come from that country, goods wholly or partly produced in Mexico shall not be deemed to originate in the United States. The purpose of that is just to ensure that that particular loophole, of which the committee and this Parliament were unaware before the limited, truncated hearings began a few days ago, is not either exploited by the Americans or left available to the Americans in the negotiations which are now taking place.

Had we the text of the agreement by Hallowe'en, as was promised, then perhaps this particular matter would not have had to be brought forward. I have no choice now, as a member of an opposition Party which is strongly opposed to the agreement between the Canadian Government and the Government of the United States, as I understand it right now, but to put forward this kind of amendment.

It is not meant to inhibit Canada's trade with Mexico. I believe Canada should be seeking to expand its trading and

economic relationships with Mexico. However, I feel we should do that on a direct basis, on a shared basis or possibly on a trilateral or multilateral basis, and not under a situation in which goods created at very low labour rates in Mexico will come into Canada surreptitiously and be labelled as American goods.

American manufacturers are already taking advantage of this. One of the consequences when industry fled the northern tier of states in the United States to go south, has been a rate of economic growth in those states bordering Canada a great deal lower than the economic growth in Canada over the course of the last 8 or 10 years. Some of those industries have not gone to Houston or Alabama, they have gone to Mexico. I have to ask myself, if we enter into an agreement which puts our industries on the same basis as those in the northern tier of the U.S., whether we are not going to suffer that same fate.

• (1130)

I ask myself, indeed all Canadians, do we really want American social services? Do we really want an economy with a 28 per cent growth rate over seven or eight years, such as that enjoyed by the border states, which of course have full free trade with the rest of the U.S., compared to the 48 per cent that we enjoy in Canada? The Government considers that this should be the case.

However, with respect to this particular Bill, if Canada wishes to make special arrangements with Mexico, it should do so directly. We have provisions in our tariff schedule, and they are included in this Bill, which allow Canada to charge lower rates all the way down to zero on goods coming from developing countries, less developed countries and least developed countries. If we want to make that arrangement with the Mexicans, then let us do so, but let us do it directly. I do not believe we should be put in a position where, because of a special trading relationship which now exists between the U.S. and Mexico, these goods are bootlegged into Canada as though they were American goods.

That is an example of the kind of problems I believe we are getting into because of the situation we face on free trade. We are essentially being given a deal on the basis, as the Montreal *Gazette* indicated yesterday, where the salesman says: "Buy now, you will never get another chance, and don't bother to look at the fine print". I believe that in this, as in many other respects, we ought to be looking very carefully at the fine print.

I would welcome some assurances from the Minister on this point. I see the Minister of State for Privatization (Mrs. McDougall) is here as well. I hope they both indicate exactly what the situation is. I know that when the Minister worked on Bay Street, she would not have dreamed of counselling a client to whom she was giving financial advice to buy a business without taking a thorough look at the details, the financial statements, the balance sheet, legal encumbrances and so on.

Mrs. McDougall: Did you read the text of the Kennedy round?

Mr. Cassidy: I am sure that when he was teaching at the University of Western Ontario, the Minister of State for Finance (Mr. Hockin), if approached by an academic colleague who said he wanted to buy a house at the better end of town even though it is a bit expensive, would have advised him to look at his own financial status. Can he afford it? He would advise him to look at his goals and objectives and review the contract very carefully to make sure there is no urea formaldehyde insulation in the house, or mortgage problems, or things like that. If the Minister would give that advice to someone buying a house, and the Minister of State for Privatization would give that advice to someone buying a company, why is this Parliament asking Canadians to buy, sight unseen, a deal which may mean Canadian jobs being lost in favour of jobs in Mexico?

Mrs. McDougall: Hogwash.

Mr. Cassidy: I hear the Minister saying "no, no". Then she should get up and say exactly what this means and why we do not need to close the loophole? If she agrees there is a loophole, then let her agree to the amendment and let us pass it.

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I, for one, want to rise and support the amendment put forward by the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Hockin: I cannot believe that.

Mr. Tobin: It seems to me to be almost impossible to entertain the notion that this amendment would not be supported by members of the Government. While I am not in the habit of heaping praise upon members of the perennial third Party—although you never know, they could end up in second spot the next time around if the Government keeps going the way it is going—I have to compliment the Hon. Member for identifying what could be a major problem for Canada.

Let us talk about more than just the potential nature of this problem. If anyone were to take even a cursory glance at trade between Canada and Mexico today, they would discover a very startling statistic. Mexico sells more auto parts to Canada today than the value of all of the products Canada sells to Mexico. In addition, we are running a trade deficit with Mexico of about three to one. Yet traditionally our trade has been fairly evenly balanced over the last decade. The deficit we are now experiencing, a deficit which is growing, is attributable almost entirely to the rather dramatic increase in the export of Mexican auto parts to this country.

How did that happen? The single major initiative of the Government of Mexico, quite understandable from their point of view after the collapse of oil prices and the subsequent loss of income from their oil company Pemex, was to establish new

industries along the border with the United States whose prime reason for being was cheaper labour costs. We have now seen the rapid development and growth of an auto parts industry in the northern border states of Mexico. Many of those industries use some parts from the U.S. and some from Canada, but the major assembly operation is done in Mexico.

I was in Windsor last Friday and visited a Canadian company called Tri-Way Machine Ltd. It is in the business of manufacturing or building assembly lines primarily for Ford, GM and Chrysler for use in auto plants in Canada and the U.S. Lo and behold, there on the floor of the plant was a huge assembly line. It is built there, taken apart, shipped to where it is going to be used, and then put back together. A very fine gentleman by the name of Joel Jones runs this first-class company, and I asked him where that assembly line, designed to make auto parts, was going. He said it is going to Mexico.

Therefore, when the Hon. Member for Ottawa Centre moves an amendment to make clear that under the terms of Bill C-87 any goods wholly or partly produced in Mexico shall not be deemed to originate in the U.S., he is not dealing with a concern which may or may not be realized one day. He is addressing, and I presume he realizes this, a problem which currently exists.

There has been a dramatic movement by the auto parts industry out of the U.S. and into Mexico. American business interests want to take advantage of very cheap labour rates. American industry is establishing new plants in Mexico to take advantage of very cheap labour rates.

• (1140)

Under the free trade pact that we have agreed to enter into, the auto part content rule is no longer defined as a Canadian content rule, it is defined as a North American content rule. Therefore, we are no longer required to have 50 per cent of parts from Canada in Canadian vehicles, but rather a North American content rule, and the Canadian requirement is no longer present. What happens? Auto parts that are built by American industry in Mexico using cheap labour and brought back into the United States, because of that cheap labour component—which is peanuts compared to the rates paid in this country, and that is a shame—will suddenly become part of the North American content rule. That is happening now. There will be a substantial displacement of both Canadian and American auto parts manufacturers in the content of North American vehicles that are produced on both sides of the border. That is what will happen.

I do not know to what extent the Hon. Member for Ottawa Centre realizes the importance of the amendment he proposed today, but I concur with it. The Hon. Member is not talking about a hypothetical situation that may arise. He is not talking about a danger in terms of displacement of Canadian jobs in manufacturing that may occur. In fact, through this amendment he has addressed a situation that is occurring today.

When today's trade is measured between Canada and Mexico, it will be discovered that the value of Canada's direct import of Mexican-made auto parts—not imports through the United States—exceeds the value of all Canadian products of every description that are exported to Mexico, and we are running a dramatically increasing trade deficit with Mexico.

I submit that unless this very sensible amendment is made to Bill C-87, and I cannot conceive that at least this one amendment would not be accepted by the Government, we will see an escalation in the amount of Mexican-made auto parts that are displacing Canadian jobs and Canadian manufacturing effort. I concur with what the Member has said. If there is to be, and there ought to be, a healthy, vibrant trading relationship with Mexico, which is an important country on the North American continent which has a right to participate in world trade, let it be on the basis of arrangements made between Canada and Mexico and let us not have this indirect, back-door, sneaky way of displacing Canadian manufacturing effort and jobs, without the knowledge of the Government, the industry, or the people of Canada.

I hope that the Minister will rise and show that he is above partisanship. I have not attacked him for this Bill. Will he show that he appreciates a problem being brought to his attention when it is brought properly and intelligently, and inform the House that this amendment will be accepted as drafted because it does a service to the House of Commons, the people of Canada, and particularly those people in the auto parts manufacturing industry who, more than ever before, are at risk because of the initiative of this Government with respect to free trade? The Government has been done a favour, and I hope that it has the good sense to recognize it.

Mr. Tom Hockin (Minister of State (Finance)): I wish to respond to the comments made by the two Hon. Members, and to speak to the motion.

This is one of the most important pieces of legislation that this Parliament will deal with, that is, harmonizing our tariff system for the decade ahead and beyond. It is an historically important document which has been worked out with all the other trading countries in the world. There has been almost 10 years of preparation behind this harmonization. It is one of the most important non-partisan Bills that Parliament will deal with, and it is being held up by this motion, which I will speak to shortly.

The comments of the Hon. Member for Humber—Port-au-Port—St. Barbe (Mr. Tobin) are important to make if the motion were necessary, but it turns out that the motion will be unnecessary to accomplish what the Hon. Member wants.

This legislation is doing something massive, and it must be put in place by January 1. We are harmonizing our whole tariff system with our trading partners.

Mr. Cassidy: The Americans are not doing it by January 1.

Mr. Hockin: The Americans will probably have it done by January 1.

Mr. Cassidy: The Americans will not.

Mr. Hockin: The Hon. Member wants me to follow the lead of the Americans. We are not going to follow the lead of the Americans. What the Canadians want us to do, we will do. As a matter of fact, the Hon. Member also wishes the detailed free trade document. The reason that some extra time is required to work on that document is that we have some views that are different from those of the Americans.

Mr. Cassidy: It was all signed on October 3.

Mr. Hockin: What we wish to do with those changes is to make it tighter and better from our point of view.

This Bill takes our whole tariff classification system, which has mostly been based on end use, and to classify tariffs as to the nature of the product. Conceptually, this is a big change for this country.

In fact, Canada's Customs Tariff Act has been one of the more cumbersome, and perhaps one of the more anomalous regimes in the industrialized world. A great deal of work has been put into improving the system, perhaps more than other countries, but starting on January 1 we will be in a position to harmonize with other countries.

Does the Hon. Member have any idea what this would mean to the importers and exporters of Canada if this were not in place by January 1? Therefore, I regret the motion.

Let me speak to the motion. The Hon. Member's suggestion is that this Mexico-Canada import problem is not dealt with properly in this legislation.

Mr. Tobin: It is not.

Mr. Hockin: It is our contention, and there is no doubt that this is the case, that among the many positive things the free trade agreement we are putting together with the United States is designed to achieve, is to make this motion by the Hon. Member absolutely unnecessary.

Mr. Tobin: How?

Mr. Hockin: The rules of origin will be stated in detail in our trading agreement with the United States, and will completely rule out the possibility of the concerns and the phantoms produced by the Hon. Member for Humber—Port-au-Port—St. Barbe.

Mr. Tobin: You said that the fine print is not important.

Mr. Hockin: The Hon. Member knows that the principle of rule of origin will be part of this free trade agreement, and it will outlaw the particular phantoms produced by Mr. Saul in his article last week. I think if the Hon. Member asked Mr. Saul, he would agree that this is a red herring.

Mr. Cassidy: No. The power is there and it should be stopped.

Mr. Hockin: There is a second problem. It is not only designed to deal with an alleged loophole, which does not exist and will not exist in the free trade agreement, the amendment of the Hon. Member for Ottawa Centre (Mr. Cassidy) is intended to prevent U.S. goods which have undergone outward processing in Mexico from qualifying for duty-free entry under the free trade agreement. These goods will not qualify under the rules of origin negotiated under the agreement, and hence there is no need for the amendment.

Second, such a provision in Canadian law, the provision that is suggested in this amendment, would be totally contrary to our GATT obligations. I think that the Hon. Member knows that. It would discriminate against goods which incorporated any component from Mexico, and thus indirectly discriminate against Mexico.

As far as I can tell, the result of this amendment is that even a bolt, a nut, or a screw that was in a machine if it was made in Mexico would be banned from being placed in Canada. That is incredible. It is a highly discriminatory provision which is totally against our GATT provisions. It would be challenged by Mexico, which is a GATT member and entitled to the application of the same rules of origin by Canada as are applied to imports from other countries.

• (1150)

In summary, this is an important piece of legislation which is being held up as a result of a motion which is based upon a chimerical allegation that the free trade deal will not deal with the problem and that the wording—

Mr. Tobin: Show us the fine print.

Mr. Cassidy: Where is it?

Mr. Hockin: —uttered by the two Hon. Members must be dealt with.

We have an important piece of legislation which is nothing more than an agreement which we have put together with all other industrialized countries. I think every other Parliament will deal with it in a non-partisan manner. However, these Hon. Members have projected partisanship into stopping the proper progress of the Bill. I must ask, from the point of view of parliamentary procedure—

Mr. Cassidy: That is what happens when you try to run over us. You have no mandate for what you are saying.

Mr. Hockin: If the Hon. Member really believes in what he is saying, why did he not raise these points in committee? He uses a classic technique. He does not raise the points in committee. He trucks them all to Parliament to raise them here and waste the time of the House, when he could have got satisfaction and the answers he wanted and needed in committee.

I am looking forward to disposing of these motions in rather quick order, because they are all based upon a false premise.

Mr. Rod Murphy (Churchill): Mr. Speaker, in his remarks the Minister accused us of wasting the time of the House. I think it is important for people who are watching the proceedings of the House of Commons this morning to realize that report stage debate just started 40 minutes ago.

No one is against the intent of Bill C-87. We believe in harmonizing trade; there is no question about that. However, we do not want to see the Government, through this legislation, moving toward its free trade agenda, the Mulroney package, with the Americans.

We have certain fears about what will be in the final fine print of the agreement with the Americans. Over the last couple of years we have already had a variance in what the Government was saying with regard to the Auto Pact. At the very beginning of the negotiations with the United States, we were told that the Auto Pact would not be touched. We had the assurances of the Secretary of State for External Affairs (Mr. Clark) and other cabinet Ministers that it would not be affected one iota. Yet we know that the Government has already thrown in the towel with regard to the penalty clauses and that, in the negotiations which are still taking place with the Americans, the Auto Pact, tariffs, and penalties topics are still matters of contention.

The so-called free trade deal signed on October 3 is not ready and is not before the House. It would be irresponsible for the House to pass legislation, which could have a direct effect on the trade deal, before we actually have the fine print of the final copy before us.

In part, the motion of the Hon. Member for Ottawa Centre (Mr. Cassidy) reads:

> Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States.

If the Minister, as he indicated in his speech, has some problem with the amendment—maybe he thinks that it goes too far—he or some other member of the Government has the ability to put forward a subamendment. However, for us to give the Government through Order in Council the complete freedom to deem that cars almost completely produced in Mexico will be considered American cars for the sake of the Auto Pact is a threat to thousands of jobs in Canada. We do not believe that we should give a blank cheque to Cabinet when it comes to the future of our auto parts industry.

For us to do that in advance of having the final copy of the trade deal would be irresponsible. We need to know what is in the trade deal before we can pass this piece of legislation. We cannot be faced with a situation where the House of Commons passes the legislation and the Government makes all sorts of regulations which are going to cost Canadians jobs, without the benefit of having a finalized copy of the trade deal in front of us.

I am not speaking about some idle threat. As a previous Hon. Member mentioned, the situation is such that hundreds of plants are being built in Mexico at the present time for the sole purpose of exporting goods back into the United States. A major area in which this is happening is that of auto parts. As was also mentioned earlier, we already import from Mexico more in cars and auto parts than all our exports to that country. We already have a deficit on that one item, and that deficit would increase if we allowed the Government, through Order in Council, to count as United States products all cars and auto parts produced south of the United States-Mexico border. It is a serious concern, and it is something with which we must deal.

We are in a situation where the House of Commons will be denied any real debate of the Canada-U.S. trade deal before the Prime Minister (Mr. Mulroney) signs it on January 3. Today is December 1, and here we are in the House of Commons and we do not have the agreement before us. We do not have any enabling legislation or a debate on the trade deal, yet we know that as soon as possible the Prime Minister will run down to Washington to sign the deal. It is unacceptable that that should happen. No responsible Government would allow the Prime Minister to sign an international agreement when we have not even seen its final wording or have not had the benefit of a debate based upon its final wording. The Prime Minister is committing not only his Government but future Governments to a certain course of action without consulting the people of the nation.

The Prime Minister campaigned prior to 1984 against a trade arrangement with the Americans. He said that it would be wrong. He admitted that it would be dangerous. He knew that it would cost us jobs, yet he has made a 180- degree reversal. Now, in approximately 33 days, the same Prime Minister wants to sign a trade arrangement or deal with the Americans which none of us has ever seen.

The Minister for International Trade (Miss Carney) rose in the House of Commons and said that it was good enough for us to have the elements of the trade deal. She said that that was all we really had to know because it was the basic package which we were able to debate if we wanted. She also said that the committee travelling across the country right now would be hearing from witnesses and would have copies of the elements of the deal. If that is good enough, why is it that two months after the elements were signed it has been impossible for the Canadian and American negotiators to come up with the final package? If the elements of the deal are so good and so complete, then obviously the final draft could be signed and it should be in front of this House.

• (1200)

There are major considerations and difficulties with which the Canadian and American negotiators are dealing. For the House of Commons committee to be travelling and for witnesses to be making presentations without a final package is irresponsible. We certainly cannot, in this House of Commons,

pass legislation which will give the Government a blank cheque on the trade deal. Certainly the amendment put forward by the Hon. Member for Ottawa Centre (Mr. Cassidy) goes in the direction of helping to prevent the Government from getting a blank cheque which we cannot trust it with.

Hon. Bob Kaplan (York Centre): We, Mr. Speaker, in the Official Opposition support the amendment. We are also deeply concerned about the Government bringing forward this piece of legislation at a time when Canadians cannot judge it, as they must, in the light of what the free trade agreement will mean for the opportunities opened in Canada for Mexican production.

Why the Government would take this time—if I may say so as the justice critic, when we were moving well on the obscenity legislation, which is important—to bring forward Bill C-87 and suspend the obscenity legislation can only make us very suspicious, as the New Democrats are.

The Government wants to get this legislation passed before exposing the fine print which may reveal a weakness that will make us want to refuse to pass Bill C-87. Seeing the fine print will make it clear whether or not products produced in Mexico, mostly produced in Mexico or partly produced in Mexico and then finished in the U.S., will get the benefit of free trade entry into Canada. This is an issue relating partly to ownership but mainly to labour.

We know that most of the auto industry production that goes on in Mexico is subject in Mexico to a requirement of Mexican ownership or largely Mexican ownership. We also know that Mexico, in some very far-sighted moves to encourage job creation in that country, has created zones in which the automotive industry can be owned by foreigners, even 100 per cent by foreigners, to take advantage of world market opportunities. There is nothing wrong with that and it is nothing for which you can criticize Mexico. From Mexico's point of view a lot of jobs have to be created in Mexico.

It is all very well for the Government to be satisfied, as it may be, that a lot of Canadians own businesses in Mexico producing auto parts, but the important feature for us, and about which we must be concerned in Canada, are Canadian jobs. Now we are being asked to support legislation, which may well have the effect of giving Mexican companies, whether Canadian owned or not, and Mexican-produced equipment and parts for the automotive industry, access into the Canadian market-place because they will be classed as North American production. What will the fine print say about the free trade opportunities for goods produced partly or largely—whatever the definition will be—in Mexico introduced into the North American market?

The amendment provides clearly:

> (3) Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States.

There is a concern which may be allayed when we see the free trade agreement. I believe, Mr. Speaker, you yourself expressed some reservations about the propriety of this amendment, but it would be a very important amendment if the free trade agreement permits Mexican produced goods to become part of the North American production that can enter Canada under the so-called free trade agreement.

A committee is at present travelling across the country getting opinions about the free trade agreement. It has been accurately observed that the Government is wrong in saying that what is happening now is that lawyers are settling what the fine print will be of the agreement. One member of the Government characterized it as the period between signing an offer to sell your house and the final closing that takes place sometimes half a year later when the fine print is settled. I do not think that is a proper analogy. This is not a case of lawyers knowing what their job is and sitting down to do it. The fine print is taking a lot of time to settle, and my guess is that many important issues—be they technical or complicated—have not yet been resolved, and that is why the fine print of the free trade agreement is not available.

The Government has had a considerable amount of embarrassment seeing one deadline after another in producing the final text not met. Canadians would be very foolish, and I do not think they are, to believe that it is only a matter of sitting down to draft a deed or a covenant. That is not the type of issue responsible for the delay in this case. There are serious differences to be resolved that I am sure are being considered at a high level between the Governments of Canada and the United States. One must surely be the amount of content of a foreign-produced product, a product partly produced outside the territory of Canada and the United States, and what proportion of it will qualify the good as a Canadian good.

There are similar problems in the clothing industry. We have clothing manufactured in Canada. The fabric may be manufactured in Canada but perhaps the lining or the thread is imported from the U.S. or from some third country. You need to have a value-added or a foreign content rule to assist you in determining how much of a coat made in Canada has actually to be created in Canada for it to be considered a Canadian product for the purposes of the free trade agreement. Very small differences can make a very big difference in production. What about the case of a coat where every single component, the lining, the buttons, the thread, and the fabric were made in Canada? You could not compete in the American market with that coat because lots of coats in the American market are made totally from foreign content. Some coats are imported directly from a third country like Hong Kong, France, Italy, et cetera. There are others finished in the U.S., but like a coat finished in Canada it has a certain amount of foreign content.

When you talk about the automotive industry you are talking about one of the key industries responsible for the trade surplus that we enjoy here in Canada. Knowing that the Mexicans have made a top priority out of getting automotive

production in Mexico and have been prepared to do it in a variety of ways by relaxing tough foreign ownership rules or relaxing the rules of company ownership establishing free trade zones, it becomes critical that we know whether these products will be competing directly with products now made in Canada. Unless this amendment is included, Canadian industry will be at the mercy of the free trade agreement, whatever it will provide when it comes out. The link is obvious.

The decision of the Government to hoist the obscenity legislation and bring Bill C-87 before us before the fine print is available can only make us very suspicious. I urge government Members, and particularly those who come from areas of Canada where automotive production takes place, to insist on this amendment.

• (1210)

Mr. Nickerson: Mr. Speaker, it is well known that the Liberals and the NDP, those opposite, are a pretty timorous bunch. However, today we have witnessed the spectacle of them quaking in their collective boots and trembling in fear before the economic might, not of Japan, West Germany or the United States, but of tiny little Mexico. Wee timorous beasties they certainly are.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I was hoping that the Hon. Member for Western Arctic (Mr. Nickerson) would have participated in this debate as opposed to simply making an interjection. After all, it has become perfectly clear this morning that while Canadians have been requesting an opportunity to participate in a debate on free trade through their elected representatives, such has not been the case, with the exception of opportunities provided by opposition days.

On the most important trade deal in Canadian history, and as the chief trade negotiator, Simon Reisman, indicated, the most important trade deal in the world, the Government has not seen fit to set aside any parliamentary time for debate. Canadians are expected to buy a pig in a poke. They are expected to have faith that the Government will introduce legislation that is in the best interests of the people of Canada.

I think it is rather sad that today, when the Government has provided an opportunity for government Members to debate Bill C-87, no one on the government side seems to be interested. So far, we have heard almost exclusively from members of the Opposition. This is unfortunate, but I suspect that it may be—

Mr. Cassidy: Deliberate.

Mr. Riis: I would not like to think it is a deliberate move on the Government's part not to participate in a debate on free trade but that it simply stems from the fact that those who would participate are busy at committee meetings and will be here later today. We will be awaiting their return and are anxious to hear their comments on the free trade debate.

We are now debating the first amendment put forward by my hon. friend from Ottawa Centre. I believe that this amendment is absolutely necessary. As Hon. Members know, Bill C-87 which the Government wants to pass as quickly as possible really provides that goods produced in another country can be deemed to be produced in the United States and therefore, under a free trade deal, could be traded as American products in Canada without any duties or tariffs. More specifically, if the United States, in a free trade zone with Mexico, were prepared to use very cheap Mexican labour to produce goods at an extremely low cost in Mexico or along the border, those goods could be deemed to be American products, which would then be allowed into Canada duty-free to compete with our products here in Canada in a so-called free and fair trade situation, though obviously such would not be the case. These goods, which would not even have been produced in the United States, would be considered to be American in origin.

We are interested in having a fair trade situation with the United States. We feel that if we are to be trading in a head-to-head way, the situations on both sides of the border ought to be the same. Both countries ought to have the same input costs, and then whichever country is the most productive or the most sophisticated in terms of marketing would probably come up with the sales.

My hon. friend from Ottawa Centre has moved an amendment that reads as follows:

> That Bill C-87, be amended in Clause 15 by adding, immediately after line 26 at page 4, the following:
>
> "(3) Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the Unites States."

That is about the purest form of an amendment that I have ever seen in the House of Commons. I would think it would get the unanimous support of all Hon. Members. If we do not support it, we are saying that goods produced wholly or partly in Mexico shall be deemed to originate in the United States. We are simply trying to clarify the situation so that if the Government proceeds to bulldoze ahead and jam the free trade deal down the throats of Canadians, we will agree that goods produced in the United States must be produced in the United States.

As many people have warned us, we will find that goods produced in Mexico will be deemed to have been produced in the United States and then will be traded into Canada as American products. That is wrong, unjust and unfair. It is an unfair trading practice. We are simply saying that it should not be allowed. I think any fair-minded person would agree with that.

It seems to be rather odd that opposition Members would even have to suggest such an amendment. It would seem to be in the best interests of Canada and Canadian manufacturers that the Government itself would put this in the legislation. Such, apparently, is not the case.

I listened with interest when the Minister of State for Finance (Mr. Hockin) said that this legislation ought to go through quickly and that the Opposition should stop debating it. We have just begun to debate it. That is what we are here for. Our job is to debate in the House of Commons. The Minister of State for Finance has told us not to debate this legislation, but I say that this is one of the only opportunities we have to point out the folly of the present system as we move toward this so-called free trade deal with the United States.

Today is December 1, and in four-weeks' time this agreement with the United States will be signed. I ask myself if this particular Bill is covered by the deal. I suspect you are asking yourself that question, Mr. Speaker, as are many other Members of the House of Commons.

Under the free trade deal with the United States, will goods produced in Mexico be allowed to be considered American products for trade? That is a reasonable question, but we do not know the answer because we have not seen the agreement. It is a bit like asking someone to sign a will, a contract or a mortgage without reading it. It is like asking management and labour to sign a collective agreement without looking at it.

Mr. Tobin: It is like buying a used car without checking that there is a motor under the hood.

Mr. Riis: My hon. friend says that it is like buying a used car without checking to see if there is a motor under the hood. This is really peculiar. I cannot imagine how Members of the House of Commons could ask Canadians to sign an agreement that no one has seen. It seems illogical and kind of humorous. It is as though a joke has been played. Maybe someone will wake up and say: "Hey, April fool's, we've been fooling you all along". However, that is not the case. Four weeks from tonight, we will be getting ready to sign that agreement which no one has seen yet.

My friend from Ottawa Centre is an opposition Member who is obviously very concerned about this trading arrangement and about Bill C-87 which harmonizes customs definitions. He has asked if goods produced in Mexico will be allowed to be deemed American goods. Presumably government Members are saying yes to this. If they are not saying yes, then I suppose they will rise shortly to explain what they mean by their presumed opposition to this amendment.

I can only say with increasing frustration that as January 2, the day we are to sign this agreement, draws closer I wonder when we will see the agreement. As a matter of fact, I recall the Minister for International Trade (Miss Carney) saying on many occasions that by the end of November, we will all have seen the agreement and Canadians will then have a whole month to evaluate it. Well, November has passed and it is now December. To be fair, some of us would probably like to spend a few days around Christmas not debating or thinking a whole lot about the free trade agreement. However, we may not have the pleasure of that break.

• (1220)

Mr. Tobin: We'll get our holiday turkey on January 2.

Mr. Riis: Well, we will get something on January 2. I expect that there will be all kinds of interesting animals coming at us as a result of this.

In all fairness, Mr. Speaker, has a government in the history of this country ever said that it is entering into a fantastic major contract with another country but was not going to tell anyone what was in it, that it did not even know what was in it because it was still being negotiated, yet asked people to support it before anyone saw it?

My hon. friend, the Member for Ottawa Centre (Mr. Cassidy), has moved a most reasoned amendment which recommends that we pass legislation to say that goods which are partly or wholly produced in Mexico shall not be deemed to originate in the United States. I have seen a lot of amendments, and this is probably the most logical and sensible one I have seen in a long time. With regard to the implications which free trade will have for Canadian manufacturers, large, medium and small, we would be well advised to pass this forthwith and get on with the discussion of Motions Nos. 2 and 3.

Miss Aideen Nicholson (Trinity): Mr. Speaker, the amendment proposed by the Hon. Member for Ottawa Centre (Mr. Cassidy) is very straightforward. It simply says that under this Bill no goods which are manufactured or partly manufactured in Mexico shall be deemed to be made in the U.S. The Minister objects to that. He says that this is discriminating against Mexico. We could implement a subamendment providing that no goods originating outside of the U.S. are to be deemed to be made in the U.S.

The Minister says that the question of the rule of origin will be part of the free trade agreement. To make it even simpler, why not have a definition of the rule of origin right in this Bill? Why wait for the so-called free trade agreement which we have not seen? The Minister is very good at telling us that Bills are simple and technical and that we should trust him that all will be well.

I was Chairman of the Canada-Europe Parliamentary Association during a two-year period when the access of Greece and Portugal to the Common Market was being negotiated. It was fascinating to watch the process of product-by-product negotiation, with clear examination of economic impact at every step and a real commitment to raise the standard of living in the poorer countries.

The Government is not negotiating publicly. We do not know what is on the table and what is off. We have seen a 30-page agreement in principle, but we are waiting for the fine print. The Minister has brought in this Bill and said, "Don't worry, just pass it. It's technical. The fine print of the free trade agreement will settle everything". That is not a very satisfactory way to proceed.

I invite the Minister to bring forward a counter amendment which would give a definition of rule of origin which we could all support. That would probably be a very simple way of bringing this matter to a close.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have an opportunity to speak against some of the aspects of Bill C-87 by supporting the amendment of my colleague, the Member for Ottawa Centre (Mr. Cassidy). The response of the Government to the amendment has been that we should trust the Prime Minister. According to all the evidence, 75 per cent of the Canadian people do not trust the Prime Minister, and I am happy to be counted among that 75 per cent.

I would like to explain this amendment and point out how it affects things which I have encountered during the last year. The clause which we are amending says:

> For the purposes of this Act, goods originate in a country if the whole of the value of the goods is produced in that country.

That sounds reasonable. However, it then goes on to say the opposite. It says:

> The Governor in Council may make regulations
>
> (a) deeming goods, the whole or a portion of the value of which is produced outside a country, to originate in that country for the purposes of this Act—

In other words, the Governor in Council may secretly wipe out the essential meaning of Clause 15(1). He can say that an entire product made in country A will be considered to come from country X. We may think that that was just a funny joke if we did not know of certain things that are happening.

We know that the Prime Minister (Mr. Mulroney) is rushing indecently to move this Bill through Parliament before he has even signed the free trade agreement which he is asking all Canadians to support. I was an observer last Thursday and Friday at the First Ministers meeting in Toronto. It was rather sickening to hear the Prime Minister pour scorn on anyone who was not prepared to buy an agreement which he himself has not yet seen fit to sign. It is not fit for him to sign, yet he condemns everyone who does not give it support in advance.

We do not have the exact text of the agreement. A few minutes ago the Minister said that we should not worry about this point, that the agreement will make it clear. Maybe it will make it clear, but we want to know how it will do that. Almost two months after the so-called agreement was reached we still do not have the text. We were told scornfully that 1,000 or 1,800 pages of the text will be tariff information. The implication was that we would either not want to read it or would not be able to understand it. Yet, that is exactly the sort of thing that is involved in this Bill which the Prime Minister is trying to rush through before he has to tell us the truth of the agreement which he will sign.

This Bill is part of the so-called free trade deal, the Prime Minister's deal with the President of the United States, which will not be free trade but fettered trade. It will not be free for Canada although it will be free for certain corporations, mainly American ones.

This morning I telephoned one of the major unions in Spadina, the International Ladies Garment Workers Union. They are unaware of what the Government is planning to do to them through this Bill in combination with the free trade agreement. In other words, the Government is trying to sneak it through.

As has been pointed out before, there is what might be called a free trade or export zone in Mexico along the American border in which American corporations have established plants. American corporations are shutting down their plants in the United States where they might pay workers $9 an hour. They are doing the work across the Mexican border where they pay workers 65 cents an hour and where there are no unions. As far as the companies and the Government are concerned, there never will be.

The deal is that the goods made in Mexico under slave labour conditions, for which the United States is responsible, are to be imported into Canada under the so-called free trade arrangement with the United States. That is what has clearly opened up in Clause 15 of the Bill. It is a disgrace.

• (1230)

A little over a year ago, one of the major clothing manufacturing plants in Spadina shut down suddenly, with one month's notice. It was a big plant employing 200 people, and was manufacturing Adidas basketball shorts on King Street. When I phoned the manager to ask why it had shut down, he gave me some vague talk about the market dropping. He did not say whether it was because their basketball shorts were no good or they oversold.

I learned from others that they had just opened a plant in Mexico to produce the very same Adidas basketball shorts. It is no wonder they wiped out 200 jobs in Toronto. That is the kind of deal which will become more popular with large corporations like Adidas if the Government is able to put Bill C-87 into law.

It is clearly intended to accelerate what is already being done in a few cases. It amounts to an attempt to legally smuggle goods that would not be acceptable if the deal were put before this Canadian Parliament and put openly to the Canadian people.

The Member for Western Arctic (Mr. Nickerson) ducked in, made a wisecrack, then ducked out again. Of course, he did not want to be held responsible for his remark. He said that we are afraid of Mexico. I am not afraid of Mexico, but I have healthy respect for the power for multinational corporations like Adidas, General Motors, Ford and Chrysler. It is not Mexico against whom this amendment must be directed, even though we are forced to name Mexico; it is corporations like General Motors and Adidas who are exploiting Mexico and the Mexican people in order to damage the employment prospects of American and Canadian workers.

The matter will probably not stop at Mexico. When I visited El Salvador in May, I asked the vice-minister of planning what he was doing about unemployment there. The lowest rate of unemployment which the Government estimates there is 50 per cent of the workforce. He speaks very good English and told me: "We want you Canadians to invest in our cheap labour". He obviously was not talking to the garment workers in Spadina or the auto workers in any of the Canadian auto manufacturing locations.

He thought he was talking to a well-to-do Member of Parliament, perhaps a colleague of another Member of Parliament who has often visited El Salvador because of his interest in shoe factories there. He invited me and my friends to invest in their cheap labour. He is not kidding that it is cheap labour. According to the *Star*, it is $4 a day for labour. Those who attempt to organize unions are shot, and those who complain about the shootings are shot as well. The Government has never brought any of those murderers to justice. It is the death squads in places like El Salvador and it is corporations like Adidas and General Motors which I fear in Clause 15 and against which I believe the amendment of the Member for Ottawa Centre is very reasonable.

The Prime Minister sneers at those who oppose the deal that he is writing with the President. I heard him in Toronto on Friday sneer at those who compare the deal to sleeping with an elephant. However, the Prime Minister himself said four years ago that free trade with the United States is like sleeping with an elephant, it is terrific until the elephant twitches, and if it ever rolls over you are dead. It is a sad day when the Prime Minister of Canada sneers at what he himself said when he was running for the leadership of the Party that now governs the country.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am pleased to have an opportunity to address the reasoned amendment put forward by the Hon. Member for Ottawa Centre (Mr. Cassidy) to the horribly permissive clause which the Government has inserted in this Bill.

Whenever we read a clause that says the Governor in Council may make regulations deeming goods, the whole or a portion of the value of which is produced outside a country, to originate in that country for the purposes of this Act, I think we have a right, indeed a duty, to be suspicious. This clause flies in the face of reason, in the face of geography, and in the face of history. It is an Alice in Wonderland situation whereby the Government abrogates to itself this right to say that things are not in fact the way things actually are. Surely that is not the purpose of legislation within a democratic society that believes in the rule of law.

We should not give the Government the power to make a deeming decision that is on the level of saying that night should be day, black should be white, or up should be down. However, that is the import of the permissive legislation the Government is bringing forward in this instance.

We are discussing the trading relationships of the United States and Mexico that would be implied in the application of the free trade agreement which the Government believes it has signed with the United States.

This amendment is not directed toward Mexico supplying certain assembled goods to the American economy, nor is it aimed at Mexico selling these assembled goods into the Canadian market. I believe we have had a history of allowing access to our markets for manufactured goods generally and a history of at least showing some openness toward the products of the Third World.

Frankly, however, such a policy has been rather by way of indifference than policy. Canadians should be looking much more carefully at this record in terms of the interest we should take toward the economic development of the Third World and the use of our markets and buying power to promote that economic development while ensuring the survival of a healthy and strong Canadian economy.

We are not opposed to entering into a direct trading relationship with Mexico. Indeed, we should actively promote such a program to act as a counterbalance to the excessive dependence on the United States markets for our raw materials and semi-manufactured goods. However, the power conferred upon the Government by Clause 15 would essentially allow the Canadian Government, at the behest of the U.S. Government, of course, to allow Mexican goods produced in the free trade zone, known as the Maquiladora zone, to be imported into Canada as American goods.

Clause 15 would essentially endow the Government with the power to delegate to the Americans a sovereign power of government that has not previously been given away. This would, in effect, provide a back-door for entry into the Canadian market of goods that are produced at Third World wages, at Third World working conditions, with Third World levels of virtually non-existent benefits and safeguards for health and work safety.

• (1240)

The problems caused North America, particularly the United States, by the weakness of the economic system of Mexico, are problems that should be addressed as such and not in a proxy fashion. Canada, after all, permits the less developed countries to have their goods enter Canada free of tariffs, although there are some quotas. That, however, is a direct relationship, and those direct relationships, I believe, should be a prime preoccupation of the Canadian Government, because I believe they are worth expanding and that Canada can improve its assistance to economic development in the Third World by so doing.

As the Hon. Member for Trinity (Miss Nicholson) pointed out, why would the Government want this excessive deeming power unless, frankly, it is to satisfy the demands of the multinational corporations and major national corporations, or

unless it is to facilitate the way in which corporations play off workers in one country against those in another.

Ever since the advent of the production line system, ever since the advent of multinational corporations, it has sadly and regrettably been a dream of the executives and investors in multinational corporations that there would be complete substitute ability of the labour component, that it would become totally fungible so that a product could be produced in any given country for a market, no matter where, and it could be produced under the most favourable—simply, the least costly—conditions and that workers could be treated with the same interchangeability, the same casual acknowledgment, as the dollar bill that goes with so many others to make up the capital investments required.

That is surely not something Canadian Governments, particularly faced with the economic power of U.S.-based multinationals, should be subscribing to. That surely is not the model of democracy, not the model of an economy that Canadians should be subscribing to. The model of democracy that we have heretofore ascribed to, is a model in which the people, by the exercise of their vote franchise, select governments to represent their interests. It is a model in which governments have the power to control the activities of corporations.

What is being promoted by Clause 15 in its present form, and what is being promoted, regrettably, by the Government's trade deal with the United States, is a model in which decision-making and power are shifted away from democratically elected governments into the arena of the boardrooms, the stock markets and the corporate decision-making investing processes.

While none of us deny the need for power in those fields to accomplish necessary economic development in a free society and a mixed economy, what we are saying, and what we have to say at every point, is that we will not allow those powers to override the powers of Government, either by subverting them or by openly abrogating them, which this will be part of.

The raising of economic standards in the Third World is not something—and here we include Mexico—that is going to be accomplished by the simple provision, whether deliberate or by neglect, of loopholes through which Third World products can flow. It is only going to be accomplished, in terms of long-term economic development and in terms of a democratically based economic development, by deliberate policy and strategy initiatives taken by the wealthier countries.

That is the ultimate tragedy of the Maquiladora industrial program. It is not something that has come about because of American goodwill towards Mexico, because of a wish of the Americans to help, although, heaven knows, it would be in its own economic interest to help. It has not come about because of that. It has come about because of these loopholes and because those American corporations have seen the loopholes and have started moving the jobs out of Michigan and Ohio and down into the northern provinces of Mexico.

It irks me when I hear the Minister complain that the New Democratic Party wants to debate amendments like this in the context of a tariff harmonization Bill. What are we to debate if the Government will not put its free trade measure before the House of Commons for debate? We will debate whatever we are given to debate. And we will talk about free trade because the Government cannot have it both ways.

The Acting Speaker (Mr. Paproski): Debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, the Minister when he spoke a little earlier today said something about this amendment not being necessary, that when we see the details of the so-called free trade agreement with the United States we will see that this amendment was irrelevant, redundant and unnecessary. If that is true, if the Minister knows now what is in the final text, surely it is incumbent upon him to have one of his colleagues stand and read that portion of the agreement he seems to now know makes this amendment unnecessary or redundant, whatever words he used.

If the Minister knows that much about it, surely he owes it to the House of Commons to tell us. Without that, I do not believe him. One must accept the Minister's word. I will accept his word, but there is a difference in accepting it and believing it. I hope the Minister will see to it that one of his colleagues tells us forthwith what is in the agreement that makes this amendment unnecessary. I feel ashamed as a Canadian that we would take part in aiding and abetting what the United States wants to do by the back door that we would not allow it to do by the front door.

I have always believed that Canada should make a direct trade agreement with Mexico. I notice that the price of a head of cauliflower is now $3. The price went up by about $1.50 in one week in the City of Ottawa. These are vegetables brought up from Arizona and California. Let us make a deal with Mexico for vegetables. It is up to here in vegetables. Let us send Mexico what it needs from us in technological assistance, in breeding cattle, and all the things it needs from us, and get vegetables in return. However, what we are doing is allowing this 18th century or 19th century exploitation by the United States, allowing it to do through the back door what we would not let it do through the front door, under the guise of trade harmonization. It may try to have some harmony, but in that harmony the name of the tune will be the *Star Spangled Banner*.

The Americans pay in northern Mexico 65 cents an hour. That is economic tyranny. It is economic imperialism of the worst kind. For the United States to tell us that that kind of production in the northern part of Mexico, within a few miles of the Rio Grande River, is considered to be made in the United States, is the worst kind of economic chicanery. Canada should not be a party to that. It should not aid and abet that kind of imperialism.

I do not understand the drive of the Government for a free trade arrangement. It will go to any lengths to get it. It will do

so, not only at the expense of Canadian industry and Canadian citizens, but at the expense of citizens in a third country. Canada makes special arrangements for tariff concessions to developing and Third World countries, but we do it directly. There is no going behind anyone's back, no behind the scenes negotiations between Washington and Ottawa. I do not believe this country should be party to that kind of nonsense.

• (1250)

I am a very strong believer in the principle enunciated by a world famous historical figure who said that "labour is prior and superior to capital. Without labour, capital cannot function". Yet when we, not only allow this kind of exploitation by multinational corporations, some of whom have branch plants in Canada, but aid and abet it, we are not deserving of very much credibility in the eyes of the rest of the world, particularly the under developed and developing nations.

Surely there is not a single Canadian who would not be willing to pay more for a product from Mexico produced at a labour cost of $3 or $4 or $5 an hour instead of 65 cents an hour. I do not know of any self-respecting Canadian who calls himself civilized or Christian who would be in favour of saving a few pennies at the expense of a fellow human being in a country like Mexico.

Neither should the Cabinet have the authority to do these things by itself. It should have to present a Bill to Parliament every time it wants to make changes. Every time it wants to resort to something like this, it should be subject to public scrutiny and examination. The Prime Minister (Mr. Mulroney), at the First Ministers' Conference, said he did not believe in government by committee. We have too darn much government by committee in this country as it is, and have had for many years. That committee is called the Cabinet, the Governor in Council, that does things that in many other countries have to come before a legislature. Why should we broaden even more the power that the Governor in Council has?

This is not a routine regulation or a simple change in procedure. This is an attempt to pacify and satisfy the U.S. Government and accept goods from them, under our law, which they consider made in the U.S.A. The fact that this stuff is made in Mexico by an American company paying 65 cents an hour does not qualify it as made in the U.S.A. Whatever deal Mexico has made with the U.S. is Mexico's business. We should not be party to this kind of economic imperialism. I find it disgraceful that Canada would sit back and make changes in its law that would allow this to happen. I find it incredible.

I would be willing to give my consent to have the Minister speak a second time on this motion. If other Members agree, he can get up and tell us what the final agreement contains that makes this amendment unnecessary.

Mr. Hockin: It will be there.

Mr. Rodriguez: When?

Mr. Benjamin: If he cannot give us the whole thing, and we will be lucky to get it by December 7, he can fish out that paragraph or two paragraphs or whatever it is to prove to us that what he says about this amendment is true. Until he can do that, we consider it a most necessary amendment and we will debate it and many others because this Bill goes beyond simply harmonizing our tariff arrangements with the rest of the world. The main reason for the Bill, and the reason the Government feels it should be passed as quickly as possible, is that it will fit in with the requirements of the U.S. administration.

We have here another example of Canadian law being made in Washington, not in Ottawa. This is supine acquiescence by the Government. We have seen this in its predecessors as well. When the Americans holler, jump, and my friends across the way ask: how high?

I hope, Mr. Speaker, that the amendment will prove acceptable to the majority of the House.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to address this amendment proposed by the Hon. Member for Ottawa Centre (Mr. Cassidy).

[*Translation*]

and say that the Liberal Caucus and the Liberal Party are very concerned about the fact that the Government, which has yet to table the final text of the Agreement, would have us adopt, more or less sight unseen, a proposal that would very substantially change the way Canadians trade or do business with the rest of the world.

The amendment before the House seeks to exclude from this market certain foreign products, products that are manufactured in Mexico.

[*English*]

I want to read Clause 15 very carefully. It says:

> 15(1) For the purposes of this Act, goods originate in a country if the whole of the value of the goods is produced in that country.
>
> (2) The Governor in Council may make regulations.
>
> (a) deeming goods, the whole or a portion of the value of which is produced outside a country, to originate in that country for the purposes of this Act;—

In simple terms, that means that the Americans could have products made wholly or in part in Mexico, declare them to be American products, and bring them into Canada under a so-called free trade agreement. I invite the Minister to clarify that clause of the Bill because it addresses the rule of origin and our preoccupations with respect to clarifying the Bill.

[*Translation*]

Mr. Speaker, the areas covered by a trade agreement between two countries are usually discussed beforehand and submitted for serious debate. The Government keeps telling us we should accept, without argument, the Mulroney-Reagan proposal for free trade between . . .

[*English*]

The Acting Speaker (Mr. Paproski): I regret to interrupt, but the Hon. Member will have seven minutes remaining when we again call Orders of the Day.

It being one o'clock I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

PRIVATE ENTERPRISE

TRIBUTE TO MR. VINCENT CACCIATORE

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, last Sunday, on November 29, the brand new *Pie IX* agro-food complex was officially opened, representing a twenty-million-dollar investment and 600 new jobs for Montreal East. The organization responsible for the success of this innovative venture is the *Société de développement immobilière COIMAC Inc.*, headed by its president, Mr. Vincent Cacciatore.

Mr. Cacciatore is Canadian entrepreneurship incarnate. He started in a small shop, and today he owns the most modern agro-food complex on the North American continent.

Today, in this House and in the presence of all Canadians, I wish to pay tribute to his success.

* * *

[*English*]

ABORTION

ONTARIO—PROPOSED OPENING OF CLINICS CONDEMNED

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, the Province of Ontario is about to condone the opening of 12 free-standing abortion clinics. Those clinics will be nominally attached to certain hospitals in order to become quasi-legal. This action is flouting and is in direct violation of a federal law by providing abortion on demand.

By its actions the Ontario Government has been flouting and ignoring the federal law that prohibits abortion on demand. The medical profession, by and large, has been masking abortions on demand by calling them therapeutic abortions, knowing full well that only in two instances can an abortion be truly called therapeutic—when there is cancer of the reproductive system, or when a pregnancy occurs in the fallopian tubes.

Sixty thousand unborn human beings are killed in Canada each year under the guise of so-called therapeutic abortions. This cannot be allowed to continue. The federal Government has the responsibility to see to it that federal legislation is carried out by the provinces, and that federal statutes are enforced.

How many more thousands of unborn babies must die before this carnage is legally brought to an end? This is the question that Canadians must ask themselves and come to grips with, if we are ever to get rid of this scourge and the condonation of abortions on demand.

* * *

OCCUPATIONAL HEALTH AND SAFETY

HAZARDOUS MATERIALS INFORMATION REVIEW ACT—NON-APPLICATION IN NOVA SCOTIA

Mr. Rod Murphy (Churchill): Mr. Speaker, once again the safety of Canadian workers is jeopardized by the haphazard implementation of legislation that is meant to protect them.

In June of this year the House passed the Hazardous Materials Information Review Act, with the support of all political Parties. This legislation was introduced in order that Canadian workers would be informed of the types of hazardous materials that were in their place of work. The development of the legislation involved all concerned groups. Business, labour, provincial Governments and the federal Government were consulted as the legislation was formulated in order to ensure the uniformity of this legislation throughout Canada.

We now discover that this is not the case. Nova Scotia has arranged for its claims to be processed outside the framework used by the rest of the country. This decision was made late last year at a meeting which did not involve the Official Opposition, the NDP, or the Canadian Labour Congress. No one was informed until after the Bill was passed that Nova Scotia was to be exempt. Now the workers of Nova Scotia have been left without the protection enjoyed by their brothers and sisters across the country.

Why has this happened? Why did the Governments of Canada and Nova Scotia make such an unusual and secret arrangement? Is it because of the influence of the Michelin Company in that province? It would not be the first time that Michelin has been able to affect the legislation that would protect workers in Nova Scotia.

I call upon the Government to ensure that Nova Scotia complies with federal legislation, and ensure that there is a national agreement program in that province which falls under the same jurisdiction and requirements that the rest of Canada has agreed to follow.

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF YURIJ SHUKHEVYCH

Mr. Bob Horner (Mississauga North): Mr. Speaker, I rise today to bring to the attention of the House the plight of Yurij Shukhevych, a Ukrainian political prisoner being held in the U.S.S.R. In 1948, at the age of 14, Mr. Shukhevych was arrested and sentenced to 10 years in prison because he was the son of General Roman Shukhevych, the Commander-in-Chief of the Ukrainian insurgent army, who was killed in 1950.

When his sentence expired in 1958, Mr. Shukhevych was arrested again by the KGB and sentenced to an additional 10 years for refusing to renounce his father. He completed that sentence and was again arrested in 1972 and sentenced to a further 15 years' detention. It was alleged that Yurij Shukhevych was involved in anti-Soviet agitation and propaganda.

The deprivation and isolation which Mr. Yurij Shukhevych has endured over the years have taken their toll. His physical condition has declined seriously, and he has suffered partial loss of vision. His captors have denied him access to any medical care and, therefore, his health continues to deteriorate.

In the spirit of Canada's commitment to human rights, I urge the Department of External Affairs to work in conjunction with immigration officials in Canada and in the U.S.S.R. to assist Yurij Shukhevych's efforts to obtain proper medical attention here in Canada.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—ABSENCE OF FINAL TEXT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians find it rather odd that we have not yet seen the legal document on which the trade deal is to be implemented. We all know the importance of the small print when we sign an agreement, buy a house, et cetera.

In addition, two years ago when the Government of Canada set out to get an agreement on trade with the U.S.A., we were told that Canada was going to seek a bargain, an exemption from U.S. trade laws, in order that we could sell our steel, potash, fish, lumber, et cetera on the American market free from the danger of being hurt by countervailing duties or other penalties.

Unfortunately, if we read carefully what has been announced so far by the Government, we did not get the bargain and the exemption we were seeking. Instead, we got a review panel which will decide whether U.S. laws, not ours, are fairly applied in the case of a dispute. When there will be one, whose opinion do you think will win? The opinion of the bigger or of the smaller partner in the dispute? History is full of examples where in the end the bigger partner always wins.

* * *

[*Translation*]

THE DISABLED AND THE HANDICAPPED

TRIBUTE TO LUC GRAVEL AND EMPLOYEES OF CIPH IN ALMA, LAC-SAINT-JEAN, QUÉBEC

Mr. Guy St. Julien (Abitibi): Mr. Speaker, in Alma in the Lac-Saint-Jean area, a business where both management and employees are either physically or mentally handicapped has been operating for four years.

The business consists of a service station, without a machine shop but with a carwash, a convenience store, a truck and fishing-boat rental outlet, a video rental club, a photocopy service, a soft-drink outlet and a fire extinguisher sale and service outlet.

This enterprise, the Saguenay—Lac-Saint-Jean *Corporation d'intégration des personnes handicapées*, is unique in Canada. The CIPH, as it is called, is a business without a boss, where managers work from their wheel chairs and where junior employees, who were still in institutions not long ago, are today participating in a unique experiment in two-fold community integration.

Luc Gravel, a special education teacher and head of external services at Villa du Lys, masterminded this undertaking. Mrs. Hélène Perron is chairman of the board of directors. Today, they want to persuade Petro-Canada to set aside one of it service stations in each region in this country as a potential CIPH.

Congratulations to Luc Gravel and all employees!

* * *

[*English*]

TRADE

OPPOSITION TO CANADA-UNITED STATES TRADE AGREEMENT

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, over the past three weeks I have received more than 100 letters from residents of my constituency on the Reagan-Mulroney trade deal. They are still coming in at a rate of 10 per day, and to date all but five oppose this trade give-away. I want to share with the House some of the concerns of citizens of northwestern Ontario.

Mr. William Blyth of Dryden states that the deal is not for Canada. He states, "It's up to you, John, and your Party to have this Government out before our country is in a greater mess".

S. O. 21

Mr. Harry Brigden of Ear Falls says that times are difficult in the forest industry, especially for small logging contractors. He states that the trade deal "would make matters worse".

Mr. Lawrence De Gagne, a small businessman from the Fort Frances area, writes, "I have spoken with many business people and some general citizens about free trade. I have yet to hear one of these people agree with it". He adds, "I wonder where Mr. Bulloch got the news that small businessmen want free trade".

A man from Balmertown writes about the Prime Minister (Mr. Mulroney), "I think he is selling us out for big business interests—typical Conservatives".

Mr. Roger Woods of Sioux Lookout states that he has doubts about the credibility of the Government to even negotiate a fair deal.

Time does not permit me, Mr. Speaker, to share the concerns of other northerners right now, but the message I am getting is that this trade deal is a bad deal and that it belongs in the same scrap heap as the Tories' attempts to deindex seniors' pensions when they first got into office.

* * *

NATIONAL FILM BOARD

DISCREDITING REPUTATION OF THE LATE BILLY BISHOP, V.C.

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, over the past three or four years there has been an increasing outcry of protest over the release of a National Film Board film, "The Kid Who Couldn't Miss".

More recently it has been discovered that the director of the film, Mr. Paul Cowan, has taken deliberate liberties with the truth in that film in order to discredit Billy Bishop, the holder of the Victoria Cross. Even after Mr. Cowan's fraud came to light, his employers at the National Film Board refused to remove the film from circulation.

• (1410)

I call upon the Minister of Communications (Miss MacDonald) to launch an inquiry into why such a film was made, despite the overwhelming evidence to the contrary that its theme was erroneous, and why, when the truth behind the director's intent became known, the National Film Board did not step in immediately—indeed, it still has not done so—and retrieve this monstrous waste of taxpayers' money.

AGRICULTURE

PRINCE EDWARD ISLAND POTATOES—INCREASED INSPECTION FEES

Mr. George Henderson (Egmont): Mr. Speaker, the potato farmers in Prince Edward Island and New Brunswick are fed up with the Government.

As of today, Agriculture Canada is doubling the inspection fees to 6 cents a hundredweight at shipping points. We realize that potatoes must be inspected before they can be shipped out of a province, but our P.E.I. producers must export about 60 per cent of their tablestock potatoes whereas Ontario and Quebec growers sell nearly all of their potatoes in their own provinces.

The doubling of these inspection fees blatantly discriminates against our P.E.I. farmers. To make matters even worse, the Government has also increased the inspection fees at the destination points by 2 cents to 12 cents a hundredweight.

Our farmers have been hard hit in recent years and the current tablestock prices are still below the cost of production. The higher inspection fees will be a terrible burden for our farmers. Why does the federal Government treat our potato growers with utter contempt? I urge the Minister of Agriculture (Mr. Wise) and the Government to reverse this decision immediately.

* * *

NATIONAL FILM BOARD

LEGAL FEES INCURRED BY WAR AMPUTATIONS OF CANADA

Mr. Stan Graham (Kootenay East—Revelstoke): Mr. Speaker, in November, 1986, the War Amputations of Canada launched an action in the Supreme Court of Ontario requesting an injunction against the distribution of "The Kid Who Couldn't Miss", a National Film Board film. The National Film Board declined to defend the film and instead announced it would delay the action on procedural grounds.

I call upon the Minister of Communications (Miss MacDonald) to invoke Section 21 of the National Film Act and request from the NFB an accounting of its decision to try to pass on to the War Amputations of Canada $10,000 in legal fees for an action which never occurred. I ask the Minister to prevent a gross travesty of justice perpetrated by the National Film Board of Canada.

INDIAN AFFAIRS

CHILD WELFARE PROGRAMS—CALL FOR SECURE FUNDING

Mr. Jim Fulton (Skeena): Mr. Speaker, there is a crisis in funding for the delivery of quality native child welfare programs in Canada to which the Minister of Indian and Northern Affairs (Mr. McKnight) and the Minister of National Health and Welfare (Mr. Epp) seem oblivious. The combination of poverty, housing shortages and chronic unemployment in native communities across Canada places excessive demands on existing child welfare agencies.

In Manitoba, native child welfare agencies are carrying case loads double the level acceptable within the province, and this Conservative Government has failed to make any attempt to remedy the situation. Instead, the consistent record of underfunding continues with no scheduled negotiations in sight.

Social development groups across Canada, including the Canadian Council on Social Development, the Catholic Pastoral Centre, the National Association of Friendships, and family services groups from every province join with me today in calling on the Conservative Government to make this issue a priority and work with the agencies in Manitoba to devise a plan to secure funding so that our native children will not be faced with futures shrouded in a cycle of poverty and despair.

Of course, on-reserve housing shortages aggravate the child welfare crisis. The Minister must wake up to this reality and seriously look at increasing the level of funding for housing generally and the Bill C-31 housing program.

Adequate housing is a prerequisite to improving the quality of life for all peoples. The Minister has displayed an incapacity in grasping this somewhat important fact.

* * *

UNEMPLOYMENT INSURANCE

PLIGHT OF NEWFOUNDLAND AND LABRADOR FISHERY WORKERS

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, for several months now I have been keeping various Ministers informed that there are hundreds of fishplant workers and fishermen who have not had sufficient earnings this year due to low in shore fish landings to qualify for unemployment insurance benefits at this time.

I make the request again, and I beg the Government to institute a program immediately to alleviate the financial hardships these people are suffering, not only in my own riding but in other areas throughout Newfoundland and Labrador.

[*Translation*]

NATIONAL HIGHWAY SAFETY WEEK

NEED TO EMPHASIZE COLLECTIVE EFFORT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, this week is National Highway Safety Week. The theme of this thirty-second annual campaign is particularly well chosen: "You can improve highway safety", and it puts the responsibility for highway safety squarely on the shoulders of each one of us.

In Canada last year, 3,123 motor vehicle passengers died as a result of highway accidents, while 258,808 people were injured. Although the statistics are depressing, people still think it can't happen to them. I know from personal experience, Mr. Speaker, that highway accidents can happen to anyone, and that is why I would urge all Canadians to practise defensive driving, to abide by the traffic regulations and to buckle up, because we must make a joint effort to reduce the number of accidents on our highways. I want to congratulate all organizations and individuals who are actively promoting highway safety, and I maintain that by keeping up this joint effort, we will be able to say, truly, that it will not happen to us.

* * *

[*English*]

MULTICULTURALISM

SUPPORT FOR NEW CANADIAN MULTICULTURALISM ACT

Mr. Bill Domm (Peterborough): Mr. Speaker, it is not often that one has the chance to participate in an event which will clearly be of great significance in parliamentary history. I believe that the introduction of the Canadian Multiculturalism Act in the House of Commons today is such an event.

The message of this Act is strong and very clear. It affirms the multicultural reality of our society. It says that cultural diversity enriches the communities of this land. It says that this diversity makes us more interesting and compassionate people while providing opportunities for our future prosperity in a global economy.

It is interesting to note that Canadian communications expert Marshall McLuhan first coined the term "global village". Canada is that global village, welcoming people from all parts of the world and making them part of our unique Canadian family. Now we are going beyond that early definition to become not a global village but an international nation.

The sights and sounds of our multicultural identity can be found not just in the vibrant neighborhoods of our cities but in towns, villages and remote hamlets throughout Canada. We are a people of many different origins, traditions and heritages. Therein lie the strength of our country and its greatness.

I take great pride in supporting the proposed Canadian Multiculturalism Act, and I applaud the Government, which has worked with diligence and vision, to prepare this very important and timely legislation.

* * *

THE ADMINISTRATION

PARKER COMMISSION REPORT—CALL FOR PUBLICATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Prime Minister (Mr. Mulroney) has finally admitted having received the long awaited Parker Commission Report concerning the allegations of conflict of interest against the Member of Parliament for York—Peel (Mr. Stevens).

Yesterday the Prime Minister stated that the Justice Department is now reviewing the 500-page document. As interesting as this may be, it is not a justifiable reason to delay access to this document by Members of Parliament. If it is a substantial report, as the Prime Minister says, then let all Members of Parliament see it and let the Prime Minister table it in the House of Commons today. The integrity of our parliamentary system is something which interests all Members of Parliament and all Canadians, not just the Prime Minister and his Cabinet colleagues.

Could it be that the Government is preparing a package on reform of public sector ethics before tabling the document in the House? If this is the case, then I suggest that the Prime Minister and his colleagues should have thought of the consequences before getting themselves in trouble, not after the acts were committed.

* * *

MULTICULTURALISM

SUPPORT FOR NEW CANADIAN MULTICULTURALISM ACT

Mrs. Mary Collins (Capilano): Mr. Speaker, I too would like to congratulate the Government on the introduction today of an historic Bill. The proposed Canadian Multiculturalism Act has been with us in spirit for many decades, yet we have lacked the legislative base which makes this Act so important not only for what Canada is today but for what our country can become tomorrow.

The Act will ensure that we continue to be a country in which Canadians of all origins have equal opportunities, in which their heritage is enhanced and shared, and in which social and working relations are based on mutual respect and understanding. In addition, the principles espoused in this Act will become part of the mandate of all federal government institutions and ministries.

This country enjoys a rich and dynamic cultural diversity. That diversity can contribute to our education system, to our scholarship, to international exchanges of scientific research and artistic achievement, and it can contribute to increasing global diplomacy and international trade. Using the knowledge and the skills of Canadians whose roots create a world-wide network of communications, this country can only be greater than it is already.

I believe that I voice the sentiments of all my hon. colleagues in offering my wholehearted support for the proposed Canadian Multiculturalism Act.

• (1420)

ORAL QUESTION PERIOD

[*English*]

AIR SAFETY

AIRPORT SECURITY PROCEDURES—COMPUTERIZED BAGGAGE MATCHING SYSTEM

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is addressed to the Minister of Transport. Since the Air India disaster of June 1985, the question of airport and passenger security has continued to be a major concern of Canadians. First, a CBC reporter in Montreal got through security with a fake pistol and fake dynamite sticks; then it was learned that half of Pearson International's 1,500 security guards failed a written test on national security standards; then Transport Canada's own personnel reported that some 25 per cent of fake weapons deliberately carried through airport screening checks went completely undetected. Now we learn that there are yet more serious flaws with a new computerized baggage matching system at Pearson Airport.

Can the Minister explain why the new security measures his Department announced in April of last year are flawed and do not seem to offer proper security to airline passengers?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I suppose one should ask first where the Hon. Member learned about these tremendous security lapses. If he learned anything at all, it must have been from CBC Radio which this morning had an entirely inaccurate report on this very subject. That is what he says he learned it from.

Mr. Assad Kotaite, the President of the Council of ICAO, the International Civil Aviation Organization for those who do not know what the initials mean, noted last August that Canada now leads the world in airport baggage screening security. That is the state of security.

I would like to point out to the Hon. Member that since the terrible incident involving the Air India aircraft which occurred in June of 1985, the Government has authorized and is spending a total of something like $60 million on improving and enhancing civil aviation security at our airports. We have

authorized in excess of another 100 person-years. A series of nine steps have been taken, including doubling the number of RCMP officers who are now located at our various airports. At the 10 major international airports, including Vancouver and Gander, Toronto, of course, Ottawa, Mirabel, Halifax, Winnipeg and Calgary, we have spent $24 million on enhancing security.

I will tell you this, Mr. Speaker, our system will stand up to that of any other country in the world. I quote the President of ICAO for confirmation.

CBC REPORT ON BAGGAGE HANDLING

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, we are not disputing the fact that certain measures have been taken. We are only saying that there are major flaws in those measures.

Some reports claim that the new computerized baggage-matching system used for domestic and international flights is ineffective against terrorist bomb attacks. The CBC reported this morning that over 50,000 pieces of luggage per day are placed on board domestic and international flights with no security whatsoever. In this case, what is the Minister doing to correct this major flaw and to reassure the travelling public?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, what I intend to do in this case is to correct CBC Radio, that is what needs the correction.

In October, 1986, Canada instituted a complete baggage match system for all international flights from Canada to the rest of the world. This was a requirement that ICAO said should start by December 19, 1987. As the Hon. Member can see, we are a year and several months ahead of ICAO's schedule. As a matter of fact, western European countries have called upon ICAO to give them some more breathing time and to delay this request until April of 1989. However, we have now had it in effect for a year and several months.

In addition, the situation with domestic flights is that, once baggage is checked into the system, the passenger cannot get access to it. If there is a risk situation or threats phoned in, special measures need to be taken and then the passenger match system or an x-ray system goes into effect. However, in the ordinary course of events, that is the security procedure taken on domestic flights. We are working on a baggage match system for domestic flights but we are not able to start that until we get computer systems that can handle it because of the chaos that would otherwise be caused.

[*Translation*]

SYSTEM'S TWO WEAKNESSES—INQUIRY AS TO WHAT MEASURES GOVERNMENT INTENDS TO TAKE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the security problem is not the CBC but the airport baggage screening system. In fact, the computerized baggage matching system can be circumvented in two ways: first, a passenger who becomes ill at the last minute fails to board and does not withdraw his baggage; second, a passenger on stand-by may be turned down at the last minute while his baggage goes off with the plane just the same.

What kind of measures does the Minister intend to take to correct these two flaws in the system?

[*English*]

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, there are no weaknesses in the system. The baggage match system is in full effect on international flights.

There are two situations in which exceptions are made.

Mr. Benjamin: Bull Durum.

Mr. Crosbie: It may be Bull Durum or it may be anything the hon. gentleman wants to make it. He should know better than to sit there fuming away about Bull Durum.

On international flights, two exceptions are permitted. If someone is taken ill at the last moment, the baggage may remain on the aircraft. Sorry, that is for a trans-border flight. If the person is an employee of an air carrier and does not get on the flight because it is full and the employee has a bag on it, that is permitted, as it is if a passenger has been denied boarding because of stand-by status. These are the only exceptions for international flights that are allowed when the baggage match system is in effect.

X-RAYING OF BAGGAGE

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is directed to the Minister and is on the same subject. Canadian air passengers assume that they are being protected by the Government of Canada. The facts seem to suggest otherwise.

I would like to ask the Minister whether all baggage, both national and international, is x-rayed before it is boarded onto aircraft, and if not, why is it not?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, that is just the point. The Government has chosen to follow the recommendations of the International Civil Aviation Organization. Rather than having a system of x-ray examination of baggage, we have chosen the baggage match system as being the best system. Therefore, on international flights there is no longer an x-ray of baggage. If there were to be a special risk situation, that would be different, but in the ordinary course of events there is a baggage match. The baggage is matched up with the passengers.

By the way, that is why the union official quoted by the CBC story is so eager to speak. He represents the persons who are employed to do the x-raying. There are fewer of them now doing the x-raying because of the baggage match system. They naturally prefer the x-ray system to the baggage match system, but we are going by what security experts and the International Civil Aviation Organization advises to do.

SECURITY MEASURES—PROVISION OF PERSONNEL

Mr. John Nunziata (York South—Weston): Mr. Speaker, I am sure the Minister will agree that the baggage match system is flawed in that if a terrorist wanted to bring a bomb on board, he could under the baggage match system. However, if the x-ray system were utilized with all baggage being x-rayed before being boarded on aircraft, security would be enhanced.

In September of 1985 a secret report which reviewed airline and airport security in Canada stated the following:

> It could however, be argued that DOT rather than the carriers should provide the personnel necessary to operate the security measures for checking passengers, baggage, and cargo.

In light of the serious problems over the last few years, why did the Government not adopt this policy proposal?

• (1430)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, we are following the system which was followed by our predecessor Government. Apparently it thought that the present system was in order. Its supporters are now having second thoughts.

I will point out once again to the hon. gentleman that which has been said by those who should know, not those who listen to CBC Radio at seven o'clock in the morning waiting to pick something up for Question Period so they will have something with which to fill their empty little minds and to ask about.

The aviation industry in Canada and the Canadian Government have taken the lead role in the development of a passenger baggage match system and have more than fulfilled their international commitments. We lead the world in airport baggage screening security according to the President of ICAO. I will take him over CBC Radio, lock, stock, and barrel, any day of the year.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—DELAY IN PRODUCING FINAL TEXT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He will recall that when he initialled the trade deal on October 4 he said that we would see the final deal in a matter of two or three weeks because only the legal wording was being worked on.

We see in news reports today that Simon Reisman indicates that the main areas of disagreement which exist include maritime shipping, energy, textiles, autos, and the dispute settlement mechanism. These are, in a sense, the major portions of the entire agreement.

Will the Prime Minister of Canada please explain to us just what is going on and when we can expect to see the final draft?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am not sure that the Hon. Member can show us anything that says that Mr. Reisman said this is what they are talking about. I read the same story from which the Hon. Member is reading. It says "apparently" this is what is holding them up.

They are down to the final stages in solving the interpretation problems with the agreement as they are putting it together. We are hopeful that it will be available for this House and the Canadian people in the very near future.

Mr. Cassidy: You've been saying that for weeks.

Mr. Riis: Mr. Speaker, we have been hearing about these final stages and that it is 99 per cent complete for weeks on end.

PROJECTED DEADLINE FOR PRODUCTION OF FINAL TEXT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is directed to the Prime Minister. After the initialing of the agreement, "the most important trade deal in trade history", in the words of the Prime Minister, the Prime Minister promised the people of Canada that they would see the completed text by the end of October.

That time has now come and gone. He then promised the people of Canada that the final text would be available by the middle of November which would allow ample time for evaluation. That did not occur. He then said that it would be available by the end of November. That did not occur.

Will the Prime Minister indicate what his most recent promise is as to when the people of Canada will see the final text so that they can make a fair, total, and accurate evaluation of the deal?

Mr. Cassidy: Answer, Brian. Don't chicken out.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Prime Minister did not make those statements in the way in which the Hon. Member said that he did. That is very unfair and he knows it.

Some Hon. Members: Oh, oh!

Mr. Cassidy: He did and the people of Canada know it.

Mr. McDermid: The Prime Minister said we hoped to have it in three weeks time. He did not promise it in three weeks time.

Mr. Speaker: Order. The Hon. Member for Kamloops-Shuswap has asked a question and the Parliamentary Secretary is replying. I know that the Hon. Member would want his own colleagues to give the Parliamentary Secretary a chance to reply.

Mr. McDermid: Thank you, Mr. Speaker. The Hon. Member has been misrepresenting what the Prime Minister has been saying.

That Party has been saying that we should rush into things. We want to make sure, on behalf of Canadians, that this agreement is done rightly and properly. We are making sure that every i is dotted, that every t is crossed, and that it makes absolute sense.

Ms. Mitchell: Scrap it.

Mr. McDermid: It will be released very shortly. We are confident of that. It will be a great agreement for Canada. We are really confident of that.

REQUEST THAT DATE BE GIVEN FOR PRODUCTION OF FINAL TEXT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Hon. Member says that the Government wants to take the time to ensure that all the i's are dotted and all the t's are crossed. We want to have time to evaluate the total agreement. We want to see the agreement before that evaluation is made.

I will direct my supplementary question to the Prime Minister. Committee hearings are being held today. Monday is the last day for hearings. From reports today it looks as though we will not see this agreement until Monday at least, if not beyond that.

The Prime Minister has indicated time and again that we would have enough time to evaluate this particular deal. It was the end of October, then the middle of November, then the end of November. It is now the beginning of December and reports today indicate that the final agreement is still a number of days away. There are only a handful of days left between now and the parliamentary Christmas recess. There are only 30 days left before the deal is to be signed.

Will the Prime Minister of Canada indicate clearly when the people of Canada and their elected representatives in the House of Commons will have an opportunity to evaluate the completed final draft? We have been waiting through a number of promises. Will he not promise us, in a clear and distinct way, when we can expect that draft?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am totally surprised at the concern of the Hon. Member and the Liberal Party. The Liberal Party said that it will tear up the agreement. The Hon. Member for Ottawa Centre said the other day that if his Party had anything to do about it they would tear up the agreement. Why is the Hon. Member concerned about seeing it? He has already made up his mind.

Some Hon. Members: Hear, hear!

Mr. Cassidy: You're unbelievable. This is a democracy. This isn't Haiti, this is Canada.

Mr. McDermid: The Canadian people will have ample opportunity to examine the final agreement and this House will have ample opportunity to examine legislation that arises from the agreement.

Mr. Cassidy: Nonsense.

Mr. McDermid: There will be all kinds of opportunity for Canadians and parliamentarians to examine this deal very carefully.

Mr. Riis: After the fact.

Mr. Cassidy: Where's the Prime Minister? Why won't he answer? He's afraid. He chickened out.

Mr. Grisé: Who's afraid of you?

Mr. Nystrom: Where's the Gucci boy?

REQUEST THAT SIGNING OF AGREEMENT BE POSTPONED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to address a further supplementary question to the Prime Minister since the Parliamentary Secretary has totally missed the point, that is, that Canadians want to see the final deal before it is agreed to and initialled.

The Commons committee will complete its public hearings on Monday. Those public hearings will obviously be finished before the final text is available. Can the Prime Minister, therefore, indicate that he will change his own timetable and postpone the signing of the agreement from January 2 to a later date in order to give the Commons committee proper time to hold public hearings based upon the final document so that Canadians will have a right to participate? After all, this is a democracy and people do have a right to participate in important decisions.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I do not think there has been an agreement or policy of any Government in this country on which there has been such wide consultation with the Canadian public.

Mr. McCurdy: Oh, get off it.

Mr. McDermid: I can cite chapter and verse of the consultations which have taken place, continue to take place, and will continue to take place with the affected parties. Canadians will have ample opportunity to examine this agreement. There is no doubt whatsoever about that in our minds.

REQUEST THAT COMMITTEE HEARINGS BE EXTENDED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Parliamentary Secretary knows better. He knows that as a result of testimony before the committee women's organizations, social organizations, labour organizations, and consumer organizations have all been denied any opportunity to consult on this agreement before it is signed.

• (1440)

Now we are faced with a situation in which the Prime Minister's word to the House is being denied once again. He is once again breaking a promise to the Canadian people giving them a right to participate in this decision.

The Parliamentary Secretary has not answered. Considering the terrible delay in providing a final document, is the Government prepared to give the Commons committee an extension of its time so that it can hold hearings based upon the final document? Will it set the signing date back so that Canadians can participate? That is the point of these questions. Will you give Canadians the right to participate in making this decision before you sign this country away?

Mr. Speaker: The Chair hesitates at all times to interrupt any Hon. Member when asking a question. But I must ask Hon. Members not to use personal pronouns in addressing other Hon. Members. The reason is very clear. It leads to disorder. I would ask experienced Members especially to keep that in mind.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would simply invite an experienced Member of the House who has been here for some time to compare the consultation in this particular process with anything that has taken place before. There were 15 SAGIT'S created that involved consultation with the industry across the country. There were nine First Ministers' meetings, some lasting up to eight or nine hours, to discuss the matter.

Mr. Cassidy: All in secret.

Mr. Mulroney: There were full-day debates in the House of Commons—

Mr. McCurdy: What about the people?

Mr. Mulroney: —and ample debate at committees and in Question Period. There were parliamentary committees of the Ontario Government and the Quebec Government. There had been prior consultation and analysis in Royal Commissions such as the McDonald Royal Commission.

Mr. Gauthier: Still no document.

Mr. Cassidy: You do not care about the people.

Mr. Mulroney: There will be further opportunity to discuss—

Mr. Cassidy: What about the people?

Some Hon. Members: Oh, oh!

An Hon. Member: Shut up!

Mr. Cassidy: What about the people, Mr. Prime Minister?

An Hon. Member: You do not represent the people, Cassidy.

Mr. Grisé: Where is your majority?

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Mulroney: Mr. Speaker, as I was saying, this is a pattern of consultation with the Canadian people through parliamentary committees, through debates, through their Members of Parliament, that I believe is probably unprecedented in its thoroughness. There can be further debate and further consultation as time goes on.

To put it into perspective, I invite my hon. friends who are being so critical of this degree of consultation to compare it with the last time the federal Government concluded a major trading initiative, which was 23 years ago when the Government of Canada concluded the Auto Pact. The Liberals concluded the Auto Pact without so much as a "by your leave" to the Government of Ontario and without a single reference to the Parliament of Canada. There is the difference between our approach of consulting with the people, and the Liberals and the NDP who cared not for it to be raised.

* * *

AIR SAFETY

ICAO REQUIREMENT FOR CHECKING BAGGAGE

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a series of questions for the Minister of Transport. He and his predecessors have repeatedly avowed that there will be no compromise in safety and security in air or any other mode of transportation. I wrote to the Minister on November 5 and gave him five cases of airlines violating the ICAO requirement for baggage sequencing. I have seven more cases which I will give to him.

Employees are being put through the wringer by being subjected to fingerprinting, credit rating, loyalties, police records and questioning on sexual proclivities, all of which applies to their spouses as well. If the Minister's security is so good under ICAO, will he explain the case of Air Canada flight 870 on November 13, Mirabel to Charles de Gaulle, when a bomb threat was received after the flight took off and the decision was made for the flight not to stop in Gander? Who made the decision and why did someone not overrule it?

What about the case of the Toronto to Puerto Vallarta flight, one passenger was a no-show, bags not removed. I have seven more for him.

Mr. Speaker: Of course the Minister can answer if he wishes. I point out that the Hon. Member is getting into a series of detailed questions that, strictly speaking, might more properly be placed on the Order Paper. However, the Hon. Minister may answer if he wishes.

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, my answer has to be that I am surprised the hon.

gentleman would try to raise fears among the travelling public by getting up in the House of Commons and giving these detailed examples of certain things that he alleges occurred, when the way to proceed would be to ask for them to be examined to see if they ever happened.

Mr. Blaikie: You never answered him.

Mr. Crosbie: I will answer the hon. gentleman as soon as I can get a chance to answer him. It is possible to get around any security system occasionally. No one in the world will claim that they have a perfect security system. It so happens that Canada has one of the best security systems in the world. However, we all know that there are occasions when someone might be careless or it might not be observed, or whatever. It is possible that there was one of those instances. If so, I would certainly see that action is taken against those who have offended.

The rules are in place. There are just two exceptions to baggage match on an international flight. When an employee who has loaded his bags on a plane discovers all the seats are filled, the plane is allowed to proceed in any event. The other case is where the same thing happens to someone who is waiting on a standby basis. These are the only two exceptions allowed.

Mr. Benjamin: I find it strange that the Minister does not know. I would like to know who is in charge.

AIRPORT SECURITY—REQUEST FOR GOVERNMENT CONTROL

Mr. Les Benjamin (Regina West): Mr. Speaker, Air Canada Flight 856 on October 24, Toronto to London—

Some Hon. Members: Oh, oh!

Mr. Benjamin: —flight released before security checks were completed.

Some Hon. Members: Sit down.

Mr. Speaker: I very much regret interrupting the Hon. Member for Regina West, but the questions are very detailed. The reason that our rules do require that detailed questions of this nature be put on the Order Paper is so that they can be dealt with in a detailed response. I must ask the Hon. Member to put his question, but I will have to rule him out of order if he insists on completing a series of detailed matters. I know that it is his intention, and certainly a laudable one, to point out that he has some information which may indicate that there have been lapses or otherwise. However, I ask him to put the question and stay within the rules.

Mr. Benjamin: Mr. Speaker, since the Minister was so anxious to blame it on the CBC, I was just trying to reverse the situation.

Will the Government agree to take over all airline and airport security, operate it by employees of his Department, regional, provincial, or Royal Canadian Mounted Police, and not leave it to the whims of airlines which want to do it on the cheap and take shortcuts with airline safety and security? Will he take all this over and operate it himself? If not, he better have his resignation ready if anything happens.

• (1450)

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I am sorry that I offended the Hon. Member when I dared to utter a word of criticism about the sacred CBC. If I have offended, oh, Lord, please forgive me.

First, the hon. gentleman gives certain detailed cases and he says it is all my fault. I am supposed to be at 10 international airports and 50 domestic, checking every piece of baggage that goes in every plane in Canada. Then, after having criticized me heavily, he suggests that I take it all over.

Some Hon. Members: Oh, oh!

Mr. Crosbie: We are not going to take it over, Mr. Speaker. We think we have a satisfactory system. The people who now do the security checks have been through special courses. I saw one at the airport the other day when I was boarding a plane. You could not get your thing through the little pipe business and, by golly, that was it, you were not allowed on. So I believe we have people there who can do the job.

* * *

PUBLIC SERVICE

SALARY OF NURSES

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the President of the Treasury Board who will know that nurses working for the federal Government are concerned about the impact of a recent decision of the Canadian Human Rights Commission which has resulted in nurses earning less than nursing assistants who work for them. I wonder if the Minister could indicate what steps he is prepared to take to resolve this inequity?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Yes, Mr. Speaker, we are certainly aware of this difficult problem that has been caused by the decision of the Canadian Human Rights Commission.

Ms. Copps: You didn't do anything when you met with them.

Mr. Mazankowski: Mr. Speaker, if the Hon. Member for Hamilton East wants to answer the question, perhaps I can sit down and let her do it. Either that, or extend the courtesy to allow us to answer. It is a very important question.

There have been a number of meetings on this issue between members of the Treasury Board and representatives of the Professional Institute of the Public Service of Canada. A fast-

track approach has been established. A substantial interim pay adjustment has been put on the table to try to go part way in resolving this issue.

I should remind the Hon. Member that it is a matter that is within the domain of the collective bargaining process, and together with adjustments and the collective bargaining process we would hope that a satisfactory resolution could be achieved.

I should also say that a meeting was slated for November 24, which was unfortunately cancelled by the Professional Institute of the Public Service of Canada. As the employer, we stand ready and hope we can sit down and negotiate this in a satisfactory manner.

STATUS OF BILL C-33

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is directed to the same Minister. It concerns the area of public service compensation issues, namely, Bill C-33, which was introduced in the House almost a year ago.

Ms. Copps: Order!

Mr. Turner (Ottawa—Carleton: I wonder if we can get an indication from the President of the Treasury Board of when the Bill is going to have second reading in the House so it can then go to committee—

Ms. Copps: Come on!

Mr. Turner (Ottawa—Carleton): —for public input?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I thank the Hon. Member for that question. We hope to proceed with this very quickly. It is an important Bill that provides a new mechanism for ensuring indexation. We hope that we can work out some sort of arrangement with House Leaders that we might be able to proceed with this in a very expeditious manner.

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CANADIAN NATIONAL RAILWAYS

TERRA NOVA TELECOMMUNICATIONS—POSSIBILITY OF PRIVATIZATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, Terra Nova Telecommunications, commonly known as TNT in Newfoundland, a federal Crown corporation, sent letters to 400 employees in Newfoundland saying that their company could be up for sale as early as next week. The 400 employees who received these letters live in Gander, St. John's, and Cornerbrook. I ask whatever Minister is responsible for this atrocious decision by what logic did the Government of Canada decide to sell this company, which is making money for the people of Canada and employs so many Newfoundlanders, when a sale to its biggest competitor, Newfoundland Telephone—that happens to be, by the way, in Ottawa having meetings—would cause a substantial lay-off of people in the very province that has the highest unemployment rate in the nation?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I suppose it is hard for members of the Opposition to understand that it is extremely hard to sell companies that are not making money. That is one of the reasons for selling them, when they do make money, if you have other reasons for such activity.

The situation is that Canadian National is actively considering the sale of Terra Nova Tel, which is a telephone company subsidiary in Newfoundland, and its other non-rail assets, because it has a huge debt. I think it amounts to something like $3.4 billion. That is why it is deciding whether or not, depending on the prices it can get, it should sell any of its non-rail assets so it can concentrate on its main business, which, of course, is the rail business.

If it does reach a decision that it should sell Terra Nova Telecommunications, it is going to proceed by ensuring that full commercial benefits accrue to the corporation, that the employees are fully protected, that established levels of service are maintained, and that the interests and concerns of any communities involved are protected, including the town of Gander. It will use a commercial bid process, and among the conditions of sale will be a requirement for the new owner to honour all existing labour agreements and assume all pension obligations now in place.

If you want to spread a false rumour, Mr. Speaker, there are three ways; telephone, telegraph, or tell-a-Baker.

Some Hon. Members: Oh, oh!

CN TOWER—FATEFUL PROSPECT

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister says that non-rail assets of CN are under consideration for sale. All right, the CN Tower, the tallest free-standing structure in the world, is an non-rail asset. So I ask the broadest free-standing structure in Cabinet, the Minister of Transport, who, if he went to the CN Tower perhaps it would no longer be the tallest free-standing structure in the world, is the CN Tower now under consideration for sale?

Is CN Explorations, with considerable oil and gas holdings in western Canada, also under consideration for sale? Is Northwest Telephone in northern British Columbia also under consideration for sale?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, I think I have pointed out all non-rail assets. Now, unless the CN Tower can go choo-choo-chooing along, it is a

non-rail asset, and presumably—well, the Hon. Member knows what he can do with the CN Tower.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think, given the time, we will move on.

* * *

[*Translation*]

TAX REFORM

FLOW-THROUGH SHARES AND SPECIAL ALLOCATION—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Finance. Last week, l'*Association des prospecteurs du Québec* asked that flow-through shares and the earned depletion allowance be maintained. Does the Minister realize that this request was supported by a long list of municipalities, by the Quebec Union of Municipalities, metal workers, the Employers Council, the Montreal Stock Exchange, the Quebec Chamber of Commerce, the Canadian association of cities, and so forth? Considering this request, what does the Minister intend to do to maintain an active mining sector in remote areas of Quebec and Canada, when this incentive is taken away?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do want to assure the Hon. Member that I am very much aware of the comments that have been made on flow-through shares. He mentioned a number of representations that have been made. They also were the subject of a recommendation in the report of the Finance Committee, of which he is a member. Quite frankly, as I have said on many occasions, I am not going to be able to comment specifically on these until I present my Ways and Means Motion later on this month, which will make clear where we stand on a number of these issues.

Quite frankly, I thought the Hon. Member was going to ask me a question on the announcement this morning of the real growth in GNP of 4.3 per cent—

Some Hon. Members: Order!

Mr. Wilson (Etobicoke Centre): —where business investment is up 21 per cent.

Some Hon. Members: Hear, hear!

[*Translation*]

MINING EXPLORATION—GOVERNMENT POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I intended to ask a question about the economic situation in Schefferville, a town that was closed by the Prime Minister and where the unemployment rate was around 30 to 35 per cent. Last year, thanks to flow-through shares, $19 million was invested in mining exploration in this community. What does the Minister intend to do to maintain this level of exploration after 1988? Or does the Minister of Finance intend to close Schefferville again, after it was closed the first time by the Prime Minister?

• (1500)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think I responded to that question quite clearly in my first answer.

There was something else. Housing investment is up 12 per cent. Machinery and equipment investment is up 28 per cent.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

HOLDING OF TRIALS IN FRENCH IN ALBERTA—GOVERNMENT POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to put a question to the Prime Minister.

Yesterday, I asked him why his Government pleaded before the courts in Alberta against the trial proceedings of Luc Paquette being conducted in French. The Prime Minister admitted he was not aware of the facts, but he added nonetheless, and I quote, "this Government has never failed to promote both our official languages."

Today, he must know that my statement was correct, and I ask him: Why is his Government against that trial being conducted in French in Alberta?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as a matter of fact, as I said yesterday, I had not read the whole judgment and unfortunately, the Minister of Justice is not in the House today.

But allow me to tell the Hon. Member this about the Paquette decision that is divided in two parts—

[*English*]

In the first half of the decision in that case, rendered on September 11, 1987, the Alberta Court of Appeal upheld the position of the Attorney General of Canada that the French language can be used as of right in criminal proceedings in Alberta because Section 110 of the former Northwest Territories Act is still in force in that province with respect to criminal matters.

In the second half of the judgment, rendered last Friday, the Court of Appeal decided that Part XIV.1 of the Criminal

Code, which gives an accused the specific right to be tried before a judge or a judge and jury who speak his or her official language, is not yet in force in Alberta. However, Bill C-72, the Official Languages Act, introduced by this Government and the Minister of Justice on June 25, 1987, will amend the Criminal Code to confirm language of trial rights for everyone and to ensure that Part XIV.1 comes into force no later than January 1, 1990, in all provinces across Canada.

The provisions that will shortly be before the House with respect to the Official Languages Act will correct a historic problem and do honour to all Members of the House.

Some Hon. Members: Hear, hear!

GOVERNMENT POLICY

Hon. Bob Kaplan (York Centre): Mr. Speaker, will the Prime Minister then tell the House why his Government has not begun discussions with the Province of Alberta, and will it now do so, to bring Part 14(1) into effect so that when this Bill is brought forward, if it ever is, people like Mr. Paquette will be able to have their trials in French?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the situation which my hon. friend refers to was not created last year. It has persisted for many years and throughout the long reign of my hon. friend's Party in government. This Government is now acting, and I think quite swiftly, to correct it. If my hon. friend waits just a little while, he will have the opportunity to support amendments to the Official Languages Act to correct something which ought to have been corrected under previous Governments many years ago.

Mr. Speaker: This will be the last question.

* * *

EXTERNAL AFFAIRS

EL SALVADOR—TERMS OF AMNESTY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and concerns his recent visit to Central America. Can he tell the House whether or not he raised with the leadership of El Salvador, specifically President Duarte, the question of the charges made against that country's amnesty program to the effect that it would permit the murderers of the four American nuns and the murderers of Mr. Anaya, head of the Human Rights Commission there, to go free? If he did, what was the response and what is the Minister's response?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, when I was in El Salvador, and indeed elsewhere during my visit to Central America, I raised questions relating to the amnesty. I think everyone understands that there is bound to be, in any successful peace accord in that region, some very rough justice. There is bound to be controversy over the granting of amnesty to people who have committed or are alleged to have committed crimes. I think it is the general conclusion of the Governments and observers involved that it would be difficult to have general acceptance of an amnesty program without that occurring.

I raised the matter particularly with the Government of El Salvador. As the House knows, there have been two explicit exceptions to the application of the amnesty in question. One had to do with the death of the bishop, and the other had to do with the death, I believe, of the humans right leader to whom the Hon. Member made reference.

Some days ago, before my departure, the Hon. Member asked me if I would report to the House on my trip to Central America. I am going to accept that suggestion and I look forward to making a report here tomorrow.

Mr. Blaikie: I appreciate the Minister's answer and I hope he also appreciates that there is a difference between rough justice and injustice.

HONDURAS—PRESENCE OF CONTRA FORCES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, did the Minister have an opportunity to press the Government of Honduras with respect to its position *vis-à-vis* the Contras now on its territory, and what was the response?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member knows, on November 5 the Honduras Foreign Minister spoke to the Organization of American States. He set forth a quite detailed proposal that would allow action by both the Government of Honduras and the Government of Nicaragua regarding the use of their territory. There has now been an informal response by Nicaraguan authorities to that proposal.

My understanding is that there will be initially informal discussions to see if an agreement can be worked out by the Governments of both countries that will allow the kind of compliance that would not only deal with the question of Contra bases or Contra activity in Honduras but also with problems of a similar kind which might be occurring on Nicaraguan soil.

Mr. Speaker: I should bring to the attention of the House that I have received a notice of a question of privilege from the Hon. Member for Sarnia—Lambton (Mr. James) and I will hear him now.

* * *

PRIVILEGE

ALLEGATIONS AGAINST COMMITTEE CHAIRMAN

Mr. Ken James (Sarnia—Lambton): Mr. Speaker, I have reference to a question of privilege raised by the Hon. Member for Broadview—Greenwood (Ms. McDonald) on November

25, 1987. The Hon. Member asserted that I, as chairman of the legislative committee studying Bill C-204, acted in a biased manner. After careful perusal of *Hansard* and other documents, I believe my rights as a Member of the House of Commons have been called into question and I would like to speak to that point.

The Hon. Member indicated there was a delay of 12 sitting days after second reading before the first meeting of that committee was held.

Mr. Speaker: The Hon. Member has been given the floor to respond to an application made a few days ago by the Hon. Member for Broadview—Greenwood on a question of privilege. I know Hon. Members are leaving the Chamber for other duties and I ask that they extend the appropriate courtesies to the Hon. Member so he can make his presentation to the Chair.

Mr. James: Thank you, Mr. Speaker. The date of second reading of Bill C-204 was May 29, 1987. By letter dated June 9, 1987, I was appointed by you as chairman of that committee. I received that letter of notification on Wednesday, June 10, 1987. My schedule for Thursday, June 11, through Monday, June 15, was totally booked, and so the first meeting of the committee was held on the following Tuesday, June 16, 1987. The first witnesses were from the Departments of Labour and National Health and Welfare.

• (1510)

In point two the Member indicated there was a 19 sitting day delay between the third and the fourth meetings. The date of the third meeting was June 26, 1987; the date of the fourth meeting was June 17, 1987. The days do not compute, so I do not exactly know.

I would like to advise you, Mr. Speaker, that on that particular day, the Hon. Member for Broadview—Greenwood stated in committee, "Yes, Mr. Chairman, I do not think we can realistically plan any future meetings before the end of June. What I think we should do is plan to start work right promptly when the House resumes". That was under the assumption that we would reconvene on September 14, as the House calendar indicated. We then established a work schedule based upon that situation.

Additionally, the Hon. Member indicated in her accusations that there was active obstruction in the committee during the period of June 26 to October 6. During that period, I as chairman of the committee was given instruction by the committee, as the minutes will indicate, to contact the witnesses who might want to appear before the committee. I was also given authorization by the committee to advertise during the summer, if it was so advised. That was done during the summer. The House was recalled on August 11 for a special emergency session to deal with the refugee legislation. The House was originally to be reconvened on September 14.

I was then appointed the chairman of the committee on Bill C-55, on August 14, 1987. That committee met for 55.5 hours, heard over 30 witnesses, and reported to the House on September 15, 1987. On September 17, 1987 the meeting of the committee on Bill C-204 reconvened.

I wish to notify you, Mr. Speaker, that the Hon. Member for Broadview—Greenwood who has raised the allegations was not in attendance at that meeting. At that meeting we discovered from communication that the clerk had with the witnesses that there were certain problems in receiving from the witnesses the specific proposals, résumés, and briefs that we should get from them. At that meeting of September 17 it was decided by the committee that we should write to all those who had been suggested by the Hon. Member for Broadview—Greenwood and other members on the committee, and advise them of specific dates to reply by, and hear back from them. That was decided then to be September 15 and September 30 respectively.

Following that, the committee then carried on and had meetings on October 6, 8, 13, 15, 20, 29; November 3, 5, 17, 19, 24, and 26.

Another allegation brought forward by the Hon. Member for Broadview—Greenwood was that the chair had acted in a biased manner. I submit to the House the letters that I have written to my constituents wherein I stated, "As chairman of the legislative committee on Bill C-204 it is essential that I perform my duties as the chairman in an impartial and neutral manner". That is the manner in which I carried out my responsibilities as chairman. Nowhere in the minutes do I find an allegation by the Hon. Member who has brought forth these allegations challenging the chairman or the members of being biased.

I have instructed the clerk to work closely with the Hon. Member's office, as she is the author of this Bill, in ensuring that all the witnesses were received and given the opportunity to be heard. I challenge the Hon. Member to find and produce any evidence that I have operated in a biased manner. I am seriously concerned over those allegations, and they certainly impinge upon my privileges as a Member of Parliament who has attempted to act in an unbiased manner, hopefully with good management, to hear and deliberate upon this very important legislation.

I appreciate the opportunity to be able to rebut the allegations made.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to reply to the concerns raised by the Hon. Member. When I raised the issue of privilege and felt that the work of the committee was being held up, I did not at any time state that it was the exclusive responsibility or the actions of the chairman. I raised a whole list of problems that had occurred, and I think the responsibility must be shared among a number of members.

I raised the question of the obstruction in the committee work, and the fact that at some meetings there were as many as five Conservative Members who were opposed to the Bill, and raising preposterous questions—

Mr. Speaker: The other day the Hon. Member for Broadview—Greenwood (Ms. McDonald) gave a full explanation of her grievances. Unless the Hon. Member has something specific to add to what the Hon. Member for Sarnia—Lambton (Mr. James) has stated to the House and to the Chair, I do not think there is any particular need to go forward.

In reciting her grievances, the Hon. Member has stated that she was not blaming the chairperson, the Hon. Member for Sarnia—Lambton alone, but was blaming others. That is helpful to the Chair, but it is not helpful to the Chair to receive a repetition of the extensive points raised by the Hon. Member the other day.

Ms. McDonald: Mr. Speaker, on the question of the dates for the third and the fourth meetings, if I have the numbers wrong and they are the fifth and the sixth or the fourth and the fifth, that can be checked. But I was referring to the very extensive period of time over the summer. An alternative way to proceed would have been to appoint another chairperson, given that the chairperson of this committee was not able to act—

Mr. Speaker: I have heard the Hon. Member, and I am presently considering the comments that she made, as recorded in *Hansard*. As soon as possible, I will return to the House with a response to the application of the Hon. Member for Broadview—Greenwood.

The Hon. Member for Sarnia—Lambton has risen on one specific item. He claims that it was alleged that he was biased. He has put on the record certain facts which he asks the Chair to consider and decide that, under those facts, the charge of bias is such that it affects his privileges in that he is not able to do the job that he has been elected to do. I will consider that.

Unless the Hon. Member has something which is new and that I have not heard before, I must ask her to bear with the Chair. I do have her comments. Of course, I will hear the Hon. Member, but I ask her to keep in mind that it is not appropriate at this time to restate that which was stated before.

If we are going to become involved in an argument about what dates were what, unless I am persuaded that it is very important, we are getting into an argument of fact, and that is not the easiest thing in the world for the Chair to solve.

• (1520)

Ms. McDonald: Mr. Speaker, I was replying to new information brought forward by the Hon. Member today, not repeating arguments of the previous session.

The Hon. Member made quite a to-do about timing and his availability. I was replying to that. I feel very frustrated that I am not permitted to reply to that aspect. I thought he was raising a number of concerns, but it appears that you wish me to deal with only one of the ones he raised, namely, the question of bias.

I think the record will show, and you can have a look at the proceedings of the committee meetings, that I was frequently interrupted in the course of questioning witnesses, for example, by the chairman. Other Members were not interrupted or not frequently interrupted. Other Members changed the subject of the discussions. Other Members strayed completely from the health aspects. They were not interrupted, but I was interrupted. I am the author of a Bill. In effect, as a private Member I am a Minister in that capacity. I would have expected the co-operation of the Chair. Co-operation was, indeed, received with regard to scheduling witnesses, but in many things I did not receive any co-operation.

The question of the swearing of witnesses is another point. You may be aware, Mr. Speaker, of a situation in the Standing Committee on Communications and Culture, when a Member asked to have witnesses sworn in and the chairperson of the committee facilitated in that. In this situation, I alerted the chairman of the committee of my desire to have witnesses sworn in. Whether or not he supported me, I do not know, but when the substitute chairman appeared there was this business of Conservative Members not appearing until my motion could be defeated. I do not know if the chairman spoke to the deputy chairman in favour of my request to have witnesses sworn in or against the person acting in his behalf—

Mr. Speaker: I hesitate again to interrupt the Hon. Member, but I heard this earlier. I have to remind Hon. Members that this is not the place to go into a long argument over and over again about what did or did not happen in the committees.

The Hon. Member for Broadview—Greenwood (Ms. McDonald) has made her point and stated her grievance. I will have to consider whether it is privilege, but she has made it with great vigour and she has made it extensively.

I have listened to the Hon. Member for Sarnia—Lambton who has responded basically to the charge of the Hon. Member for Broadview—Greenwood that his conduct was improper. He has put his facts on the table. Unless the Hon. Member for Broadview—Greenwood is to rise and say that any of the facts which the Hon. Member for Sarnia—Lambton put forward are wrong or that she disagrees with them, then anything else is of very little assistance to me. It may well have been that other Members did all kinds of things within the committee. It is not for the Chair to do other than listen to the Hon. Member for Broadview—Greenwood, and she explained her grievances, as I say, with great vigour and extensively, and the Chair listened very carefully. The Chair cannot take up the time of Members to listen to them again.

I know the Hon. Member from Broadview—Greenwood feels very strongly about this matter, and the Chair is very

cognizant of it. I would ask her to consider carefully what I am saying because I am also bound by procedural rules.

If the Hon. Member for Broadview—Greenwood disagrees with anything that was set out by the Hon. Member for Sarnia—Lambton, of course I will hear her. It is not the role of the Chair to allow this argument to go back and forth because some Member will get up, undoubtedly, and respond to some of the things the Member from Broadview—Greenwood is saying, and then we will have no end to it. The Hon. Member for Broadview—Greenwood.

Ms. McDonald: Mr. Speaker, one very particular area where I disagree with the presentation by the Hon. Member for Sarnia—Lambton (Mr. James) concerns the scheduling of witnesses in September. There was a break over the summer. The committee chairman was directed to schedule witnesses as soon as possible in September—and he referred to that in his remarks today—but it took two organizational meetings to get the scheduling done. There was a great deal of obstruction. I did not blame the Hon. Member from Sarnia—Lambton for this obstruction. I recited it as one of the facts that impeded the work of my committee.

It should be clearly understood that his response today is an incorrect one. The record will show clearly that there was agreement that witnesses be contacted and a schedule set up. That was not done, which has impeded the work of my committee. I did not say that the Member bears exclusive responsibility for the fact that that work was not done because many Members bear responsibility for that, Conservative Members who were obstructionist in committee meeting.

I think I have been responding to the concerns that the Member raised. I conclude by saying that at no time did I state that he was the only person responsible, but I cannot agree with his presentation of the facts and I urge you to look at the proceedings for the committee meetings in question, Mr. Speaker.

Mr. Speaker: I will recognize the Hon. Member for Sarnia—Lambton now. I hope that he will take into account the comments of the Chair and direct his remarks solely to the issue which he is raising, which, as I understand it, is a question of privilege with respect to what he says is an allegation of bias.

Mr. James: Mr. Speaker, I think any indication, if it is not personal, is an indication of the Chair's responsibility in managing the committee.

As you deliberate on this matter I do not think you will find in the committee minutes any time where I have been challenged as being biased. In the management of the committee when there are interruptions of the witnesses, I think it is the responsibility of the chairperson to keep order.

I want also to bring to your attention a mistake in facts. It was stated that on five occasions a deputy chairman was substituted for the chairman and mention made of a Member in particular who has bias. I would like to advise you, Sir, that at the point in time as of November 24 only three instances are recorded when the chairman designated another Member to act as chairman, namely, on November 15, 17 and 24. I want to notify the House unequivocally that the Member named by the Hon. Member for Broadview—Greenwood was never designated as chairperson of this committee. That is another incorrect statement.

Mr. Speaker: I will hear the Hon. Member for Broadview—Greenwood but I would ask her to be as brief as possible.

Ms. McDonald: I will be very brief, Mr. Speaker. I do not have the dates in front of me but I attended committee meetings. My recollection is of a number of instances. Perhaps the proceedings of the committees do not show a substitution. I am referring to who was actually sitting in the Chair, not just who is designated for an entire period of time. The designation of a chair for part of a meeting certainly counts as a problem if that chairperson acts in a particular fashion and if it is a person who, for example, is in a conflict of interest situation on this subject.

GOVERNMENT ORDERS

[*Translation*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the international Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee, and Motion No. 1 (Mr. Cassidy, p. 11346).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Before the House took recess at 1 p.m., Mr. Speaker, I was speaking to the Bill and dealing more specifically with the amendment moved by the Hon. Member for Ottawa Centre (Mr. Cassidy) which would somewhat limit access to the Canadian market of goods coming from the United States, which had been wholly or partly produced in Mexico.

Clearly the Hon. Member is trying to change Clause 15 of Bill C-87, and I should simply like to indicate that we agree on the proposal, because not having seen the final text of the Mulroney-Reagan free trade or so-called free trade agreement, many claim that Canada would come out the loser on a deal such as this, because it is quite possible that the Americans, having gained access to the Canadian market, could export to this country goods with "Made in the USA" labels but which in fact would have been wholly or partly produced outside the United States, more specifically in Northern Mexico.

We are concerned about this, Mr. Speaker, because such experts as Economist Writer John Ralston Saul, who appeared before the House Committee considering the whole free trade issue, raised the possibility that Mexican goods could be exported to Canada under the guise of an American label or as processed there, as originating in the United States.

• (1530)

[*English*]

Mr. Saul, in testimony before the committee, made clear to all those interested that indeed we may be entering into a deal which could allow Mexican products produced with cheap labour to be distributed in Canada, thereby giving our Canadian products a very bad deal in terms of jobs, permanency and production.

I would like to remind Hon. Members that the United States has a virtual free trade pact with Mexico or at least with the northern parts of Mexico. Apparently, there is a region of Mexico which contains 1,200 U.S. factories employing some 300,000 Mexican workers, mostly teenagers, non-union labour of course, earning about 65 cents per hour. These so-called Maquiladora industries are expanding at a phenomenal rate and constitute the second largest industry in Mexico, second only to petroleum and larger than tourism.

This economist is telling us to be careful because we may be entering into a deal which exploits cheap labour. God knows that we do not want to enter into any deal which would exploit human resources, and especially not to the detriment of Canadian jobs and the Canadian economy.

We asked the Government to make sure, in the final legal text which we have yet to see, that there is a provision preventing this kind of product from entering Canada. The Hon. Member for Ottawa Centre (Mr. Cassidy) put such an amendment to the House. His motion is very clear and would amend Clause 15 by adding the following:

> "(3) Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States."

The motion is clear and logically follows Clause 15 which describes the country of origin. The motion specifies that notwithstanding any regulation under the power of the Governor in Council, these recycled products made by cheap labour are not brought into our country and that we will be protected from the abuse of such trade.

Just to put the debate in perspective, in 1969, only 2 per cent of manufactured goods imported by the United States came from Mexico. Now it is 40 per cent. Mexico, not Canada, is the largest exporter of manufactured goods to the United States. The Hon. Member's amendment suggests that in the final text of the free trade agreement, we ensure that no cheap labour products are recycled through the American economy and distributed in Canada. Such products would be unwanted and it is more than morally wrong to exploit cheap labour.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I would like to speak in favour of the motion put by the Hon. Member for Ottawa Centre (Mr. Cassidy). The Bill that is before us certainly has implications as far as free trade with the United States is concerned. In fact, this Bill provides for a harmonization of commodity descriptions and the coding system.

The motion that has been proposed by the Hon. Member for Ottawa Centre amends Clause 15 by adding the following:

> "(3) Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States."

It has been asked why the Hon. Member for Ottawa Centre put that motion forward. That is a good question. Certainly it is not because this Party of which the Hon. Member for Ottawa Centre is a member wants to put the brakes on a country that is developing and developing rapidly. It is not that we want to prevent other countries in the world from having a share in economic development. The reason for the presentation of this motion has to do with what we were told by an economist, John Ralston Saul, who appeared before the parliamentary committee that is dealing with international trade and particularly the free trade agreement.

It seems to me that we owe Mr. Saul some thanks for having pointed out what appears to be a gap in the free trade agreement. In fact, from what I understand, when Mr. Saul raised this question before the parliamentary committee, the chairman scurried off, got on the telephone and spoke to Mr. Ritchie, the under-secretary in the free trade negotiations. The chairman finally came back and said that he was assured by Mr. Ritchie that in fact the question that was raised by Mr. Saul does not pose a problem for the free trade agreement.

• (1540)

What was it that Mr. Saul raised which may have been overlooked by Ambassador Reisman in the negotiations on the free trade agreement? It is something which goes back to the 1960s when Mexico and the United States reached an agreement that the area which runs along the Mexican-American border for 3,000 kilometres, several kilometres deep, would be called the Maquiladora industrial program. It was basically an attempt by the United States to compete effectively with Asian industries. It was, of course, in the interest of Mexico to ensure that jobs were created for Mexicans. That is a legitimate interest for Mexico.

In the Maquiladora corridor factories and plants were established which were originally designed as labour intensive operations. The raw materials came from the United States to these factories where they were manufactured into final products. Without the imposition of any tariffs or duties they were returned to the United States and sold as American products with only a slight value-added tax put on them.

The wage rates in the Maquiladora corridor are 65 cents an hour and there are presently about 300,000 employees who

work there. They are mostly teenagers. They are now moving into the production of high tech equipment.

One of the main arguments for entering into a free trade agreement with the United States is that Canada can get an entree into the American market and compete with Americans in finished products. In fact, Canada will be competing against products which are manufactured in the Maquiladora corridor. There is no possible way that Canadian-manufactured products can compete against wage rates of 65 cents an hour. The original design of that program from the American perspective was to compete with low-cost Asian products coming into the United States.

The only question I have about the amendment moved by the Member for Ottawa Centre is with regard to identifying a product coming into Canada. How would we know that the components in a radio, for example, were not manufactured in the Maquiladora corridor industries? There is apparently no way to determine that the components of a finished product were made in the United States. We would need a horde of agents. With such a highly complex economy as that of the United States, it would be very difficult to track down a component from the Maquiladora corridor which is put into a product in the United States.

This, therefore, has serious repercussions for Canadian finished products going into the United States under a free trade agreement. The basis of the Government's argument for this free trade agreement is that it will create all sorts of new jobs and that Canada will gain a lot of new industries. Evidence is now coming out which shows that the agreement will not be all it was made out to be by the Government.

One would hope that the Government is addressing this issue but we cannot be sure because we do not have the final text of the agreement before us. We heard in Question Period today that the Prime Minister (Mr. Mulroney) promised the text in October, then for the middle of November, then for the end of November. We are in the first week of December and still do not have the final text. Yet the agreement is scheduled to be signed on January 2.

Although the Government says that we can compete with American finished products, the fact is that there is a gaping hole in the deal. In fact, Canada will not be competing with the United States but with Mexican products which have been produced with very cheap labour. Is this what the Government means by harmonization? In order to hold onto our small share of the manufacturing sector in the United States do we have to reduce our wage rates? Is the Government saying that we have to harmonize our standard of living with that of the Maquiladora corridor? That is, of course, what the Government is saying.

The Hon. Member for Ottawa Centre has proposed a safeguard which should receive approval from all Members on all sides of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Don Valley East (Mr. Attewell)—Religious Persecution—Iran—imprisonment of Baha'i leaders; the Hon. Member for Saint Léonard—Anjou (Mr. Gagliano)—Canada Post Corporation—rural Post Offices—request for halt to closures/committee recommendations—Government position; the Hon. Member for Scarborough West (Mr. Stackhouse)—External Affairs—Haiti—massacre of citizens—Canadian reaction.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or appeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee; and Motion No. 1 (Mr. Cassidy, p. 11346).

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I appreciate the honour of being recognized by yourself and of having an opportunity to speak to the matter brought forward by the Member for Ottawa Centre (Mr. Cassidy) with regard to the so-called Mexican connection.

This matter was brought before the Standing Committee on External Affairs last week at its hearings in Edmonton by Mr. Saul, who is a novelist and an economist. That is a wonderful economist indeed. It means that he can make economic matters almost lucid. The impact of his presentation was quite dramatic and profound on all members of the committee. I think it fair to say that even the Conservative members of the committee took the matter seriously. They did not see it as a partisan jab but more as an indication that this particular aspect of our trade relations could have a very major bearing upon the proposed agreement on trade with the United States. It could put many of the supposed benefits in real jeopardy.

• (1550)

I believe Members have already heard how this particular process works under Section 806 and Section 807 of the U.S.

Tariff schemes. Perhaps it could simply be described by using the example of someone who will ship the fabric for making bluejeans in North Carolina across the border to Mexico for the assembly of that particular garment and return it to be stamped "Made in America". While a minimal duty is imposed by the Americans on the cross border shipment for the value added based upon the labour, the fact is that it is accepted as a "Made in America" product. Therefore, there is an assumption that once those articles are in circulation they can find their way into the trade flow into Canada.

While the research staff of the committee and the trade negotiators office gave certain assurances that the proposed trade agreement with the Americans takes this problem into account, they were not prepared to answer serious questions about how the enforcement of this mechanism would work. Unfortunately, the motion I made at the committee to have Mr. Reisman or Mr. Ritchie appear before the committee was not heeded by the majority.

However, it is important to point out to Members of the House that this matter will be examined by the committee next Tuesday. Mr. Ritchie has agreed to appear before the committee a week hence, to try to describe the way in which the free trade agreement that was initialled last October will be capable of enforcing this particular and very dangerous tariff-free movement of basically Third World goods into Canada.

I think it would be irresponsible for the House not to delay voting on this matter until we have had an opportunity to hear the trade negotiators themselves explain their position. I compliment the Member for Ottawa Centre for introducing this amendment. If nothing else, it brings to our attention that we should not agree to the initiatives in this clause, and certainly in the free trade agreement, until this Parliament receives a proper explanation.

I caution the Government about proceeding with this initiative because the trade negotiators office is still deeply concerned about this aspect of it. The Government is really caught in a dilemma. The Government may say that the rules of origin section of the trade agreement provide it with the legal right to keep the Maquiladora products out of Canada. That implies two things: First, that all U.S. exporters will work on good faith and would never believe that they would commit a fraud by shipping to Canada a product clearly labelled "Made in America" as something that has been manufactured totally and completely in the United States. Certainly we have enough experience with various trade problems to know that one cannot always rely on 100 per cent good faith and honesty of those who are selling goods into this country or, for that matter, our selling goods to other places. There is always a degree of chicanery involved in these efforts.

The second implication is that in order to enforce this, it would require a host of customs agents at our own borders conducting the most extensive examinations possible.

The Minister for International Trade (Miss Carney) has suggested to consumers and all Canadians that the proposed free trade agreement would basically be a recipe to open our borders. People can imagine themselves coming to Winnipeg from Fargo with their arms loaded with VCRs and TVs that are totally tariff-free. We know that will not be the case.

There would be a legion of customs agents at the border who would essentially have to dismantle every item to ensure that it was not manufactured in another country. If anyone believes that it is difficult to get across the border now, wait until the agreement. Customs agents will be required to conduct incredibly detailed investigations. Surely the Conservatives can understand that. Even those simple-minded champions of free trade will realize that they are caught in a hell of a dilemma on this matter.

If these requirements are not strictly enforced Canadian businesses will be faced with unfair competition. Rather than a level playing field, it will be very tilted because of the opportunity to totally undermine the input costs into many materials, including clothing, electronics and machinery. These are items now being manufactured with American components in that area of Mexico.

I want to refer to a report in the United States which has clearly indicated that this particular procedure is not without controversy in its own country. Opposition in the United States has come from organized labour, which contends that the Maquiladora investment by U.S. firms has the effect of exporting jobs. That is what would happen here.

Either a large number of Canadian manufacturers would lose out under this system, or we would be forced to begin trying to compete with these low cost manufacturers. That would mean a substantial decrease in wages, social and health standards and other basic infrastructure that Canada has prided itself on building up over the past several years.

The Conservatives are not telling it as it is when they say that matters of social policy will not be affected by this agreement. They are not describing the real situation. They know that even without the Maquiladora process the low minimum wages and the low standards in the right to work states in the south will result in uneven competition. When one adds the aggravation of having products being made under the wage scale of 65 cents an hour, who in Winnipeg, Saskatoon or Halifax will be able to compete without fundamentally changing the kinds of wages our workers are paid or changing the standard we apply to our environment, health and labour? That is the dilemma facing the Government and for which it has yet to answer.

There must be an answer to this particular dilemma. Therefore, I suggest that at least until Mr. Ritchie appears before the committee next Tuesday morning to address this problem, the House should recognize the validity of this amendment or at least delay a decision until Parliament and the country knows exactly how the Government proposes to contend with one of the most serious challenges facing Canadian manufacturing in centuries.

• (1600)

Mr. Cassidy: Mr. Speaker, I do not want to prolong the debate, but I would certainly welcome the suggestion of the Hon. Member for the Liberal Party. If in fact the Government wished to simply defer this section until the hearings take place next Tuesday, that might be a constructive suggestion. I wonder if the Secretary of State for External Affairs (Mr. Clark), or some other responsible Minister, is prepared to make that suggestion here in this House.

The Acting Speaker (Mr. Paproski): The Hon. Member might want to negotiate that with the House Leaders. I will recognize the next speaker. The Hon. Member for Beaches (Mr. Young).

Mr. Neil Young (Beaches): Mr. Speaker, I am grateful to have an opportunity to say a few words about the amendment to this particular clause which was put forward by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy).

When I first looked at Bill C-87 and read its title, I was quite fascinated, if not confused. Intimidated, perhaps, is a better word. I will take a moment just to read it. It describes Bill C-87 as an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity description and coding system, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof. Even, as I read it again today, I nearly fell asleep. It is one of the most convoluted descriptions of any piece of legislation.

When I actually read the legislation itself, I can understand why not only the Hon. Member for Ottawa Centre, but other Members who have spoken on this Bill, have raised some serious concerns.

These concerns are indeed tied into what may happen under the free trade agreement at some time in the future. The implications are described under Clause 15 of Part 1 of the Bill. The clause reads as follows:

> (1) for the purposes of this Act, goods originate in a country if the whole of the value of the goods is produced in that country.

Subclause (2) however, makes an exception to this. It states:

> The Governor in Council may make regulations
>
> (a) deeming goods, the whole or a portion of the value of which is produced outside a country, to originate in that country for the purposes of this Act, and
>
> (b) respecting the determination of the origin of goods.

On the one hand the Act talks about any goods originating in a country can come into Canada as long as they are identified as being produced in that country. However, it is then totally reversed. It says, however, exceptions may be made if the goods, the whole or a portion of the value of the goods which is produced outside a country, can be deemed to originate in the host country. That is absolutely ridiculous, and I think we owe a debt of gratitude to Mr. John Saul who appeared before the House of Commons committee which is looking into the free trade agreement. He spoke about the dangers of that very thing happening under the free trade agreement. His concerns were expressed because of the very real situation occurring in the United States at the present time with cheap goods produced in Mexico which are in effect considered to be produced in the United States.

You may wonder how that could possibly happen, Mr. Speaker, and rather than go into detail on the comments Mr. Saul made before that committee, several days following his appearance he wrote an article on this very same subject, which is found in *The Globe and Mail*, which I would highly recommend for reading because it sets out the arguments very well and very clearly.

In recognizing these dangers, the Hon. Member for Ottawa Centre has moved an amendment to protect Canadians from the same kind of thing which is happening in the United States. We could be saved from the same experience if this amendment were adopted. What the Hon. Member for Ottawa Centre is proposing is that this clause in the existing Bill be amended by adding the words:

> Notwithstanding any regulation made under Subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States.

In putting forward that motion, the Hon. Member is not saying we should not enter into any trading partnerships with Mexico. In fact, to the contrary. I remember several weeks ago the Leader of my Party making the same argument to the Prime Minister (Mr. Mulroney), that rather than throwing all our eggs in one basket by entering into a free trade arrangement with the United States, what Canada should press for is a trading agreement between not only the United States but also Mexico. He used the argument that Mexico has in fact proven itself to be a stronger negotiator with the Government of the United States on trading matters than the Canadian Government.

I think if one takes a look at what the Mexicans have managed to do in their trading relationships with the United States, the commentary of the Hon. Member for Oshawa (Mr. Broadbent) is absolutely right on. I want to give a perfect example of the industry I came out of. The electronics industry, at least the section I worked in, used to produce vacuum tubes for radios. These vacuum tubes were the subject of great competition from the U.S. parent company, of which ours was a subsidiary, and from the American subsidiaries located offshore. The end result was that the U.S. owners decided that even though the Canadian plant continued to be profitable, it did not make enough profit, however "enough profits" was defined. In any event, it decided that the Canadian company, which employed at that time some 650 workers, was not making enough profit to keep the head office in Syracuse happy. So it started laying people off. We ended up with a workforce of about 50 people who no longer produced

vacuum tubes in that plant. Their job was to receive bulk shipments of the vacuum tubes that Canadians used to produce. Their job was to unpack the tubes from the bulk cartons and repackage them in cartons that were stamped "Made in Canada".

Mr. Heap: That is disgusting.

Mr. Young: The cartons with the vacuum tubes which were produced offshore went into stores and Canadians bought them thinking they were buying made in Canada products.

Mr. Heap: Is that not illegal?

Mr. Young: I thought it was illegal, and when we caught onto it, we went after the Government of the day, making the argument that some 600 Canadian jobs had been lost as a result of this multinational corporation which, by the way, had profited quite handsomely over the years by being allowed to exploit the Canadian market-place by selling these tubes. We told the Government this did not look right to us and asked it to investigate. It took months to persuade the Government of the day that perhaps it should be doing something about it, so we went after the parent company. It was told that at the very least this smells of deceptive advertising, that it cannot have a tube made in Japan in a carton printed and stamped "Made in Canada" going onto store shelves where Canadians think they are buying Canadian products and in doing so they are contributing to the Canadian economy and are helping to create employment for Canadians.

• (1610)

Finally, the multinational company decided this could be an embarrassing situation. What it ended up doing was to have the 30 or so workers in this plant grind off the stamp "Made in Japan". There was then no country of origin on the tube and it would then go into the "Made in Canada" package.

Mr. Blaikie: Was the package made in Canada?

Mr. Young: That is another interesting point. I remember the story about the Japanese producer who decided to form a company town and call it Ontario. That company produced a product made in Ontario but it forgot to mention that this Ontario happened to be in Japan, not in Canada.

When John Saul raised these very serious concerns, I understand that people involved in the free trade negotiations were not even aware of this gaping loophole. Therefore, I highly recommend that the House seriously consider the amendment put forward by the Hon. Member for Ottawa Centre. Even though certain weaknesses would remain in the legislation, it would at least close that one gaping loophole and we would all be better off for it.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I had the opportunity to join the Standing Committee on External Affairs and International Trade last week when it went to western Canada. I was in Edmonton when Mr. John Ralston Saul made his presentation, which was identical to the article that appeared in *The Globe and Mail*, and I can tell you that I think all members of the committee were concerned as to whether or not there was a gaping hole in the trade agreement. Despite what one might otherwise think of the agreement, and obviously members of the committee quite strongly disagree with each other as to its over-all wisdom, all Members were concerned about this accusation.

Some of us argued that we should have Mr. Reisman and/or Mr. Ritchie appear before the committee immediately to answer these charges. We were unable to bring that about but we received a communication from the office of the trade negotiators and Mr. Ritchie to the effect that they had taken this matter into account, giving us a number of reassurances in that regard. I do not find those reassurances particularly all that reassuring, I might say, but to be fair, the negotiators claim to be on top of it. Of course, the question is whether or not you can ever be on top of this kind of situation when unscrupulous manufacturers and distributors have available to them the kind of procedures just described by the Hon. Member for Beaches (Mr. Young). There is also the question of even if we have rules of origin which allegedly cover products from this Mexican free trade zone, would Canada not be required to have a rather financially burdensome army of inspectors at the border and elsewhere in order to make sure that the increasing number of goods produced in that zone are not coming into Canada as American goods?

As I understand it, one of the features of the agreement between Mexico and the U.S. is that these goods will be considered as American goods in a way that other goods coming from other countries into the U.S. and going out again are not. It is in the very nature of the agreement between the U.S. and Mexico that these goods will not be as distinguishable as other goods coming from third countries.

I see the Secretary of State for External Affairs (Mr. Clark) is here. Even though we may disagree on the trade agreement *per se*, I hope the Government is making sure that the negotiators are covering this concern in the last minute negotiations which we know are going on at this time.

Mr. Saul's presentation dealt with the Mexican free trade zone, but he also dealt with some of the issues implicit in the kind of agreement we are now about to enter into with the U.S. as a result of the Prime Minister's intention to sign an agreement with President Reagan on January 2. In doing so, he dealt with the whole notion of competition in a way which is not articulated often enough in this House. I would like to quote not at great length but to a certain extent from the article. He says:

> The word "competition" is used enthusiastically by those in favour of North American economic integration, as though there existed one universally accepted definition. In reality, each country understands something quite different by competition. And when intelligent agreements are struck to remove tariffs between countries, they are invariably based upon a prior agreement covering the nature of competition; in particular, the standardization of social policy.

He said these kinds of agreements are generally based upon a prior agreement covering the nature of competition; in particular, the standardization of social policy.

What we have before us is the agreement first and then a process whereby we and the U.S. will come to terms over the next five to seven years with respect to standardization, not only or even necessarily, of social policy, but health standards and various other non-tariff concerns on which there is an expressed intention to harmonize, hopefully over the next five years, but if not, over the next seven. We are doing exactly the opposite of what other countries which have reached this kind of agreement with each other have done in the past. They have agreed on all the non-tariff issues, first, if you like, so that when they enter into the elimination of tariffs in a true free trade agreement, they are not exposed to the shenanigans, if you like, or the policies of the other with respect to non-tariffs. What the Government proposes is to do it just the opposite way around.

It is clear, if you take Mr. Saul's argument seriously in this respect, that standardization of social policy is something which should precede any kind of agreement.

• (1620)

The present relationship between Canada and the United States is certainly not one of standardization of social policy. Indeed, I think that all Canadians would agree that not only is there no standardization of social policy, but it is generally agreed by Canadians that our social policies are superior to American social policies. The worry is that if we enter into this agreement, there will be pressure for standardization, but that the pressure will be for Canada's social policies to become more like American social policies.

I know when this is stated it generally irritates proponents of the agreement, but it is a fact that was recognized even by proponents and supporters of the agreement in the course of our hearings throughout western Canada last week. A member of the British Columbia business community appeared before the committee, a Mr. Matkin, and during the course of a discussion with me on social policy, he admitted that this would eventually come to be one of the things that would be calculated, as to who seemed to have a competitive advantage over another country, in this case between Canada and the United States.

The origin of that discussion was when he stated in his testimony that one of the reasons he was not worried about investment leaving Canada was that one of the advantages we had was that investors liked to locate plants here because they did not have to deal with all the social security, health, and other hassles involved in being an American employer. The reason that some companies locate here is because of our social programs, medicare, unemployment insurance, and others.

In response to that evidence I said to him, if that is the reason why people locate here and not elsewhere, is it not conceivable that some day, particularly when we are entering into this five to seven year debate about which non-tariff policies of each country could be construed as giving one country a competitive advantage over the other, the Americans might argue that our social policies give Canada a competitive advantage over the Americans and, therefore, we ought to change them. He stated he would have to admit that, although in his opinion, entering into this agreement would tend to protect us from that type of argument. We disagreed there, but the point is that both of us agreed that social programs and social policy are part of the calculus in this type of negotiating. It could happen in a number of other ways.

Depending upon the circumstances, Canadian companies could argue that they were being made uncompetitive because they had to pay the higher taxes required to pay for medicare, or that they were having to pay unemployment insurance premiums that their American competitors did not have to pay. There are a number of ways in which our social programs could enter the debate.

This is what we have meant all along, Mr. Speaker, when we have stated that there is a threat here to our social programs. It will not happen overnight, or the day after the agreement is signed, perhaps not even a number of years after the agreement is signed, but over time. This is a legitimate argument.

I see that the Minister of National Health and Welfare (Mr. Epp) is present, and I think that this is an argument that the Government has to take seriously, particularly if it is going to proceed, and particularly if it is going to be the tough negotiator that we wish it to be in that five to seven year period, if the agreement goes ahead.

I see that you are expressing that I am out of time, Mr. Speaker. In winding up, I wish to make a few comments. Time passes so fast when you are having fun!

Mr. Epp (Provencher): Speak for yourself.

Mr. Blaikie: I can understand why the Minister of health is not enjoying this.

I wish to close with a further quote from Mr. Saul, and then I will sit down.

We often hear comparisons between what has been done in Europe and what is being done here. In a manner that should enlighten us all, Mr. Saul states:

> The key to Europe's success, for example, and the explanation for its slow, careful evolution, has been a determination to force a raising of standards toward those of the more advanced countries, not a lowering toward the more backward. No European nation could succeed in open competition against Korea or Thailand, both of which maintain nineteenth-century labour conditions. The European Community therefore limits that competition to its own definition of the word. To do otherwise would be to lose an unequal combat and, in losing, to subsidize and encourage an unjust social system. To accept the Asian definition of "competition" would be to destroy European society.

There is a second socially undeveloped industrial zone, and that is the southern part of the United States. It is precisely by accepting the notion of competition which exists in that part of

the world in the United States that this Government endangers the social policies and the level of economic justice that we have attained in Canada.

The Acting Speaker (Mr. Paproski): The Hon. Member, who was quite a football player in his old days, knows that this sign means time out, and that this sign means two minutes. I do not understand why he did not realize that I was requesting that he wind down.

On debate, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, perhaps it is because he is from Winnipeg, and the way that the Blue Bombers went this year, they do not understand the signals either.

Mr. Epp (Provencher): A point of order, point of privilege, point of everything, Mr. Speaker. There are certain things I cannot take here.

Mr. Angus: I am a supporter of the Blue Bombers, but it is an eastern team now.

Mr. Epp (Provencher): You really know how to hurt a guy.

The Acting Speaker (Mr. Paproski): I know the Chair is impartial, but today I am happy to be able to crow about the fact that I came from the city which is the home of those fine bunch of boys who won the 1987 Grey Cup against Toronto in Vancouver on Sunday.

I congratulate Commissioner Douglas Mitchell and the Edmonton Eskimos on a great game.

Mr. Blaikie: Mr. Speaker, I rise on a point of order. I wonder how long you have been sitting there with that note to yourself looking for an opportunity to inject that into the debate.

The Acting Speaker (Mr. Paproski): I was waiting for someone to bring up football.

Mr. Angus: Mr. Speaker, it was you who brought up football.

Bill C-87 before us, among other things, is an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System.

My colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy) has moved an amendment to Clause 15. Clause 15 states:

> 15(1) For the purposes of this Act, goods originate in a country if the whole of the value of the goods is produced in that country.
>
> (2) The Governor in Council may make regulations
>
> (a) deeming goods, the whole or a portion of the value of which is produced outside a country, to originate in that country for the purposes of this Act; and
>
> (b) respecting the determination of the origin of goods.

The amendment moved by my colleague is that there be a new subclause (3) which would state, "Notwithstanding any regulation made under subsection (2) goods wholly or partially produced in Mexico shall not be deemed to originate in the United States".

The reason my colleague put forward that motion is because of his concern, and that of the New Democratic Party caucus, that in effect it is a back-door free trade agreement with Mexico. Without that wording or preventative clause, it is conceivable that goods produced in Mexico, using extremely low wage rates, non-unionized or almost child labour, would be able to come freely into Canada and compete unfairly with products produced in Canada, let alone products produced in the United States.

During the hearings in Edmonton of the Standing Committee on External Affairs and International Trade a gentleman by the name of Mr. John Ralston Saul stated:

> The United States already has a virtual free-trade pact with Mexico; or rather, with a strip of Mexico, several kilometres deep and running the full length of their 3,200-kilometre shared border. This official trade zone contains more than 1,200 U.S. factories employing some 300,000 Mexican workers, mostly teen-agers, non-union of course, and earning about 65 cents U.S. an hour.

● (1630)

Mr. Saul went on to say:

> These "Maquiladora Industries" as they are known, are expanding at a phenomenal rate. They constitute the second largest industry in Mexico. Second only to petroleum. Larger than tourism.

We do not think it was the intention of the Government to allow for such a free flow of goods. That is why we want to give the Government the tool to prevent Bill C-87 from being used to undermine further the ability of Canadian manufacturers of all kinds to compete and sell their products to Canadians. We also see it as part and parcel of the over-all trade agreement, initialled by the Prime Minister (Mr. Mulroney) of Canada and the President of the United States not too long ago, on which we are rushing forward to finish waiting for the dotting of the i's and the crossing of the t's. We can then go from the 35 or 40 pages of principles to see what the nuts and bolts are, what the real benefits are, not the suggested benefits, what the real detractions are and what the negative impact will be on Canada in the short and long term.

As you know, Mr. Speaker, we on this side of the House, at least within this Party, are very concerned about that agreement. We feel that it will change the very nature of the country. We will no longer have the ability to make the kinds of decisions that we feel are appropriate, the kinds of decisions that started very soon after the commencement of the country when we decided that we wanted to be an east-west nation, not a north-south one. We developed our transportation infrastructure in such a way as to connect British Columbia, in particular, with central Canada, which just prior to that was known as Upper and Lower Canada.

Now we have a Government that is intent upon shifting that direction, forging greater north-south links, supposedly because of the belief in the free enterprise system which means, in a nutshell, that if you can compete you can win. In some cases the private sector can compete fairly both within Canada and on the world stage. But there are times when it cannot. There are times when fledgling industries need some extra protection to allow them to develop their product line and their markets to the point where, because of the volume and the quality, they can produce a product at a per unit cost that is competitive. There are some that may never reach that point. We, as a country, have decided over the years that it is important to have those products produced in Canada by Canadians, sold primarily to Canadians, and, where possible, sold to individuals in other lands. That is the nature of our country. We on this side of the House want to keep it that way. A button I have seen states "We want to buy from our brothers and sisters, our neighbours and our friends, our friends and neighbours in Canada".

Whether it is an automobile produced in southern Ontario or Quebec, or components thereof, whether it is a by-product of wheat on the Prairies, or whether it is a McDonald's hamburger bun, we would prefer to use our earnings to reinvest in our country not in someone else's. Sometimes it means that we have to pay a little bit more because we have a smaller population, a smaller consumer group, than our neighbour to the south and, therefore, we are not able to maximize our distribution systems and our volumes because that consumer group is spread across a very narrow corridor, at least the bulk of it.

There are other parts away from that corridor which are even more expensive to reach than the grid system in the United States where a plant in almost any area is within a reasonable distance of a fairly large consumer base. Our neighbour to the south also has regional disparities. The Americans have differing laws that have drawn their industrial sector from the northern fringe of their country, the industrial heartland of the United States, into the deep south where the wages are $3 less per hour, fringe benefits are lacking and there are very few, if any, unions. That is what will happen here if the trade deal goes through. We do not have a Bill or a resolution yet. We do not even have an agreement and we have no details.

Mr. Cassidy: What do we have?

Mr. Angus: We have a lot of fluff and a lot of wishful thinking, Mr. Speaker. We are concerned that this headlong rush into a deal that will last for many years will do to Canada what Alabama has done to the United States, namely, draw off the work, the jobs and the creation of wealth. We hear people say "They will be able to invest in Canada", but what will the Americans do? They will come here, buy a few more branch plants, close them and move south, transferring the jobs away from Canada.

I have taken the opportunity in the last little while to speak to my constituents specifically about this agreement. I made a point of talking to individuals, whom I know personally, but are committed to parties other than mine. I have spoken to Conservatives, Liberals and New Democrats. When I raised the question of the trade agreement and asked them "What do you think about it", their answers were identical. 'I am scared of it" and I agree with them, Mr. Speaker.

• (1640)

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11 which relate to parliamentary approval by either resolution or legislation shall be debated together and a vote on Motion No. 2 will apply to Motions Nos. 3, 5, 6, 7, 9, 10 and 11.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 2.

That Bill C-87, be amended in Clause 19 by striking out lines 43 and 44 at page 5 and substituting the following therefor:

"other Act of Parliament.

(3) The rates of Customs duty set out in Schedule I and section 46 and the customs duties imposed by this Act are further subjected to such increases, reductions, removals or other exceptions as may be specified in any regulation or order made under this or any other Act of Parliament, provided that no such regulation or order shall have effect for more than sixty days unless it is adopted by resolution of both Houses of Parliament."

Motion No. 3.

That Bill C-87, be amended in Clause 22 by striking out lines 11 to 17 at page 7 and substituting the following therefor:

"22.(1) Subject to sections 23 and 24, goods that originate in a country listed in Schedule III as a beneficiary of the Most-Favoured-Nation Tariff are entitled to the rates of customs duty set out with respect to those goods in the Most-Favoured-Nation Tariff in Schedule I.

(2) No country listed in Schedule III shall be granted rates of customs duties lower than those of the Most-Favoured-Nation Tariff without prior approval of the new tariff rates by an Act of Parliament."

Motion No. 5.

That Bill C-87, be amended in Clause 36 by adding, immediately after line 11 at page 12, the following:

"(3) Where an order is made pursuant to subsection (1), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(4) For the purposes of subsection (3), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 6.

That Bill C-87, be amended in Clause 38 by adding, immediately after line 7 at page 13, the following:

"(3) Where an order is made pursuant to subsection (1), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(4) For the purposes of subsection (3), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 7.

That Bill C-87, be amended in Clause 54 by adding, immediately after line 31 at page 16, the following:

"(3) Where an order is made pursuant to subsection (1), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(4) For the purposes of subsection (3), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 9.

That Bill C-87, be amended in Clause 59 by adding, immediately after line 4 at page 19, the following:

"(7) Where an order is made pursuant to subsection (2), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(8) For the purposes of subsection (7), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 10.

That Bill C-87, be amended in Clause 60 by striking out lines 9 to 45 at page 20 and substituting the following therefor:

"(3) Where an order is made pursuant to subsection (1) on the basis of a report of the Minister of Finance, an inquiry made by the Canadian Import Tribunal under section 48 of the *Special Import Measures Act* or an inquiry made by the Textile and Clothing Board under the *Textile and Clothing Board Act*, the order ceases to have effect on the expiration of the sixtieth day from the day on which the order is made if Parliament is then sitting or, if Parliament is not then sitting, on the expiration of the fifteenth sitting day after that day, unless before the order so ceases to have effect it is approved by a resolution adopted by both Houses of Parliament."

Motion No. 11.

That Bill C-87, be amended in Clause 60 by adding, immediately after line 27, at page 21 the following:

"(9) Where an order is made pursuant to subsection (7), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(10) For the purposes of subsection (9), a day on which either House of Parliament sits shall be deemed to be a sitting day."

He said: Mr. Speaker, I would ask for a bit of leeway because I would like to explain briefly for viewers what those motions mean in a very simple language. Right now, Clause 60 of the Bill allows that in the event imports are causing injury to Canadian producers, the Government can order a surtax but that surtax must be approved by resolution of Parliament within 180 days or it can be in force for up to three years under recommendations from the Imports Tribunal. Therefore, Bill C-87 contains the selective idea that certain actions relating to tariffs by the Government are subject to parliamentary approval by resolution.

This series of amendments makes that selective approval into a general approval. Motion No. 2 which amends Clause 19 will require that no regulation or order relative to tariffs can remain in force if it is not ratified by Parliament and I have suggested that it be ratified by Parliament within 60 days.

Motion No. 3 amends Clause 22 and requires that no most-favoured-nation country can get lower tariff rates than most-favoured nation rates without an Act of Parliament. I will return to that very important clause because that is essentially what the Government intends to do with the United States.

Motion No. 5 which amends Clause 36 requires the approval of Parliament within 60 days if there are changes to extend or withdraw the general preferential tariff to developing countries. In other words, it offers a principle of accountability even on a tariff matter that does not cover the United States. Motion No. 6 amends Clause 38 and likewise requires approval within 60 days by Parliament if there is a granting or withdrawal of a free rate of tariff to least-developed countries. Likewise, Motion No. 7 which amends Clause 54 covers the withdrawal of free rate of duties to countries in the Commonwealth Caribbean.

Motion No. 9 amends Clause 59, a very major clause of the Bill. It allows retaliation against trade discrimination by means of a surtax, higher tariff rates or import controls. In effect, what is suggested is that that should be laid before Parliament in the same way that a surtax under Clause 60 is required to be laid before Parliament and approved.

We are dealing with a very basic principle of accountability here. I referred particularly to Clause 22, one of the clauses to which we have proposed amendments, which amendments require that no country benefiting from Canada's most-favoured-nation tariff like the United States could get lower tariffs than the most-favoured-nation rates without an Act of Parliament. That sounds very simple, but in fact the reason this is required now while it has not been required in the past is because in the past, it has not been an issue.

Governments with a certain amount of credibility acted responsibly on tariff matters. We have now a Government that has no credibility, is down to 25 per cent of public support and did not have a mandate for free trade in the last election. That Government is now moving to sharply cut rates of tariffs to the United States, our greatest trading partner, without an Act of Parliament.

I suggest that because the Government has violated the trust Parliament has put in previous Governments to deal with customs matters, this Bill which might otherwise be a routine one has become an extremely important Bill. It is important because it enshrines basic principles about parliamentary accountability. I asked the Prime Minister (Mr. Mulroney) during Question Period earlier today: "What about the people?" The Prime Minister suggested that there had been ample consultation about this and cited the Macdonald commission report. No one knew the Macdonald commission report would recommend free trade until it had reported.

The Prime Minister suggested that there had been consultation with various industry groups. That is true, but the members of those sectoral advisory groups have all committed by oath not to share information with anyone in the public sector and I presume that even means other people in their own industries. What they are doing within their own trade groups I do not know, but trade unionists, workers, consumers and citizens of the communities in which those companies operate have had no information through that form of consultation.

When it comes to consumer groups, trade union groups and the opposition Parties, which I remind Hon. Members represent half the population according to the last vote in Canada and which today represent something like 75 per cent of the electorate according to the opinion polls, there has been no consultation at all.

Why do we suggest that there should be parliamentary accountability and that no reductions in MFN tariff rates should go forward without an Act of Parliament? It is because the Government is violating the trust of Parliament.

I listened with concern to some of the statements that were made both today and at other times. The Minister of State for Finance (Mr. Hockin), for example, rose in the House a few minutes ago and said that it was unfortunate that this most important piece of legislation which is historically important was being subjected to what he called delays. He spoke in the forty-fifth minute of debate, hardly a lengthy delay in my opinion.

This matter has been discussed by the Government of Canada in consultation with the trade sector since 1981. The Government has been in power for more than three years. It chose not to bring this legislation before Parliament until the beginning of October and now it suddenly says that it is rush, rush, we must put it through. In addition, the Minister of State for Finance said that the legislation is needed by January 1 because Canada has made a commitment. I would suggest that he misleads the House because in the—

Mr. Clark (Yellowhead): Order!

Mr. Cassidy: His comment is misleading. During the seminars and information sessions which were held with brokers and importers by the Department of National Revenue over the course of the last few months, the commitments which were made were quite specifically otherwise.

• (1650)

I have a document which was distributed to importers about two and one-half months ago which indicates, as the Minister of State has indicated, that Canada has been committed to a change-over to the harmonized system of tariffs for some years now and began to develop the Canadian tariff based on this system in 1981.

It says that in early 1986 the Minister of Finance (Mr. Wilson) confirmed the adoption of a new system for January 1, 1988, under the condition that our major trading partners, i.e., the U.S. and Japan, adopt the harmonized system at the same time. That is what was being told to importers only two months ago, just before this Bill was published.

We have taken care to find out the situation of our major trading partner, the United States. Are they in fact putting this harmonized system into force? Given the degree of interchange between the two countries it would make sense for computerization, record keeping, and so on that the two countries move to the same system at the same time. Contrary to the statements made by the Minister of State for Finance, and contrary to what was said to the brokers and importers, that is not taking place.

We talked to the head of the trade division of the Department of External Affairs last week. He indicated that there is "still some uncertainty" as to whether or not the United States will move to this new harmonized system on January 1. The information of External Affairs was that the harmonized system was part of the omnibus trade Bill which is as protectionist and objectionable a Bill as we can imagine. According to our officials, the Americans have now removed their Bill from the omnibus Bill and introduced new legislation. However, it remains uncertain that the Americans will deal with the legislation prior to January 1.

That was the American story. When we talked to the American trade representatives here in Ottawa, the American

story which we heard was that the American Bill for the harmonized system is still part of the larger and objectionable omnibus trade Bill which I think all Canadians hope will be vetoed by the President if it is in fact adopted by Congress during the next few weeks.

However, Congressman Gibbons plans to introduce separate legislation next week, that is, some time after December 7, to deal with the harmonized system. The American House, like this Parliament, can move quickly when it has to, but at the very least uncertainty reigns and there is clearly no guarantee that the Americans will keep their side of the bargain despite what Canada is being asked to do.

I read reports in the papers over the weekend of the Prime Minister saying that consensus reigns on the issue and it is, therefore, okay to go forward. There is certainly not consensus in the House of Commons, as must be evident to the public from this debate and many other debates which have taken place. My Party believes that Canada should not get locked into a trading deal with the United States unless there is a general election first.

The Prime Minister himself, the Minister of State for Finance, the Minister for International Trade (Miss Carney) and the Minister of Finance have all said that this is the most important commercial arrangement being made by Canada within a generation. The President of the United States says that it is a new economic constitution for North America. Despite all that, we are being faced with a *fait accompli*, with a bunch of snake oil salesmen and saleswomen on the Government side trying to stampede Canadians into a deal without our knowing whether it is really a deal for Canada and without our knowing what the fine print says.

We have seen the elements of the agreement. I have a copy here which I read from time to time. Every time I read it I find new areas which raise questions in my mind rather than satisfying them. We have received *Overview* on the Canada-U.S. free trade agreement. However, to put it mildly, *Overview* is misleading and deceptive, if not intellectually dishonest. If I could say it lied in the House of Commons and be parliamentary, I would use that phrase too. However, in deference to your authority I would not use such a phrase.

Mr. Clark (Yellowhead): Order, order.

The Acting Speaker (Mr. Paproski): I think the Hon. Member realizes what he has just done. I hope he will withdraw before he carries on.

Mr. Cassidy: Since I did not say it lied I do not think there is anything to withdraw. However, I will nonetheless defer to your authority and withdraw any remarks which you may have found to be unparliamentary. I think it is fair to say that this, like the speeches made by the government Ministers, is intellectually dishonest.

I will give you an example. The Government has been saying that $2 billion of tariffs will disappear and that that will mean money in consumers' pockets. The Government has not said how it intends to make up the $2 billion in lost revenues. That is an example of the intellectual dishonesty.

I will return to the basic point of these seven or eight amendments which is that, given the actions and irresponsibility of the Government, it is imperative that Parliament take the authority, that the Government be accountable, and that major trade and tariff actions of the Government not be undertaken without prior approval by Act of Parliament or resolution of Parliament. That is a fundamental principle in a parliamentary democracy. This is not Haiti yet. This is still Canada. I hope Hon. Members will support these amendments.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very happy to have a chance to support the amendment moved by the Hon. Member for Ottawa Centre (Mr. Cassidy). The point of his motion is to insist that the Government cannot change regulations regarding reductions or other changes in import duties in response to some deal with another country without referring it to Parliament.

The question has been raised as to why we want this amendment in the law. The answer is that the times demand it. In the past Governments of the day have made such changes by regulation. However, we were now faced with a secret and massive document which may run to a couple of thousand pages of which the majority, according to the Government, is tariff regulations. The Government has said that approximately 1800 pages would be composed of tariff regulations. We have not yet seen those regulations. The Government has promised again and again to show them to us but has not brought them forward.

The Government wants us to give it a blank cheque to change the customs regulations. Such changes have, in the past, wiped out sections of the garment industry and the electrical appliance industry. The Government is asking for a blank cheque to do that in any industry on which it may make a secret deal with any other country, particularly with the United States, which can import products made with cheap labour in order to export them to Canada, not for the benefit of the people who gave that cheap labour but for the benefit of multinational companies based in the United States.

We are asked to trust the Government. We are asked to trust Mr. Reisman, the chief negotiator of this deal, in spite of the fact that a year ago Mr. Reisman said that he would never recommend an agreement to the Canadian Government that did not make substantial progress in limiting and constraining the unilateral right of the United States to use retaliatory measures against Canadian trade. He said that he would never recommend a deal which did not give us the power to defend ourselves against those.

A year later, on October 25 of this year, he said that to suggest that this agreement should provide us with an exemption from American trade remedy law is just the silliest

proposition he had ever heard of. Well, he was the author of that proposition. That is just as unsatisfactory as the spectacle of last week to which I have referred of the Prime Minister (Mr. Mulroney) sneering at people who used the very words that he used four years ago. We cannot accept a trade deal based on this kind of misrepresentation.

The Acting Speaker (Mr. Paproski): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved that Bill C-208, an Act to amend the Criminal Code (abortion), be read the second time and referred to a legislative committee.

He said: Mr. Speaker, it was some 12 years ago that Parliament took the last steps in an attempt to examine the operation of the abortion provisions of the Criminal Code of Canada. In 1975, the Badgley Commission was appointed to study the operation of the abortion provisions of the Criminal Code. Since that time, no government, be it Liberal or Conservative, has recognized the fundamental inequities existing under the present provisions of the Criminal Code. No Government, be it Liberal or Conservative, has displayed the courage to move forward with the only appropriate response to these inequities, which is the repeal of Section 251 of the Criminal Code of Canada.

Mr. Parry: Mr. Speaker, I rise on a point of order. My name was cited as being the seconder of this motion, whereas I believe it should be my colleague, the Member for Spadina (Mr. Heap) who is the seconder.

The Acting Speaker (Mr. Paproski): The Hon. Member for Spadina will be the seconder of the motion.

Mr. Robinson: Mr. Speaker, the Badgley commission which conducted investigations in most hospitals throughout Canada concluded that the law was not working and the provisions of the Criminal Code which, in theory, provided access to safe therapeutic abortions for women were in fact not working.

The Badgley commission stressed that women did not in fact have equal access to therapeutic abortions for various reasons. One was that the numerous provincial directives or regulations governing the establishment of a therapeutic abortion committee in hospitals, and the attitude of hospital boards of directors and members of the medical profession often lead to limited interpretation of the provisions of the Criminal Code.

The second is the reality that it is only a very few hospitals in Canada which have indeed established therapeutic abortion committees. I believe the most recent figures indicate that fewer than 15 per cent of all hospitals in Canada have therapeutic abortion committees. Indeed, many of those hospitals with committees do not perform abortions at all.

There has been a deterioration in Canada in the number of hospitals providing safe therapeutic abortions.

[*Translation*]

The deterioration of abortion services in Canada is such that several provinces are faced with a real crisis. In 1984, for instance, out of the 244 hospital clinics which existed in Canada, 18 per cent performed no abortion and 42 per cent performed only a limited number, from 1 to 100 for the whole year. That is why Mrs. Sylvia Gold, President of the Canadian Advisory Council on the Status of Women, has urged the Federal Government to take action and to reiterate its position on the abortion issue. The Council's recommendations in this regard are as follows: recognition of abortion as a medical process which need not be carried out in a hospital; approval by the Federal Minister and the Provincial health services of subsidies to birth control clinics, independent from the hospital network, and finally the removal from the Canadian Criminal Code of the section dealing with abortion.

That is the purpose of my Bill today, Mr. Speaker.

[*English*]

That is precisely the purpose of my Private Members' Bill which is before the House today. It would implement the principle of child birth by choice.

Child birth by choice means freedom of choice in the planning of one's family. It means that a woman should not be pressured to bear a child against her will and similarly, it means that a woman should not be pressured to have an abortion against her will. Pro choice simply means that women should have the freedom to choose for themselves whether or not to continue an unplanned, undesired pregnancy.

This position is very much in line with that which is taken by the International Conference on Population and Development at Mexico City in August, 1984, which said that: "Major efforts must be made now to ensure that all couples and individuals can exercise their basic human rights to decide freely, responsibly and without coercion the number and spacing of their children and to have the information, education and means to do so".

I and my colleagues in the New Democratic Party were very pleased when earlier this year a motion that would have entrenched in the Constitution of Canada a denial of this fundamental freedom of choice was brought before the House and defeated resoundingly.

The policy of the New Democratic Party is clear. As a Government, we would remove Sections 251 and 252 from the Criminal Code. We would pardon all qualified medical

practitioners convicted under Sections 251 and 251 and drop prosecutions under those sections. In that context, I pay tribute to the leadership and courage that has been shown by Henry Morgentaler in leading the fight for access to safe therapeutic abortions in Canada. We are all awaiting the outcome of his challenge to these provisions of the Criminal Code.

Finally, the NDP would provide adequate facilities in hospitals or special clinics for sterilization and abortion procedures.

In that context, we support the campaigns which have been launched by coalitions in Ontario, Manitoba and my own Province of British Columbia recently, and elsewhere, to establish free standing medical clinics which provide a wide range of gynaecological services, including birth control counselling and abortions, fully covered by provincial health insurance plans.

It is shameful that in Canada today there is still a lack of access based upon the location of a woman. The present provisions of the Criminal Code harshly discriminate particularly against women in rural communities. They discriminate particularly against young women, teenagers, women immigrants, working class women and women of colour.

Indeed, during the hearing of the appeal from Dr. Morgentaler's acquittal on abortion charges, one of the justices of the Supreme Court of Canada, Mr. Justice Willard Estey said that a person would have to be affected with "legislative blindness" not to see that there are areas in the country where there is no access to abortion. He pointed out: "You've got whole provinces that are carved out of the process". He asked: "Is this some kind of local option which has slid into the Criminal Code?". While the question may have been rhetorical, the answer tragically is yes, that is exactly what has happened.

For example, there is no access whatsoever to safe therapeutic abortion in the Province of Prince Edward Island. It was in June, 1986, that a vote of the hospital board resulted in the deletion of the therapeutic abortion committee from the Prince County Hospital, which was the only hospital that was even theoretically providing abortions.

Since 1982, the hospital had not even allowed for any abortions whatsoever. What does this mean? It means delays which result in the risk of complications. This is particularly serious in the case of teenagers and young women. In many cases, these teenagers are afraid to tell their parents that they are pregnant.

Some time ago, June Callwood wrote very eloquently in an article about a 14-year old girl who was 10 weeks pregnant before she summoned the courage to tell her mother. She pointed out that this is not uncommon and that in some cases teenagers keep hoping that what has happened to them is merely an irregularity in their periods. However, because of the delays as a result of the provision of the Criminal Code, in too many instances complications will arise.

• (1710)

The same Government that refused to take any action to eliminate these inequitable provisions of the Criminal Code has been cutting back on funding for the Planned Parenthood Federation of Canada and on funding for other programs which would help to reduce the number of abortions in Canada.

The Planned Parenthood Federation has called on governments in Canada to follow policies which would ensure universal access without financial barriers to the complete range of educational counselling and medical services relating to human sexuality and reproductive health. I might say in passing that the Planned Parenthood Federation has noted that one of the implications of the legislation on pornography, which is currently before this House, may very well be a reduction in access to information about sex education and that, in turn, could lead to an increase in the number of abortions. Too often it is the same right wing element in our community calling for a denial of choice to women which is pushing for this kind of legislation that would also deny access to information to teenagers and others who are concerned about preventing unwanted pregnancies.

The situation in Alberta is grim, indeed. The Alberta Conservative Government, in a vicious attack against women's rights, has pulled reproductive counselling, IUDs and sterilization off the list of medicare services entirely. What this means in practical terms is that far too many Canadian women are forced to leave the country in order to obtain safe therapeutic abortions. The figures are staggering. For 1984, for example, over 400 women from Prince Edward Island had to go to Maine in the United States for abortions. From Ontario, 1,200 women went to New York. From Manitoba, 680 women went to North Dakota and 700 women from Alberta went to Washington State. That is a clear indictment of the system in Canada of access to safe therapeutic abortions.

I want to take this opportunity as well to commend those organizations in Canada that have been courageously waging a tireless battle, with very limited resources, for freedom of choice for Canadian women. I speak, of course, of CARAL, a national organization that has been leading this fight, and the provincial coalitions which have been active in seeking to achieve provincial free-standing clinics.

[*Translation*]

I am referring to the *Coalition québécoise pour le droit à l'avortement libre et gratuit*. It is this coalition which was responsible for an action taken on October 18 and 19, just before—at any rate, it was felt that it would take place just before the Supreme Court's ruling on the legality of abortion. Women, everywhere in Canada, demanded that this Federal legislation on abortion be rescinded and insisted on obtaining open and free access to abortion services. As Mrs. Denise Larochelle, representative for the *Coalition québécoise pour le droit à l'avortement*, was reported as saying: We will continue to fight until this abortion legislation is removed from the

Criminal Code. We must fight to obtain free abortion services if we want to guarantee its accessibility to women from all social and economic strata.

[*English*]

That is one of the grave concerns of those of us in the New Democratic Party. There must be access to safe therapeutic abortion. It must not be denied on the basis of economic considerations. Those who would deny access to safe therapeutic abortions, those who are anti-choice, are in fact denying a fundamental matter of choice and integrity for the women involved. In some cases it is argued, why does she not have the child and give it up for adoption. That is an insult to the woman because, of course, the reality is that carrying a child to full term and then giving that child up for adoption is more traumatic in many cases than an abortion itself. As well, it denies the right of a woman to make that fundamental decision about her own body. Surely, we must recognize the unfairness and harshness of that.

It is time that we as a society recognize that we should be placing more emphasis on the role of men. It is about time we recognize that men must accept their responsibility. Why is it that contraception in too many cases is only spoken of in the context of women? When contraception fails, it is the woman who must bear the burden. I think we have to recognize that as a problem that we as a society must address as well.

I want to say as well that this is not the first time I have risen in this House to promote free access to safe therapeutic abortions in Canada. It is not the first time I have pointed out the fundamental harshness and inequity of the current provisions of the Criminal Code. I must say that I very much regret that the Liberal Party, the Official Opposition, has chosen to remain silent. It has chosen to refuse to take a stand on this fundamental question. Time and again when the Liberal Party, the Official Opposition, is called upon to take a stand, it is silent. It refuses to indicate any support whatsoever on this very important and sensitive question. Oh yes, when those Members are out around the country and talking to groups which support freedom of choice, then it is a different story, but when it comes to the crunch and the Liberals are asked to take a stand here in the House of Commons, they are silent. They say nothing. They cop out. I very much regret that. At least Conservative Members, even though many of them are opposed to free choice, are prepared to stand in the House and indicate exactly where they stand on this fundamental question of choice.

The situation in Canada today is desperate for far too many women. The provisions of the Criminal Code are harsh, unjust and inequitable. They deny access to safe therapeutic abortions. Those provisions should be repealed and we should put far more resources into organizations such as the Planned Parenthood Federation and others. We should promote the development in Canada of reproductive health centres which will deal with the full range of reproductive health concerns for women.

At the time when the only Newfoundland hospital with an abortion committee had to shut down its facilities because the one doctor who provided abortions took sick leave, the medical director of the hospital said: "I think it is disgraceful myself, to be frank with you, disgraceful bordering on the unethical". I want to ask how much longer will elected representatives of the people of Canada, including some 52 per cent of the population who are women, continue to deny to the women of Canada that basic freedom of choice which is theirs? How much longer will we continue to maintain on the books laws which in effect drive women from their own communities, from their own provinces, out of their own country, in order to have access to safe therapeutic abortions?

I hope during my tenure in the House—obviously, it will not be while this Government is in power—that it will be an NDP Government which will have the courage and integrity to move forward and repeal the provisions of the Criminal Code with respect to abortion and to provide for true freedom of choice for the women of Canada.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, I rise today to speak against Bill C-208, an Act to amend the Criminal Code, the abortion section.

This Bill would abolish therapeutic abortion committees and allow qualified medical practitioners to perform abortions without having to get the prior authorization of these committees. I must speak out against any Bill which encourages abortions, unless, as I have stated in this House before, the mother is in danger of losing her own life as a result of continuation of the pregnancy. This Bill will make abortions even easier to obtain and I find this appalling, to say the least.

The number of abortions performed in Canada in 1985, over 60,000, prove that abortion is no longer a medical necessity but undertaken for elective, socioeconomic reasons. Further, the argument that a woman has the sole right to control what happens to her body assumes that the unborn child is just an extension of the woman.

Genetically the child is unique and separate from the mother. Even at his or her earliest development, the unborn child is just at one special stage of life. There is no difference between the existence of that child two weeks in the womb after birth, or at 2 years, 10 years, 40 years or 80 years. The only difference is the stage of development. By assuming that you become a "person" only when you are full-term or capable of sustaining life independent of the womb makes me wonder how we view a full-term infant who is incapable of sustaining life independently due to some physiological problem. Do we have the power to say, then, that this is not a life? The same holds true for the unborn child.

• (1720)

If we were to make an analogy, we can compare the child in the womb to an astronaut in a spaceship. Both require that specific environment to shelter them, provide nourishment and warmth, but neither are "part of" the environment. The child

is not an extension of the mother anymore than the astronaut is an extension of the spaceship.

The Member who introduced this Bill is from my home province and should be aware of the abortion statistics for B.C. We do not have a record we can be proud of. In fact, the figures are frightening. B.C.'s abortion rate just two years ago, in 1985, was over 50 per cent higher than the national average. That means that for every 100 live births in B.C., 26.1 abortions are performed. In 1984, 11,509 infants were killed by abortionists in B.C. Since 25 per cent of abortions in B.C. are repeat abortions, no one is going to convince me that all these women were in grave danger as a result of their pregnancies. What is now termed "therapeutic" abortion is nothing short of murder of unborn children.

Even pro-abortion advocates agree that abortion is not necessary to preserve the mental or physical health of pregnant women. A leading proponent of abortion, the late Dr. Alan Guttmacher, wrote: "Today it is possible for almost any patient to be brought through pregnancy alive, unless she suffers from a fatal illness, such as cancer or leukemia, and, if so, abortion would be unlikely to prolong, much less save her life".

The 1969 changes to the Criminal Code led to induced abortions becoming a deliberate decision to terminate the life of an unborn child. The changes recommended in Bill C-208 will have even greater repercussions.

I am now talking about the effects of abortion on the woman herself. I can certainly see that an unwanted pregnancy could create psychological stress for a woman or girl, but I believe abortion can only result in permanent irreparable damage to the mother's conscience and health. If a woman can just go out to her doctor for an abortion as soon as she finds out she is pregnant, without any counselling, she will have had the abortion in a moment of panic. Instead of encouraging this "aloneness" we need to give these women our support and encouragement.

We must not let Bill C-208 pass. The unborn child deserves the protection all Canadians can give. Only in situations where the mother is in actual physical danger should an abortion even be considered.

I want to reiterate that abortion in Canada today is an elective procedure, mainly chosen for socio-economic reasons. It is no longer a medical service. This attitude must be stopped, and Bill C-208 does just the opposite. Our children are our future and they deserve our protection.

[*Translation*]

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, Bill C-208 introduced by my colleague, the Hon. Member for Burnaby (Mr. Robinson) deals with an important and delicate issue.

I am not without any opinion on the question of abortion, on the contrary, but like my fellow citizens, recent events such as the legal proceedings launched against Dr. Morgentaler, have led me to ponder over it.

To understand how this question of abortion stands, it is necessary to consider more generally the response of Canadians to that issue. The Canadian way of life has in the past few years undergone several major changes which have altered the fundamental traits of people. Those changes relate to the number of desired children, sexual behaviour and the use of contraceptives.

While this country was evolving from a rural community to a highly industrialized society, different social expectations and the improvement of the standard of living have resulted in fundamental changes in individual activities, in what is expected out of life and in the attitude towards induced abortion.

Many changes have occurred in this area with respect to ideas held in the past, and there is no unanimity as to the current situation or future actions to be taken, far from it.

Abortion is a human concern with a high risk of personal and collective prejudices, which influence one's attitude towards facts, as to their interpretation and their use. Abortion is one thing in a group of issues which involve sexual behaviour and the family while including family planning, genetic consulting, extramarital birth and social security programs, that seldom have been rationally considered in that wider context.

Since abortion can become an almost explosive issue, it seems to me there is a certain segment of the general public which has chosen to ignore it. Efficient and direct solutions to serious differences have not been sought. One of the attitudes has been: "If you ignore it, it will fade away sooner or later." Other people with different views had this to say: "This is what is happening, this is what has to be done". Between those two positions, there is a range of deeply felt but not always easily expressed opinions that are held according to region, religious persuasion, political affiliation, culture or other social circumstances. Those views reflect on the one hand a determination to preserve the life and the physical health of mothers, and on the other hand a concern for the whole social environment of women and their family situation. Each of those two attitudes, respectively shared by a number of Canadians, is based on a different view of family ethics and the changing role of women in our Canadian society.

That issue deeply involves standard principles and professional ethics, and is therefore fraught with emotion. It will remain so because there is and there will be no easy solution. As in the cases of other major issues involving the concepts of life and death, abortion is a concern of many people who would have preferred avoiding the issue. But it is one of the difficult choices that any woman capable of becoming pregnant may have to face some time or other in her life. The large number of women who have resorted to abortion have been ostracized and have experienced some kind of stress that has left them in a permanent state of anxiety. They are concerned

about the long term effects of that operation on their health and are in constant fear that their anonymity might not be preserved.

Mr. Speaker, for all those reasons, this in my view is an issue that has been there for years and that will remain with us. But we should not forget that although this Parliament, is responsible for the drafting of the Criminal Code, the responsibility rests with the provinces to enforce that Code. I would therefore consider it very much ill-advised to support the Bill at this point, because it must be kept in mind that enforcement is a provincial responsibility, and I do not believe at this point it would be appropriate to get involved in the debate.

[*English*]

Mr. Bob Horner (Mississauga North): Mr. Speaker, the purpose of Bill C-208, which we have before us today, is essentially to recognize that the decision to terminate a pregnancy fundamentally belongs to the woman concerned in consultation with her physician. This Bill would abolish therapeutic abortion committees and allow qualified medical practitioners to perform abortion without having to obtain prior authorization from such committees.

• (1730)

I welcome the opportunity to add a few words to this debate which was introduced by the Hon. Member for Burnaby (Mr. Robinson). This Bill proposes to amend the Criminal Code and make abortions available on request to any pregnant woman.

I do not think that Private Members' Hour is the appropriate place to be considering an amendment to the Criminal Code on such a significant issue. I would like to tell you why, Mr. Speaker.

I wish to stress that it is essential that we ensure that any decision to amend the Criminal Code as proposed will be taken only after full examination of all the issues, and with full understanding of what is involved.

In 1955 the federal Government appointed a committee to study the operation of the abortion law, to conduct a fact finding study to determine whether the procedure provided in the Criminal Code for obtaining therapeutic abortions was operating equitably across Canada. Federal and provincial government Departments co-operated with the committee and provided assistance in assembling and analysing existing information. The committee and its research staff undertook several surveys and made a large number of site visits.

For example, the committee visited 140 Canadian hospitals of various sizes both with and without therapeutic abortion committees. These site visits enabled the committee to obtain information on the operation of the abortion procedure, and the reasons for decisions not to establish therapeutic abortion committees from more than 1,000 individuals connected with the hospitals. Information was obtained on the operation of hospitals with and without therapeutic abortion committees in order to analyse their role in the abortion procedure.

The completed questionnaires returned to the committee represented 77.4 per cent of the hospitals which were considered to be eligible in terms of provincial requirements to establish therapeutic abortion committees. Surveys were also conducted of hospital staff, as well as physicians and patients. A total of 4,912 interviews were conducted with patients in the period of February to May, 1976, in 24 hospitals, in 8 provinces; all 1,196 obstetricians-gynaecologists were included in a survey because of their direct involvement in the abortion operation, as well as a random sample of 3,839 family doctors. Gallup polls were also conducted to obtain insight into the public attitude toward the topic. The committee made a number of findings on matters with and related to its terms of reference.

First, and this is very important, it found no consensus for major changes in the existing Criminal Code provisions with respect to the abortion law in Canada. There was no consensus for major change.

Most Canadians were neither in favour of removing abortion from the Criminal Code, nor of refusing therapeutic abortions under any circumstances. Further, the Badgley report observed that the law was not operating equitably throughout Canada. There were sharp disparities in the distribution and accessibility of therapeutic abortion services, and unreasonable pressure on some physicians in hospitals. The burden of the equitable operation of the abortion law was seen to fall on women who were less well educated, who had lower incomes, and who lived in smaller centres of rural areas with no direct access to abortion services.

The committee found that the 1969 amendment to the abortion law had resulted in a sharp reduction in illegal abortions. In addition, there was a substantial reduction in deaths resulting from attempted, self-induced, or other illegal abortions. Provincial regulations, and the practices of hospitals and the medical profession rather than the abortion law itself were observed to have led to the inequities of its operation. The issue of abortion causes divisions within the Canadian populace like almost no other issue today.

I am a member of the justice committee, together with the Hon. Member for Burnaby. I respect the concern of the Hon. Member that he evidently bears for this issue, and I commend his effort in this area. But I must reiterate that I believe that this is not the proper occasion for bringing forward an amendment to the Criminal Code dealing with such a sensitive issue.

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I welcome the opportunity this afternoon to speak on Private Member's Bill C-208. At the outset, I wish to state that I certainly do not support the position put forward by the Hon. Member for Burnaby (Mr. Robinson). In my remarks, I intend to give the reasons why I do not support this position.

Abortion is an issue on which fundamentally differing and opposing views are strongly and genuinely held by many

Canadians. There is definitely a lack of consensus supporting any major change in abortion law. Because of the opposing views held by many Canadians, I believe that it would be premature to bring forth such an amendment.

I would like to spend a few moments putting forward my reasons on this very sensitive and divisive issue. A therapeutic abortion is a matter of fundamental concern since it involves human life. Attitudes to human life inevitably affect all society and each of us individually. Some consider that this is one of the many changes in social attitude and must be considered dispassionately. However, many of us stand firmly against abortion; but we must remember to be charitable in our attitudes to those who hold opposing views. All too often we see deep divisions develop, particularly in areas that involve controversy, and we become rather hostile toward those who have differing views. A free discussion rather than polarization of opinions would seem to be the preferred approach.

Consideration of the matter of abortion can be made from differing aspects including moral, legal, and medical aspects. I wish to touch on some of the points in the area of morals. From the moral standpoint, I feel that since a human conceptus is a human being from the moment of conception, it should receive the same respect as any other human being. Therefore, direct therapeutic abortion which removes it from its environment and therefore causes its death should not be contemplated except for the most serious reason.

That reason was stated a few moments ago by my colleague, the Hon. Member for Fraser Valley East (Mr. Belsher) when he stated that only in the event of the death of the mother could one even consider an abortion. I would certainly support that position.

The conceptus contains all the genetic material which will constitute his or her person to the end of his or her days from the very moment of formation, that is, when the sperm unites with the ovum. He then has the indelible imprint of his individuality with the determination of such things as his skin and eye colour, approximate height and body build, ability in athletics and intellectual pursuits. He is a human being with potential from the moment of conception. He is not simply a potential human being, as some would lead us to believe.

During this discussion regarding the time of the actual beginning of human life, we consider the newborn baby to be human and by his nature have all the rights of a human person. Similarly, just before delivery the foetus, or the unborn baby, which is not essentially changed by the process of delivery, really has all the same rights to life. As we trace the development of that foetus day by day back to the time of its conception, there is no time at which we can say that today he is a human, yesterday he was not. Therefore, complete respect for his life must be maintained at all times.

• (1740)

Some would say that true human life does not begin before the time of implantation in the uterus, about six days after conception. Others would say that it cannot be said to exist until the possibility of twinning has passed which may occur until as late as day 20. These matters may be settled in the future, but possibly no definite decision will ever be made. Regardless of this decision, the point remains that abortions which are covered by the law, are performed at a much later date, and almost certainly are dealing with human life in the form of the conceptus. It is an accepted scientific fact that the conceptus is human with its unique genetic structure and is living as a distinct individual. Understanding this fact is fundamental to the whole discussion.

We have heard a good deal during the debate today and also in the unending debate that goes on regarding abortion concerning the pro-choice and the freedom of choice which individuals must have. With choice and with freedom comes responsibility. Any time that we are in any way diminishing that respect for life, and it certainly is done through abortions, then we, as a human race, are losing something.

Respect for life is one of the cornerstones of our civilization. Any assaults on humans who are already born result in severe penalties on the perpetrators. Yet many in our society condone the barbaric acts inflicted on unborn human beings. I invite anyone who doubts this to view some of the films that are available today—I will not go into naming them—dealing with abortion and watch the horror of abortion recorded in living colour. If a person can watch that film and maintain that there is no human being involved, then I think that person's mind is already closed to the facts. We cannot have a double standard. Either life is accepted as sacred for all society or society runs the risk of cheapening the value of human life.

There are some other very interesting arguments that have been brought forward. I would like to refer directly to some information made available from the Surgeon-General in the United States dealing with the post-abortion syndrome in that country. For years it has been thought that the unborn child was the only victim of abortion. We are finding out now from recent studies released that women who have abortions are also victims. There is an increasing body of evidence that now shows the post-abortion syndrome is fast becoming the most serious mental health issue facing women. The symptoms of post-abortion syndrome include denial, anger, guilt and depression. These problems in turn can lead to substance abuse, sexual dysfunction, relationship dysfunction and a general decrease in coping skills. Research has shown that up to 82 per cent of American women suffer from acute symptoms of post-abortion syndrome for up to three years following the abortion. Latent symptoms can manifest themselves five to 10 years following the abortion.

The Surgeon-General of the United States has recently authorized a study of post-abortion syndrome in the U.S. In Britain, the effects of abortion on women will be studied by a bipartisan Conservative-Labour committee. This is a new area about which we are only beginning to hear and it is one with which we must deal.

In summing up my remarks I strongly support the pro-life position. In fact, I have had this conviction throughout my entire life. There is no doubt in my mind that the unborn child, the foetus, whatever term you want to refer to it, is simply that term. It is the same as referring to a pre-schooler, an adolescent, a teenager, a middle-aged person or a senior citizen. It just happens to be a time at a particular stage of development. I feel very strongly about this issue because the unborn cannot speak for themselves. It is incumbent upon those of us who are elected to represent the people of our areas to stand up and proclaim the necessity to respect all human life and to oppose any change in the abortion laws and any change in making abortions more readily available.

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I too welcome the chance to speak on Bill C-208 sponsored by the Hon. Member for Burnaby (Mr. Robinson). I have great respect for his judgment in a number of areas but on this particular Bill we differ totally.

Let me read again the purpose of the Bill:

> The purpose of this Bill is to recognize that the fundamental decision to terminate a pregnancy belongs to the woman concerned in consultation with her physician. At present, the Criminal Code requires the establishment of therapeutic abortion committees and in most parts of Canada accredited hospitals have refused to set up such committees thus, in fact, denying many women access to safe legal abortions.
>
> This Bill would abolish therapeutic abortion committees and would allow qualified medical practitioners to perform abortions without having to obtain prior authorization from such committees.

The previous speaker, my colleague, the Hon. Member for Moose Jaw (Mr. Gottselig) stressed respect for life. That is my theme also. I do not think anyone is totally comfortable with the laws as they now stand. I for one would greatly regret it if the current laws were liberalized.

Speaking very personally, in our own family some 20 years ago—we had three children at the time—we decided that a fourth child should be an adopted one. We adopted young John Fraser. He was 11 months old. His mother was a young woman who had one other child and who was unable financially to handle an additional child. We brought that 10 pound youngster home, blond hair at the time—our other three were redheads—and we were so proud to love him, hug him and bring him along. It struck me so many times over the last 20 years that if abortion laws had been a lot more liberal then his birth mother might very well have sought an easy means from whatever was in her heart and mind at that time and we would not have had the privilege of raising that young man who is now 20 years old. There are many other families like this.

My sister who resides in Peterborough and her husband were not able to have a child and adopted two many years ago. They are both in their twenties now. Many members of our church have done the same thing. If for hardship or for other reasons a mother does not want to go through with her pregnancy, there are Canadians who would welcome a baby and be very joyous to have it. The one major qualification I put on the whole process, and I think it is inherent in our current laws, if the mother's life is at stake, then I think the mother's life comes first. Everyone does not share that particular view, but it is one I share.

I wanted to speak on this Bill to share personally why I could not support further liberalization of the whole process. I could go on with other points but perhaps in the interests of other Members who want to speak on this Bill I will end my remarks. It is with some regret that in a way I differ with my colleague but I do so from the bottom of my heart on this particular issue.

• (1750)

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is a pleasure and an honour for me to speak about Bill C-208, an Act to amend the Criminal Code (abortion), sponsored by the Hon. Member for Burnaby (Mr. Robinson).

Of course, Mr. Speaker, this a topical issue, and will always be so, and it is also extremely sensitive because it is so personal. Without being directly related to any other debate in this House, such as the debate on the death penalty, it remains a matter of personal definition, attitude and psychology.

Discussing a Bill such as that introduced by the Hon. Member for Burnaby is something I find essential not only for each of us as Members of this House, but also for the Canadian population and especially for the couple or the woman who has to decide whether to have an abortion or not.

Before making such a decision, Mr. Speaker, we also have to look at the situation in which such a decision would be made and at the personal, psychological, emotional and economic context.

Mr. Speaker, how many women, how many young couples, how many young women would have opted for an abortion had there been therapeutic abortion clinics at every street corner? Because of their economic situation, it is often young women of 17, 18 or 20 without much financial resources and whose spouse or partner is still in school who would have decided to go immediately to the nearest abortion clinic. But then, they decided not to do so, Mr. Speaker. Then, when the child is born, there is a radical change in the life of both parents. The birth of the child brings a new awareness and new responsibilities as parents. How many of these parents are happy because they now have what is most precious in this world, a child? These men and women accept their responsibilities as parents in spite of all the obstacles and difficulties they will have to face in life, especially when they are young. Indeed, Mr. Speaker, it is not easy at 20, 21 or 22, when you are still in school, to face responsibilities and take care of a child. They nevertheless possess something even more precious than all natural resources in the world, a child.

In that context, Mr. Speaker, it is much more difficult, and how many more examples . . . There is no problem when the

mother's health is at risk, but there are so many cases, so many different examples. How can we generalize readily when confronted with something like that and in particular, Mr. Speaker, make that operation even more easy to obtain. How many young girls who discover through their doctors or with a simple drugstore test that they are pregnant would go right away to an abortion clinic, without even telling their parents and supposedly to save their family honour, with possible consequences, Mr. Speaker, traumas for the rest of their lives!

I could go on for a long time, but I want to allow other Members of this House to speak on that question. And I think, Mr. Speaker, that this Bill, however commendable, is still premature, and each one of us must examine his or her conscience and consult again even more closely with the Canadian people on that very serious subject.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I am please to rise on Bill C-208, especially at this time when our values, the values that we have inherited from the previous generation, are questioned by many. Personally, I would be inclined to vote for this Bill. However, I find that it would be very inappropriate to do so at this time because, while there are many statements being made concerning the sanctity of life, and the respect of the individual what is at stake here is justice. I believe there is presently a case being heard before the Superior Court and I believe the judicial process must be respected as well. Mr. Speaker, when the motion introduced by the Hon. Member for Grey—Simcoe (Mr. Mitges) was debated in this House, I have stated that I was against that motion because we do not have the right as legislators to turn our children into criminals, or rather to put in our statute book legislations that will make it a criminal act to decide whether or not one want to have a child. And we do not have a right to introduce in our society a double standard, that is those who have the money to obtain an abortion abroad and those who do not have any money and who must put up with the situation or stand to be prosecuted.

So in the name of justice I would like to indicate that yes, I would be favourable to this Bill. I would like the procedure to be made simpler, but I think that the present legislation is the result of a compromise, a compromise that is difficult to live with and I believe we have examples of this everyday in our daily life. That compromise... You know, the teacher in school would dearly like all the students to be at the same level. However, sometimes one must be humble enough to take people as they are and not as one would like them to be. The apprenticeship of freedom is an ongoing process.

So in that context I believe the compromise that presently exists deserves to be lived with and to be debated and after that, there will be an opportunity to discuss it further.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

RELIGIOUS PERSECUTION—IRAN—IMPRISONMENT OF BAHA'I LEADERS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, on November 17, 1987, I questioned the Secretary of State for External Affairs (Mr. Clark) with regard to Canada's efforts to halt the persecution of the Baha'i community in the Islamic Republic of Iran. Since that time I have received more information to indicate that the fate of the Baha'i community in general, and of 17 individuals in particular, is in grave danger.

The evidence I have received seems to indicate that the Government of the Islamic Republic of Iran is engaging in a long-term plan to terminate believers of the Baha'i faith. Over 200 Baha'is have been murdered or executed since 1979. There are currently over 10,000 homeless Baha'is in Iran who have been terrorized through the seizure of their properties and the dismantling of their educational and religious organizations. Indeed, the Baha'is have been described by the highest levels of the Iranian Government as being "unclean infidels, worthy of death for their beliefs".

The Baha'i faith was established in the 1840s and members of this faith have lived in Iran since its formation. The Baha'is have been the target of severe discrimination and persecution under all regimes in Iran. I am extremely concerned, as are many of my colleagues in the House of Commons, with the situation of the Baha'is in Iran since the current regime came to power in 1979 after the revolution. The statistics I have seen are staggering.

There are approximately 300,000 members of the Baha'i faith in Iran yet their Government refuses to recognize them as a religious minority. As a result, Baha'is are denied every human right. According to documentation I have received from the department of public affairs of the Baha'i community of Canada, the Baha'i religious minority has no protection under Iranian law of their personal status. They are routinely deprived of their inheritances, business licences, and education solely because of their religious beliefs. The denial of any individual's human rights is something which Canadians find repugnant. The situation in Iran is particularly distressing because, although Iran is a co-signator to the international covenant on civil and political rights and has stated that the covenant is compatible with Islamic law, it is guilty of severe violations of guaranteed rights.

The Baha'i community in Iran suffers terribly because of its religious beliefs. All of their holy places and religious sites

have allegedly been confiscated and many, including the holiest Baha'i shrine, have been totally destroyed.

The Secretary General of the United Nations presented an interim report dated October 12, 1987, on the situation of human rights in the Islamic Republic of Iran. This report was prepared by Reynolds Galindo Fahl of El Salvador in accordance with Paragraph 6 of the Commission on Human Rights Resolution 1987/55 of March 11, 1987.

I want to quote some excerpts concerning the treatment of members of the Baha'i community as follows:

> All the persons appearing before the special representative stated they had spent periods of various duration in prisons in Iran and consequently they described in detail the circumstances of their arrest, their interrogation methods, their trial and the conditions prevailing in the prisons in which they were held. Several of them affirmed that they had close relatives or acquaintances who were executed, or had themselves witnessed executions.

With regard to right to life I quote from page 7 as follows:

> Mr. Javad Keshavas stated that he had witnessed numerous executions in Vakilabad Prison near Mashad. Among those whose execution he witnessed were a 16-year-old youth, Akbar Adalatian, and a woman together with her young son. Another youth from Mashad was executed in the prison by hanging from a crane.

With regard to the right to freedom from torture or cruel, inhumane or degrading treatment or punishment, I quote from page 7 as follows:

> All the persons who appeared before the special representative alleged having been subjected to ill treatment and to physical and psychological torture.
>
> Beating often started upon arrest. It was, however, during their interrogation that these persons allegedly suffered the most severe forms of torture, including flogging with cables on all parts of the body, denial of food and sleep, torture of one's spouse before one's eyes and mock executions.

With regard to the right to freedom of thought, conscience and religion and to freedom of expression I quote from page 12 as follows:

> Baha'i cemeteries allegedly continued to be desecrated and closed. In many cities, including Tehran, Rasht, Tunikaban and others, the Baha'is had difficulty burying their dead.
>
> The right to leave Iran legally was allegedly still denied to Baha'is who were allegedly required to recant their faith in order to obtain a passport and exit permit.

It is interesting to note that the Iranian Government has denied all the allegations in the 22-page report without specifically referring to any of them. As you can see from the excerpts of the interim report at the United Nations, the situation in Iran is urgent.

• (1805)

Since 1979, an average of 700 Baha'i have been imprisoned annually. According to the most recent information, there are currently over 250 Baha'is imprisoned in Iran. Prison conditions are reported to be horrendous. Many prisoners are tortured physically and psychologically. They are all in grave danger.

On September 28, 1987, in Tehran, two Baha'is, Amir-Husayn Nadiri and Ardishir Akhtari were executed. Both of these men were dismissed from their jobs and imprisoned in 1984 because of their religious beliefs. They are the most recent of over 200 Baha'is executed under the current regime for refusing to recant their religion.

On October 21, 1987, five Baha'is were arrested and imprisoned in Tehran. Their names have been added to a list of 12 others who are believed to be in imminent danger of execution.

Two of these men, Mr. Jamalu Din Khanjani and Mr. Hasan Mahbubi were members of the former National Spiritual Assembly, the elected national governing body of the Baha'i community in Iran, which was banned by the Islamic regime in 1983.

The Baha'i followers are a tolerant, loving people who want to practice their faith without persecution. I want to quote some remarks written by Mr. Khuzayn of Hamadan from prison before his execution on June 14, 1981:

> It is now 11 p.m. We have been transferred from the prison to the court premises. They are about to execute all seven of us. Praised be God, we are all in the utmost submission to His will and we are most content.

He went on to say:

> I beseech your prayers. I hope that our insignificant blood will water the blessed tree of the cause of God, that the faith will soon gain its independence and the Baha'is of Iran their freedom, and that our future generations will be able to serve the cause with the greatest comfort.

I am pleased to report that this United Nations resolution condemning Iran, which was co-sponsored by us, was passed with a strong majority of the third committee. Fifty-eight members voted for the resolution. It is expected that the General Assembly will vote on this important resolution later this week.

There are over 20,000 members of the Baha'i faith in Canada and they have expressed their deep appreciation for the continued efforts of the Government on behalf of their sister community in Iran.

It is interesting to note that one-quarter of Canadian Baha'is are native Indians and Eskimos.

We must make every effort to ensure that all Baha'is in Iran are granted their full rights and urge that the 17 individuals' lives be spared. The discrimination, persecution and execution of the Baha'is solely for their religious beliefs must stop and Canada must continue to speak out vigorously to condemn the human rights violations occurring in Iran.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I welcome the opportunity to respond to this additional question. In fact, in my capacity of Parliamentary Secretary to the Secretary of State for External Affairs, one of the first *chargés d'affaires* I received happened to be the Iranian *chargé d'affaires*, who wanted to ask Canada to reopen its embassy in Teheran, which

had been closed as a result of certain events which I am sure those who were in the House of Commons at the time will remember even more vividly than I do. The answer was no, because Iran's condition was that we would apologize for our actions at the time, which was of course unthinkable. One does not apologize for saving lives.

Mr. Speaker, the situation in Iran today is indeed of great concern to Canada. We have had reports of arrests without cause, cases of torture and arbitrary executions, and also of discrimination against this community over there.

Mr. Speaker, we are taking action on two levels. First of all, and the Hon. Member has already mentioned this, we are sponsoring a resolution before the United Nations on human rights in Iran. The fact we are sponsoring this resolution proves how seriously we are taking this matter.

Second, we are sending firm and clear messages, which have been communicated twice during the past month to the Iranian *chargé d'affaires*, to the effect that human rights should be respected.

Mr. Speaker, in the same vein, Canada is now urging Iran to abide by the International Covenant on Civil and Political Rights of which that country is a signatory. Canada is appealing to the Iranian authorities to show compassion for the members of the Baha'i faith who are now being held in prison.

CANADA POST CORPORATION—RURAL POST OFFICES—REQUEST FOR HALT TO CLOSURES/COMMITTEE RECOMMENDATIONS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, on October 26, I asked the Minister responsible for the Canada Post Corporation whether he would order the Corporation to stop all closures of rural post offices.

• (1810)

For about one year, we asked many questions about this and were always told that the Canada Post Corporation had a ten-year plan to close rural post offices. This plan was finally made public not too long ago. There is even a manual on how to close a rural post office which clearly indicates that Canada Post will avoid any participation in public assemblies and consultations on the eventual closing of post offices.

A committee of this House has examined the whole issue. I sat on this committee and we heard many witnesses from various parts of this country. These witnesses clearly underlined the importance of rural post offices. They are a means of communications and 80 per cent of the people who work in these post offices are women. Rural post offices are a major source of employment for women, and we all know how much money the Canadian Government spends on job programs each year. If we have permanent jobs which must be protected and which provide an essential service, why are we at the same time eliminating jobs and creating an awful fear in our rural communities?

Last week, I visited the rural constituency of Portneuf, in Quebec, where the post office is not being threatened by closure, but there was still a public meeting where people came and expressed the fear that their office would be closed one day or another. The Canada Post Corporation was not represented at the meeting. The Corporation is incredibly arrogant, which angers the population. The committee to which I referred earlier had specifically recommended that, before closing post offices, there be real consultation, and that if the local population, including the elected representatives, concludes that the post office must remain open, the Canada Post Corporation respect the will of the community.

The committee also said that, during the minimum 90-day consultation period, the Canada Post Corporation should listen to the various solutions proposed by the local population instead of saying: Your post office will be closed and here is what you will get.

We therefore have a serious national problem, Mr. Speaker. The Canada Post Corporation is following its own plan, simply informing the public without having consultations, and the Minister still lets the Corporation do as it pleases. I cannot accept this, Mr. Speaker, and this is why I wanted to say this evening that I disagree with the way the Minister is letting the Canada Post Corporation do whatever it wants. We have a Minister responsible for the Canada Post Corporation and he should see to it that all Canadians have the postal service to which they are entitled.

[*English*]

I know, Mr. Speaker, your home town is Edmonton. I have here a copy of the Edmonton *Examiner*. There is an article entitled "Supermailbox angers residents". It concerns a resident who bought a house two years ago because he was sure he would have door to door mail delivery. Now, all of a sudden, he finds out he has to go to a supermailbox to pick up his mail. That man and his wife feel like second-class citizens. They pay the same taxes as everyone else. They invested their money to buy a new home, and created jobs by buying a new house. They are being penalized by this Canada Post plan.

• (1815)

The same article says there is no consultation. All of a sudden people wake up in the morning and see someone digging a hole for the supermailboxes. I have the same problem in my own riding. Everywhere there is new residential construction, we are facing what is almost a revolution. How long is the Government of Canada going to allow Canada Post to act with arrogance and install the supermailboxes anywhere it wants to, whether it is in front of a garage, a house, on private property or municipal property? This is incredible. We have to stop it, and soon, because Canadians cannot take any more.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon.

Member should check a study carried out by Canada Post which shows that 93 per cent of its customers are satisfied with the super- boxes. That something!

I think that the Hon. Member who sits in the Opposition is doing his job, but the fact remains Mr. Speaker, that times have changed and the services of ten years ago are no longer required today.

Today, Mr. Speaker, life for couples is made easier especially when both spouses are working. Therefore business hours must reflect this new factor which alters the situation which existed previously when we had to go to the Post Office between such and such business hours.

Within most communities, Mr. Speaker, there is a post office operated by Canada Post employees and, in several cases, the locations of these post offices were selected sometimes 10, 15 or even 20 years ago. Today, the needs of the market place and all of that have changed.

The operating costs of some of these offices may absorb nearly all their revenues and even more, which leaves practically no funds to cover other costs.

Mr. Speaker, we should remember that it is the Liberals when they were in power who created the Canada Post Corporation and they should show some consistency. The policies put forward by the former Liberal Government are those which the present Government is trying to implement, since the Marchment Committee insisted that it should go ahead with the Canada Post Corporation.

To conclude, Mr. Speaker, I can say that in all the regions where the Canada Post Corporation has made changes, it was done after consultation with the communities, their elected representatives and the people who now really enjoy their superboxes and could no longer do without them.

EXTERNAL AFFAIRS—HAITI—MASSACRE OF CITIZENS—CANADIAN REACTION

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, yesterday I directed a question to the Minister of State for External Relations concerning the tragic incidents in Haiti, and I am glad to see that the departmental Parliamentary Secretary will answer me today.

[*English*]

The whole world was repelled by the stark tragedy that beset the island of Haiti last Saturday night and Sunday morning. We are told that 34 people were killed, 60 injured, for no greater offence than making their way to the polls to cast their franchise in an election that they thought would give birth to democracy in their long exploited, tyrannized republic.

• (1820)

When polling began at 8.30, little could they know that murder was about to strike, and that a scant 30 minutes later the polls would be closed.

We have just concluded an hour debating abortion. A social political abortion took place in Haiti when an embryonic democracy was torn from the womb of possibility and left to die. The blood of men and women was flowing in the streets literally without exaggeration.

This calls for immediate action, because it was not done by criminals alone; there seemed to be a conspiracy of at least silence and indifference, if not more.

For example, General Namphy, the head of the Provisional Government did nothing to stop the campaign violence that had been directed against candidates, members of the electoral council, and random citizens. He refused to provide protection or assistance to election workers to ensure a fair enumeration or the proper distribution of ballots.

The army did not support the election, did not provide security for candidates or election officials, and reneged on a promise to provide helicopters to deliver ballots. It roamed the streets not to protect, but to cast the shadow of a callous indifference upon those who were under attack, until the murder was finished and the pathetic body of democracy in Haiti lay dead.

The United States immediately cancelled aid to Haiti. I have asked for this adjournment debate because we in Canada should be responding with the same action and concern, not necessarily with the specifics, but effecting our aid program and using it to at least demonstrate as a country through Parliament and Government that we join the civilized world in both expressing our revulsion and in taking any action open to us.

We have been told in the House that we must wait, that we must seek further information, and then we can appraise the situation. I asked for this brief adjournment debate because I have to renew the question, what are we waiting for? How much information does the Government need? Is there any doubt that the people are dead? Is there any doubt that the elections were cancelled? Is there any doubt that the military are still on top?

Via television we have seen with our own eyes the bodies prostrate on the ground, prostrate in the streets, prostrate in the polling booths. How much more do we need to know? Along with those dead bodies democracy is dead. Can we be silent? For example, must we not go to the United Nations to express and call upon it to express the revulsion of the civilized world for this is indeed a crime against humanity. It would not be an idle gesture for no government, not even the Government of Haiti, can totally ignore world opinion. The UN should show that the November 29 massacre will not be accepted in silence. This crime against humanity will not go unjudged. These murderers will be punished.

I asked for this debate for a further opportunity to bring to the floor of the House of Commons, before the highest court in the land of Canada, this crime to be judged, to call forth from

this Parliament, from this Government, an action that is appropriate to us.

It has been suggested with sincerity and with some reason that we should endeavour to seek new elections, to use the arm of the United Nations to establish such new elections. I submit that such a gesture would be premature until the security of candidates and voters can be assured. A jungle is no place for an election. That is precisely what Haiti wants this weekend with wild beasts in the form of men roaming the streets, devouring those who went about the business of trying to give birth to a democracy.

• (1825)

Once more I bring before this House of Commons the plea that the dead shall not have died in vain but that their blood may call forth the entire civilized world to join together in putting pressure on what passes for a Government in that sorry land and to demand that steps be taken to secure what was aborted.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Of course, Mr. Speaker, the two questions which have been raised this evening during this additional question period are very topical, and I have to say that we are deeply concerned over current events in both Iran and Haiti. The situation is dramatic since the Haitian election was cancelled, and department officials are now keeping a close watch on this drama.

As I am speaking, the Minister for External Relations (Mrs. Landry) is waiting for a detailed report from our ambassador in Haiti who earlier today was in touch with the President of the National Council of the Government of Haiti. The ambassador is expected to report at the earliest opportunity.

Our ambassador had been asked by the Minister for External Relations to convey to President Namphy, in no uncertain terms, our deep deception as a result of the cancellation of the election, as well as our indignation with respect to the circumstances which brought about this decision. The ambassador was to remind the president how imperative it is to honour his commitments, as defined during his intervention late Sunday afternoon. The president did promise he would act quickly and take the measures required to hold another election by February 1988 at the latest.

The Canadian Government wants to voice its concern with respect to the individuals who set up the interim electoral council or lent their support. In light of the first reports sent by our observer mission, Canada believes that the interim electoral council had lived up to the challenge of finalizing the organizing of election based on the most democratic criteria, in the particularly difficult historical and social circumstances in Haiti. It is therefore imperative that these people be able to return rapidly to normal living conditions if they so wish and at the forthcoming election, and our ambassador has expressed this message in the clearest terms.

Mr. Speaker, should the legally constituted Haitian government fail to take constructive steps to restore the situation, there might be a possibility, as the distinguished Member for Scarborough West (Mr. Stackhouse) indicated yesterday, that Canada, along with other nations, would refer the matter to the international courts involved. Keeping in mind Haiti's tormented history, already bearing the scars of colonial times and foreign interventions, Canada still expresses first and foremost the sincere hope that a solution may indeed be found within the Haitian community itself.

Mr. Speaker, there has been a lot of talk about suspending our assistance, and the suspension of American assistance has been cited as an example. I would remind these people, with full respect for our fellow Canadians of Haitian origin, that the American assistance is military assistance. Ours is strategic assistance designed to help the Haitian people restore the kind of unblemished democracy they deserve.

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.29 p.m.

HOUSE OF COMMONS

Wednesday, December 2, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRADE

EFFECT OF CANADA-UNITED STATES TRADE AGREEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, what is the price we will have to pay for the so-called free trade agreement? It could be staggering. First there will be job losses. No one knows the exact number but some estimates run as high as 500,000 jobs, as indicated by the Minister of Employment and Immigration (Mr. Bouchard) himself. We will then lose our ability to shape our own economy and to develop our own economic, social and environmental policies.

In the case of energy, we give the United States guaranteed access to our resources without getting guaranteed access to U.S. resources. Furthermore, we will give away the power to set our own prices for our own energy. Our own decision making powers in energy matters will be seriously diminished. Of course, these conclusions are based on the information available so far. Believe it or not, Mr. Speaker, we have not yet seen the final text of the trade agreement.

• (1405)

There is, of course, an alternative. We could liberalize trade between provinces and liberalize trade internationally, not just in North America. We are better suited for an international trade policy. We must reverse the decline in Canadian trade with other parts of the world. What we want first and foremost is not to give away our ability to determine the future we want for this and future generations of Canadians.

* * *

SCIENCE AND TECHNOLOGY

OFFICIAL OPENING OF CANADIAN INSTITUTE OF INDUSTRIAL TECHNOLOGY IN WINNIPEG

Mr. Léo Duguay (St. Boniface): Mr. Speaker, last week the Minister of State for Science and Technology (Mr. Oberle) and I officially opened the Canadian Institute of Industrial Technology in Winnipeg—a world-class show piece—federal Government, universities, and the private sector working together—a new era of computer integrated manufacturing and industrial technology.

Almost since its inception, nattering nabobs of negativism have been hounding the institute. First they predicted the $26 million project would be cancelled. When that did not happen they predicted the Government would build it and then sell it. When the centre was completed and open for business in early 1986, the critics began describing it as a white elephant, then as an empty or half empty building.

Well, Mr. Speaker, last week a miracle occurred. Critics finally got the message that 40 per cent empty is 60 per cent full. In a year, organizations will be on a waiting list to grab up the little remaining space. Nattering nabobs of negativism, go to your graves!

* * *

CANADIAN NATIONAL RAILWAYS

PROPOSED SALE OF CN TOWER

Mr. Neil Young (Beaches): Can you imagine, Mr. Speaker, the Government of Egypt selling off the Pyramids, the Chinese people placing the Great Wall on the auction block, or the Eiffel Tower turned over to the private sector? Only in Canada we say "sell the CN Tower"! And what is the CN Tower to be called; Alpo Dog Food Heights, Loblaws Skyscraper, Pizza Pizza Peak or perhaps Ronald Reagan Lookout?

I find it astounding that the Minister of Transport (Mr. Crosbie) measures the value of a structure by whether or not it can go choo-choo-chooing along. The CN Tower doesn't do that, but then, again, it's never late.

The Tower was built with $57 million of Canadian money. It does serve 15 media centres. It does accommodate two million visitors a year, and it does bring a sense of pride to Canadians. All of this, and the Tower turned a tidy $5 million profit last year.

If the Government insists on bequeathing the CN Tower to the private sector, it should at least attempt to secure a guarantee that the purchaser will find a small place for the Government's epitaph to be displayed for all Canadians to see.

S. O. 21

• (1410)

PORNOGRAPHY

PASSAGE OF LEGISLATION URGED

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased to support Bill C-54, an Act to control pornography in Canada. I urge all Members of this House to pass it as quickly as possible and send the legislation to committee.

Not a week goes by that someone from my riding of Niagara Falls does not write to me to urge quick passage of this legislation. They know that the present provisions governing pornography in the Criminal Code are so vague as to be almost unenforceable. Pornography has become a gigantic industry, one that exploits and degrades people, particularly women and children.

I reject comments from groups who say that the definition of pornography is too restrictive. I challenge them to appear before our committee and suggest a better definition. I believe that is only fair.

In the meantime, people everywhere are getting tired of those individuals who continuously want to postpone a crackdown on pornography. As it relates to this piece of legislation I am determined that that will not happen.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

MONTREAL EAST END—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, after fifteen months the Minister of Regional Industrial Expansion and Minister of State for Science and Technology has decided to respond to the Picard Report's eighty-six recommendations this morning in Montreal. The people of Montreal were expecting concrete proposals but unfortunately, the Minister's response was just a lot of bluffing. I would like to know, and so would the people of Montreal, why the Minister failed to announce the establishment of a space agency in Montreal. Why didn't the Minister announce that a real banking centre would be set up in Montreal? Why didn't the Minister announce that $130 million would be provided to fund development of the Old Port in Montreal, as was done in the case of other Canadian cities? Why didn't the Minister announce that $25 million would be made available to the Montreal East development board? And finally, Mr. Speaker, why didn't the Minister announce that jobs would be created in Montreal East? I repeat, after fifteen months, this morning the Minister of Regional Industrial Expansion failed to provide the people of Montreal with anything tangible.

* * *

[*English*]

WELFARE

NATIONAL COUNCIL OF WELFARE—SUGGESTED COMMITTEE STUDY OF REPORT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the just published report of the National Council of Welfare which provides advice to the Minister of National Health and Welfare (Mr. Epp) is appropriately entitled "Welfare in Canada—The Tangled Safety Net".

It points out that the current social assistance system, although it has some good points, very often reinforces poverty and engenders continued dependence upon welfare. People can get caught in the net rather than being saved by it. The report addresses issues such as simplification, accessibility, equity, adequacy, and due process.

The House of Commons Standing Committee on National Health and Welfare ought to make a thorough study of the report to see which of its recommendations might successfully be implemented.

* * *

INDUSTRY

WINE INDUSTRY—ELECTION PROMISE

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I would like to remind the Prime Minister (Mr. Mulroney) of the pledge he made to the grape growers of the Niagara Peninsula when he was campaigning during the 1984 election campaign.

During that campaign the Prime Minister vowed to 'revitalize the industry and keep our farmers farming". He said that the wine industry was "in a state of crisis caused in great part by the unfair trade practices of offshore wine producers". Then he vowed that a Conservative Government would promote Canadian wines and related products and adopt other protective measures because that would be "far less costly to the public treasury than to allow this vital Niagara industry to literally wither on the vine".

If the free trade deal goes through, the wine industry will wither on the vine. The Prime Minister who promised to protect the industry, who had a clear mandate to protect it, has instead betrayed it.

[*Translation*]

FREE TRADE

EFFECT OF AGREEMENT ON AGRICULTURE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, members of the *Union des producteurs agricoles* are having a convention in Quebec City.

Since the president, Jacques Proulx, will take advantage of this opportunity to continue his disinformation campaign, I would like to inform the House of the positive impact our free trade agreement wil have on agriculture. This Government has earmarked $1.5 billion for the dairy industry over the next five years. Subsidy policies will continue to apply to farm producers, whatever their president may say to the contrary. Our subsidy policies and quota systems which are so important for farmers will continue to apply. Our marketing boards will not be effected by the free trade agreement.

I may add that our major processors have not spoken out against free trade, that Lactantia, a company that buys 40 per cent of Quebec's milk production, is in favour of free trade, and that agricultural by-products such as beef will find additional markets in United States.

Finally, Mr. Speaker, if farm producers have any business sense at all, they should not protest against free trade. They should challenge their president, Mr. Jacques Proulx!

* * *

• (1415)

[*English*]

ROAD TRANSPORT

ROUTE CANADA—CLOSURE OF OPERATIONS IN SYDNEY, N.S.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Route Canada, formerly CN Route, formerly CN Express, closed its operations in Sydney. The federal Government sold what is now Route Canada for less than its value on the understanding that all the closing of the terminals would be done by the new owner, thereby sparing the federal Government from giving the bad news.

Route Canada, the federal Government, and the union took away protection the workers had under the Canada Labour Code. The men in Sydney were dismissed with only two weeks' notice, and the 17 dismissed in Sydney had a range of service between 16 and 46 years. Route Canada has made it look like it just dismissed the individuals when, in fact, it closed the terminal.

The federal Government offered benefits to those workers if they resigned prior to June 1, 1987. But the workers in Sydney were dismissed only five months later, which shows that there was collusion between the federal Government and the company because the workers only received a fraction of the federal benefits that the company had to give.

I ask the federal Government to extend the benefit package which expired on June 1, 1987, to the workers who were just dismissed at CN Route.

* * *

MULTICULTURALISM

SUPPORT FOR NEW CANADIAN MULTICULTURALISM ACT

Mr. Alan Redway (York East): Mr. Speaker, the introduction in the House yesterday of the proposed Multicultural Act was a milestone in Canadian history.

Wrapped up in the word "multiculturalism" are many different concepts. Of course it means the right to retain one's culture, heritage, and language. But it also includes the concept of getting to know and understand each other better, the concept of equal opportunity for all, and the concept of full involvement and participation in wider Canadian society. It means that you can be proud of your background and that of your ancestors, and at the same time be fiercely proud to be a Canadian.

Multiculturalism is a Canadian creation. It has helped us to achieve stability and social harmony in spite of our great diversity. In doing so, it is the envy of the world.

Multiculturalism is a vital part of what makes Canadians different, a vital part of our Canadian way of life, a vital part of our national sovereignty. The Multiculturalism Act will help to reinforce and strengthen our national sovereignty.

* * *

POLITICAL PARTIES

ALLEGED REFUSAL OF PROGRESSIVE CONSERVATIVES TO DEBATE ISSUES

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, it took the Deputy Prime Minister (Mr. Mazankowski) weeks to make up his mind, but last week I finally received his official refusal to follow up on his offer, or bluff, shall we say, of debating me in Edmonton on his grant to Fantasyland, and his defence of it here in the House. The Deputy Prime Minister's bluff was called, and he chickened out.

This is part of a growing Tory pattern of refusal to debate, while at the same time talking a lot about being open to such events. The Hon. Member for Provencher (Mr. Epp) is another good example of this. He states that he wants to debate free trade with Premier Pawley. He can do that after he stabs Gary Filmon in the back and becomes Manitoba leader, having fled the sinking Tory federal ship. In the meantime, he is still an MP, yet he refuses to debate other Manitoba MPs,

turning down an invitation to such a debate even in his own home town of Steinbach.

The Tories are afraid to debate the NDP in western Canada. They prefer to indulge in the political equivalent of hate literature, perversely insulting western Canadians by claiming that if they are for the NDP they are against the West. Western Canadians know that the Tories have no monopoly on speaking for the West. The CCF was electing western MPs when, as John Diefenbaker used to say, only the game laws protected the Tories. They are on their way to becoming an endangered species once again.

* * *

• (1420)

THE ECONOMY

THE ECONOMIST'S REPORT ON CANADIAN ECONOMY

Hon. Sinclair Stevens (York—Peel): Mr. Speaker, the current issue of *The Economist*, perhaps the most respected financial journal in the world, has bad news for the Liberals and their socialist partners in the House. *The Economist* has given Canada a glowing report card.

The Economist states that "Canada's producers are thriving". Those are its words. "Our output", it says, "is up 6.1 per cent to August this year", better than any other country it reviews. That 6.1 per cent for Canada compares with slightly more than 4 per cent for the United States and Japan, a negative return for West Germany, and less than 2 per cent and 3 per cent for France and Great Britain.

The figures show without a doubt that our Government is on the right economic course, that indeed our policies are working and are good for Canada, and that they are certainly good for Ontario. Freer trade with the United States will make it even better.

I invite Hon. Members to read *The Economist* for this week and to take a look at page 107 for themselves.

* * *

THE ADMINISTRATION

SCHEDULED RELEASE OF PARKER COMMISSION REPORT

Hon. Bob Kaplan (York Centre): Mr. Speaker, the House of Commons and the country have been waiting patiently for a long time for the Parker Commission Report into allegations of conflict of interest against the former Minister of Regional Industrial Expansion.

The Government has had the final copy for several days, and I understand that it has announced today that it will be made public tomorrow at three o'clock.

I have been told that the usual courtesy will not be extended of giving an advance copy to opposition Parties or to the media. I rise to express the hope that that will not be the case and that the usual courtesy of an advance copy will be extended.

The Government has claimed to introduce civility into the House of Commons. Failure to give advance copies, as is the usual rule, will be a demonstration of hypocrisy on the part of the Government. I hope that it will give the usual advance copies.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—CURRENT STATUS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on October 5 when the Prime Minister tabled in the House of Commons a document purporting to be a trade agreement between the United States and Canada, he said:

> I am advised that there may be a minor typographical error in this document, but that the document itself represents the fundamentals of the agreement arrived at by the parties.

Now we learn that that typographical error has become a renegotiation of the trade agreement.

The parliamentary committee studying the so-called agreement has been travelling the country and will be concluding its hearings in the next five days, yet it has been dealing with a document which is nothing but a sham. No wonder the final legal text is delayed when the fundamental deal has not been reached.

Is the Prime Minister going to explain why, if in his view Canada cut such a good deal, he is renegotiating it? Just for once will he level with the Canadian people and tell us what is going on at the current moment in these negotiations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to the renegotiation of the trade agreement. There is no renegotiation of the trade agreement whatsoever. He asks why we are renegotiating it. We are not renegotiating it.

We are doing precisely what I indicated to the House when I tabled it. Clearly, as would not surprise any reasonable person, there are some approaches on isolated matters or details that may be mutually advantageous and, if required, may be considered by the parties. However, the fundamentals are in place and will remain intact.

Mr. Turner (Vancouver Quadra): I have no less an authority than the chief negotiator for Canada who said, "Well, if you call that a negotiation, then call it a negotiation".

[*Translation*]

REQUEST FOR DETAILS ON AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, does the Prime Minister—he is the main spokesman for this Government, does the Prime Minister really know what is going on? Canada's chief negotiator has stated that he is renegotiating the agreement, and today in the House the Prime Minister keeps telling us that the agreement was concluded on October 4. Considering that the whole process has been characterized by incompetence, stupidity and even dishonesty, will the Prime Minister stop kowtowing to the Americans to schedule a signing ceremony for January 2? Will he give Canadians both time and opportunity to study the agreement if ever a final text is produced? Will he explain to Parliament why he tabled an agreement which cannot be considered as being one? Why did he mislead the people of Canada and the Parliament of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question is basically unworthy of the Leader of the Opposition. He is talking about consultation with Members and the people, he who belongs to a Liberal Party which negotiated a very important agreement with the United States 23 years ago and which never did have the decency to submit it to the House of Commons for consideration by Hon. Members. That kind of behaviour is unworthy of the Leader of the Opposition.

As far as we are concerned, Mr. Speaker, the basic elements which were negotiated are still valid, contrary to what my friend is quoting. Speaking to a journalist, Mr. Reisman is reported to have said:

[*English*]

"If you call that a negotiation, call it a negotiation. Call it whatever you want."

[*Translation*]

But as far as we are concerned there has been no changes in the basic elements or in the Government position. Mr. Speaker, there has been a radical change in the approach of somebody here in the House of Commons: the Leader of the Opposition used to say that he would tear up the agreement, but now he is telling the media that he will not tear it up, that he will go to Washington to renegotiate. That is the radical change on the part of the Leader of the opposition.

[*English*]

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if we do not have an opportunity of a general election in defeating this agreement then we will be caught with the dynamics as we find it, but we are not bound by this agreement.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): We will not be bound by this agreement.

Mr. Clark (Yellowhead): What are you going to do next week, John?

Mr. Turner (Vancouver Quadra): The chief negotiator says that they are renegotiating the Auto Pact. The chief negotiator says they are renegotiating the shipping clauses. The chief negotiator says they are renegotiating the dispute mechanism, so, Mr. Speaker, I ask the Prime Minister why should we trust this Government, why should we trust this Prime Minister when he deposited a document with this Parliament that is not a final document and does not represent the complete agreement between the parties?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the chief negotiator did not say they were renegotiating the Auto Pact. He did not say they were renegotiating the shipping arrangements. He did not say they were renegotiating the dispute settlement mechanism. He said no such thing, and the Leader of the Opposition is consistently misleading the House of Commons and all Canadians by repeating statements like that.

The only change that has taken place is by the Leader of the Opposition who stood up in this House, I think on October 3 or 4 and said, "I am going to tear up the agreement". Now he is saying "I can't tear it up. I may have to renegotiate it".

Mr. Turner (Vancouver Quadra): We will.

Mr. Mulroney: Let me relieve you of any worry. You will never get the chance to renegotiate it.

Some Hon. Members: Hear, hear!

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a supplementary question.

By way of introduction we know how often it has been that the Prime Minister and the chief negotiator have had to contradict one another. Here Mr. Reisman is quoted as saying that the Maritime Shipping Act is something that is on the table being renegotiated and the matter will have to be taken to Cabinet for further advice.

Why is it that this negotiating team is prepared to accept further negotiations on a matter which the Americans want to entrench further and protect, namely, their maritime industry, while at the same time the Canadian trucking industry, which just last week before the Commons committee said that this trade agreement will put that entire industry in jeopardy why are we prepared to negotiate American demands when a major transportation industry is going to go down the drain along with many others, data processing, food processing and agriculture which have all said the same thing? Why is the

Cabinet further protecting American interests and totally ignoring a number of Canadian industries that are being put in jeopardy by this stupid agreement?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I think we can count the Hon. Member as undecided.

The Hon. Member knows full well that Mr. Reisman said to the press yesterday that the negotiating teams are translating into law the agreed elements initialled on October 3. That is the basic position. That is what is going on now. It is not renegotiation.

• (1430)

The mandate of our negotiator has not been modified one iota. All this hype that the Hon. Member is yelling across the floor of the House is totally wrong.

Mr. Axworthy: Mr. Speaker, we know that in 1984 a new vocabulary entered into Canada. It is called newspeak; in other words, do not tell the truth to anyone. That is the problem we got in 1984.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member knows that while technically what he has just said perhaps does not quite go over the bounds into unparliamentary language, it gets awfully close to creating disorder. I would ask the Hon. Member to call upon his own experience and good will and to refrain from that.

Mr. Axworthy: Mr. Speaker, I will redefine the concept of newspeak. It means rearranging the facts to suit one's interests.

REQUEST THAT SIGNING OF AGREEMENT BE DELAYED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): I again ask my question of the Prime Minister who finds it convenient to duck the real questions in the House of Commons. In the report that was released—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member has accepted the gentle admonition of the Chair. I am sure Hon. Members would want to give him the courtesy of being heard.

Mr. Axworthy: Mr. Speaker, on November 7, the U.S. Trade Office released a report entitled *The National Trade Estimate Report* giving a survey of all trade negotiations going on in the United States. The report clearly states that a number of the issues related to the trade agreement with the United States will give Americans the right to challenge a whole host of Canadian programs in telecommunications, culture, agriculture and data processing. In fact, it goes on to say very clearly that the United States retains the right to retaliate in the cultural field when measures taken in these sectors impair benefits to the United States. That clearly contradicts all the guarantees and assurances given by government Members in the House.

We want to know if the Government will revise its program in Parliament to ensure that the Commons committee and Parliament will have a full opportunity to examine the new negotiations that are going on and the rights of Americans to retaliate on these programs. In other words, will the Prime Minister delay the signing of the agreement, extend the mandate of the Commons committee and ensure we are not simply signing away Canada once again on the bland and misleading assurances of the Government?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Hon. Member refers to a report that was provided to the Senate Finance Committee. I believe that report is mandated each year. The United States looks at all countries and, as a matter of fact, I believe the report refers to 40 countries in which there are what they consider trade irritants.

It may come as a surprise to the Hon. Member to know that when we were negotiating the free trade agreement, lo and behold, the Americans had some subsidies as well that they did not want to give up.

The Hon. Member mentions culture. Culture has been excluded from the agreement. That is indicated right in the free trade agreement and the Hon. Member knows that full well. The report to which he is referring is simply an annual report that is submitted to Congress each year. All this huffing, puffing, and blowing is for naught.

UNITED STATES POSITION—POSSIBLE BROADENING OF SCOPE OF AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Government has assured us from the time it negotiated this abominable deal that there would be no change in the substance of the agreement, that there would simply be changes in the legal wording. The Minister for International Trade said that, and less than a week ago the Parliamentary Secretary said that to me in the House. The Prime Minister repeated it again this afternoon.

Yesterday, before a committee of the House, Mr. Ritchie had something to say, and I want to ask the Prime Minister if he was describing reality or not. Mr. Ritchie said that the United States is "seeking some broadening of the scope of the agreement". Is the United States seeking a broadening of the agreement or is it not?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I can tell the Hon. Member what was said in the House this afternoon by the Prime Minister and by me, which is that they are—

Mr. Broadbent: Yeah, I heard that.

Mr. McDermid: I am glad the Hon. Member heard it. Then I do not have to go any further than that.

AUTO PACT—NORTHERN AMERICAN CONTENT QUERY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, for once the people of Canada would like to see the Government be clean, straight and truthful with the people of Canada.

I want to ask a question of the Parliamentary Secretary since the Prime Minister, who, I suppose does not specialize in this subject, has decided not reply. Is the auto trade item, the changing of the North American content provision from 50 per cent to 60 per cent, now being negotiated? Is it or is it not? Is there a proposed change in the wording of the dispute settlement mechanism? Have the Americans requested that the Jones Act be put on the table? Will the Hon. Member please give us a clear-cut, honest answer to that question?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, by innuendo, I have been called a liar by the Hon. Member for Winnipeg—Fort Garry this afternoon and now by the Leader of the New Democratic Party.

Some Hon. Members: Oh, no.

Mr. McDermid: Oh, yes, he has. He has made those accusations and I think they are totally unfair.

The Hon. Member knows full well that the Government has been open and honest with the people about this agreement right from the start—

Some Hon. Members: Oh, oh!

Mr. Broadbent: That's why you're 25 per cent.

Mr. McDermid: I will remind the Hon. Member, if he can get his trained seals behind him to quiet down—

Mr. Hnatyshyn: Okay, Mr. Speaker, they are not trained.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member for Oshawa will put his next question.

[*Translation*]

REQUEST THAT SIGNING OF AGREEMENT BE DELAYED FOR TWO MONTHS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a last question for the Prime Minister.

Looking at the comments made by Canadian negotiators on the Canada-US Agreement, our two countries are now discussing changes in competition regulations concerning the automotive industry and a few others.

If that is true, would the Prime Minister now consider postponing for another two months the signing of the final Agreement, in order to give Canadians a chance to look at the final version?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated to the Leader of the Opposition, the parties are now putting into a legal, final version the elements of the agreement that were tabled in this House early in October.

Of course, we are also discussing implementation procedures. That is a highly technical, very complex document that requires a tremendous amount of attention and care from the negotiators.

Of course, as in any negotiations or discussions of this kind, either party may raise a question, and the other of course has an obligation to listen.

But no formal negotiations are now involved. If at some point in the discussions there arose a situation of mutual benefit to both parties, well now, we would be in a position to consider it!

But we are in the process of approving the basic elements already submitted to this House, and I can assure the Hon. Member that contrary to one other trade deal, this time Hon. Members will have ample opportunity to discuss it.

[*English*]

REGIONAL ECONOMIC DEVELOPMENT PROGRAMS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Prime Minister. Canadians will recall that during the First Ministers' Conference, the Prime Minister gave the assurance to Premiers and particularly Atlantic Premiers that regional development programs would not be negatively affected by this economic union agreement between Canada and the United States. They will also recall with some alarm that those assurances were not acceptable to Atlantic Premiers, including the Premier of Nova Scotia, who said that he leaned toward this agreement but wanted to see it in writing.

This morning in Prince Edward Island, the Atlantic Provinces Chamber of Commerce refused to endorse the Government's economic union agreement unless regional development programs are clearly exempted in the final text of the Canada-U.S. economic union agreement.

• (1440)

Is the Prime Minister prepared to tell this House today, and be consistent with what he said last week on television during the First Ministers' Conference, that when the final text is released next week, if it is, it will contain language that will provide a clear and unambiguous exemption for regional development programs from U.S. trade law? Can he give us that commitment today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will give the following commitment. The language will clearly ensure that this is not, and I am quoting my hon. friend, "an economic union agreement". It is no such thing. It

is a commercial agreement with the U.S. It is a trade agreement. It has absolutely nothing to do with economic union of any kind.

As to regional development, the Government has already provided the Premiers with assurances in this regard. Indeed, during the course of the summer the Government created the Atlantic Canada Opportunities Agency and the western development initiative and infused $1 billion of new money into each of those regions. In all cases it was greeted with great favour by the Premiers of those provinces.

Mr. Tobin: Mr. Speaker, I am sorry if I have offended the Prime Minister by insisting on using the words of one of the two partners to this deal, the President of the U.S., who described it as economic union between Canada and the U.S. Those are his words.

REQUEST FOR ASSURANCE OF EXEMPTION FOR REGIONAL DEVELOPMENT PROGRAMS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, to go back to the question, because the Prime Minister has not answered it, is he prepared to give the House the assurance today, consistent with his commitment on television last week before all the people of Canada, that the legal text will contain words that provide a clear and unambiguous exemption for regional development programs from U.S. trade law?

Can he give us that assurance today, or were last week's First Ministers' Conference and speeches by the Prime Minister nothing but a piece of puffery, a charade with which to subdue the people of Canada and put them to sleep while their birthright is being sold out by a Government desperate for some kind of political success?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it appears that my hon. friend is clearly offended by successful demonstrations of the working of Confederation, and the First Ministers' Conference was just that. I know it is deeply offensive to a Liberal to see a federal system working in harmony, but that is the objective of this Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My hon. friend says he is offending me. He was not offending me at all. If he wants to refer to the term "economic union", he can. I am just telling him that it is a falsehood. It is not economic union; it is a commercial trade agreement. If he wants to persist in calling it that, let him go ahead.

Mr. Guilbault (Saint-Jacques)): That is what Reagan said.

Mr. Mulroney: President Reagan is not infallible.

Some Hon. Members: Hear, hear!

Mr. Mulroney: When he was here he referred to the hon. gentleman as Mr. "Tubin".

DISPUTE SETTLEMENT MECHANISM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also directed to the Right Hon. Prime Minister. On a number of occasions he has indicated one of the most important aspects of this agreement is the dispute settlement mechanism. Mr. Reisman is reported today as saying that he will be seeking Cabinet advice on the possible inclusion of judicial intervention in the dispute settlement process.

Mr. Broadbent: Requested by the Americans.

Mr. Riis: Which of course was requested by the U.S. We are attempting today to find out whether or not renegotiations are taking place. The Prime Minister has said formal negotiations are not under way, but indeed informal negotiations are.

Will he now do the honourable thing and simply admit that, while formal negotiations are not taking place, informal renegotiation of critical components of the agreement is in fact taking place?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the exercise of translating the elements of this deal into legal language is very complex. Both teams have been working very hard at eliminating all possible differences over interpretation in order to get as clear a text as possible. That is exactly what is going on at this time. The Prime Minister fully answered that question before.

STATEMENTS ATTRIBUTED TO CANADIAN NEGOTIATORS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to direct a very straightforward question to the Parliamentary Secretary. Mr. Ritchie has said there is now an effort by the United States to broaden the agreement. Mr. Reisman has indicated that he will be going to Cabinet to change, if you like, the process of settling disputes. That is what he said and that is what his assistant negotiator said. Who is telling the truth? Is major renegotiation taking place? In other words, is the agreement being substantially changed or is it not? The negotiators say it is, and so far the Prime Minister and Parliamentary Secretary have said there are no changes at all.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): No, there are not major changes being made, as the Hon. Member would say. I cannot answer it any plainer than that. He knows full well that Mr. Reisman always came to Cabinet for direction. The negotiators were supported by the International Trade Advisory Committee, by 15 Sectoral Advisory Committees, by the Premiers and Trade Ministers of the provinces. There was more input into this agreement than the Hon. Member could ever dream of, and that continues.

Mr. Reisman comes back to Cabinet for direction all the time. He has not yet come back to Cabinet for direction on that.

AIR SAFETY

AIRPORTS—TRANSFER OF BAGGAGE FROM DOMESTIC TO INTERNATIONAL FLIGHTS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Deputy Prime Minister. Yesterday the Minister of Transport said there were two exceptions to a passenger match when baggage is put on board aircraft. Today we learn from people involved in baggage transfers of another exception. When baggage is transferred to a connecting international flight from a domestic flight it is not x-rayed or verified so as to ensure complete security. In some cases baggage match is only done in the case of a phoned-in threat. Does the Minister expect terrorists to call in their intentions?

What will the Deputy Prime Minister do to correct this serious security lapse and put an end to this unverified interline baggage transfer?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Minister of Transport responded to a number of questions raised yesterday with regard to airport security and pointed out the vast improvements over the last year or so. That was acknowledged by the International Civil Aviation Organization which indicated Canada had one of the best security systems in the world. I think he indicated there is no absolutely foolproof security system, and that Canada was working on a baggage match system for domestic flights. However, we are unable to start the system until an adequate computer system can be put in place.

While the Hon. Member has raised an important issue, it is also important to recognize that solid progress has been made. Whenever these kinds of discrepancies are drawn to our attention, Transport Canada certainly investigates, as it is investigating a number of allegations made in this House yesterday.

[*Translation*]

OBLIGATION TO X-RAY ALL BAGGAGE—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, although an effort has been made, we know there are still some serious flaws. We were promised that everything would be done to ensure that passenger safety would be first-class.

Today, we heard about an American carrier that has asked to have all baggage X-rayed before loading.

Is the Deputy Prime Minister prepared to ask Canadian carriers to do the same? Don't Canadians deserve the same protection Americans get on U.S. flights? Is the Deputy Prime Minister ready to take action?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I am not sure what qualifications the Hon. Member has as an expert on airport security but I can—

Mr. Gray (Windsor West): What are yours?

Mr. Mazankowski: What are mine and this Government's? We have heeded the advice of the International Civil Aviation Organization. It has strongly recommended that the baggage match system is much more effective than the x-ray system, and that is precisely why we are following the advice of the experts in the field.

• (1450)

I believe that the International Civil Aviation Organization has many experts in the field and they are part and parcel of the world organization in which all member countries work together in close harmony to deal with the whole problem of international terrorism. I think the Hon. Member should applaud Canada for the progress it has made over the last two years.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—REFERENCE TO BROADENING SCOPE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister or the Secretary of State for External Affairs. It concerns the American attempt to broaden the scope of the agreement, as Ambassador Ritchie has said. If this new context has been created in which the Americans can seek to have at least three items reconsidered, why did Canada not seek to have some items reconsidered? Did Canadians say what they wanted to broaden or renegotiate on the basis of the many charges which have been made against the agreement, or did we simply let the Americans dictate the agenda once more?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, if he is honest with the House, I think the Hon. Member will admit that the Americans did not dictate the agenda and that the Canadian team went into this with support from the sectoral advisory committees and people from the International Trade Advisory Committee such as The Consumers' Association of Canada. The Hon. Member for Ottawa Centre keeps yelling: "What about real people?" I am not sure to whom he is referring as real people.

I can tell the Hon. Member that his assertion that the agenda was set by the Americans is just not true. As a matter of fact, in setting out its goals in the free trade pact Canada reached every priority that it hoped to reach.

Mr. Blaikie: Mr. Speaker, the Americans are dictating the timeframe in which this must be decided and dictating what

will now be up for renegotiation. The Parliamentary Secretary speaks of The Consumers' Association. The Consumers' Association appeared before the committee and was very critical of this agreement.

UNITED STATES EXPORT ENHANCEMENT PROGRAM

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Secretary of State for External Affairs who indicated in this House that the American Export Enhancement Subsidy Program violated the spirit of the agreement. Why is this not an item that the Canadian Government brought back to the Americans as something that they must stop doing? Why are we always submissive? Why are items like this not raised in this new climate of renegotiation?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, one of the reasons for getting into the negotiations was because of the protectionist mood in the United States. That is exactly why we are into this process and why we have initialled a very good agreement. The Hon. Member says that the United States wins all these, but just last week a GATT panel came down in favour of Canada against the United States on customs user fees. The theory of the Hon. Member is all bunk.

* * *

MULTICULTURALISM

PROPOSED LEGISLATION—REQUEST FOR ESTABLISHMENT OF SEPARATE DEPARTMENT OF GOVERNMENT

Mr. Sergio Marchi (York West): Mr. Speaker, in the absence of the Minister of State for Multiculturalism, my question is directed to the Prime Minister. Yesterday's Multiculturalism Bill comes on the heels of a Liberal Bill in 1984, three different Conservative Ministers of Multiculturalism, three years of promises and consultations on this Bill, and an all-Party committee which unanimously recommended to the Government that it introduce a comprehensive forward looking Bill that would go far beyond the general principles.

Why did his Government simply introduce a piece of legislation that is rooted exclusively on general principles and past laurels? Why did he not entrench a separate line Department or a Commissioner for Multiculturalism so that it would meet the aspirations of communities? Canadians are simply getting tired of your fine speeches on your summer ethnic picnic circuit.

Mr. Speaker: Ministers may reply if they wish, but I must point out that the Hon. Member is out of order, certainly in the last words he used. I invite him to put his supplementary question. There does not seem to be any response from the Government.

Mr. Marchi: I do not know what was out of order, Your Honour—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member will probably remember that he was using the personal "you" and, to the degree that that is used, it evokes a response which creates difficulty. I would ask him not to do that.

Mr. Marchi: Mr. Speaker—

Mrs. Finestone: Thank you, Your Honour.

Some Hon. Members: Oh, oh!

Mr. Marchi: I do not know why the Government finds it so funny.

Mr. Epp (Provencher): Listen to Sheila.

Mr. Speaker: The Hon. Member has put a question. The Chair has corrected the last few words and the Hon. Member has accepted that. The question is certainly in order, except for those words, and I remind Hon. Members that the reasons we are strict about this is that it leads to disorder. However, the Hon. Member has the floor and is putting his question. He is entitled to the appropriate courtesies. The Hon. Member.

Mr. Marchi: Thank you very much, Mr. Speaker.

[*Translation*]

GOVERNMENT POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, I want to ask the Prime Minister again, considering the political effort put into bilingualism during the sixties and the seventies, why he failed to incorporate in this Bill the energy and political will of the 80s to enhance multiculturalism, with the same government mechanisms used many years ago to support the policy on bilingualism, instead of expecting ethnic groups and all Canadians to swallow a bunch of platitudes.

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, in the absence of the Minister I would like to answer on his behalf, and I want to thank the Hon. Member for giving me this opportunity. Since yesterday, Canada has a Bill on multiculturalism, and I think Canada is the first country in the world to table legislation of this kind. It was not only a special day for Canada and Canadians of other ethnic origins like myself, it was an historic moment. Canada is the first country in the world to do something like this, and as a Canadian I am very proud.

[*English*]

COMMITTEE RECOMMENDATIONS

Mr. Sergio Marchi (York West): Mr. Speaker, the Parliamentary Secretary expects that this is a big Christmas gift to the ethnocultural communities. Let me tell him that it is gift

wrapping and those communities expected something meaningful inside.

My supplementary question is directed to the Prime Minister. Given the fact that your Government has consulted far and wide—

Some Hon. Members: Order!

Mr. Marchi: Given that his Government has consulted far and wide and knows what those consultations were, why did he reject the unanimous recommendations of the committee that reflected the aspirations of the community to have a multiculturalism Bill that legislates principles but also addresses the hard fact realities of the here and now, rather than patting people on the back for what happened yesterday?

[*Translation*]

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, the Hon. Member opposite, and with him, those who have done nothing for multiculturalism, is challenging the partnership the Minister has proposed to be able to administer the new legislation. Perhaps I may repeat, for the Hon. Member's benefit, that yesterday was a great day for Canada. The whole world will come knocking at our door to ask us how we managed to accomplish this excellent piece of work.

* * *

[*English*]

CHILD CARE

PROPOSED NATIONAL PROGRAM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I know that working parents who desperately need reliable child care are anxiously looking forward to the details of the national child care program which he will report tomorrow.

Some Hon. Members: Hear, hear!

Ms. Mitchell: Will the Minister assure us today that news reports are wrong and that billions of dollars for child care will not go toward regressive tax exemptions but will be used to increase substantially the spaces for quality affordable child care that are so urgently needed across Canada?

• (1500)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member is as anxious as I am to see what the statement will be tomorrow. It is ready, and I invite the Hon. Member to be there tomorrow.

TAX DEDUCTIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I ask the Minister as a matter of principle today, does he not agree that any program that doubles the child care expense deduction will not increase much needed child care spaces and in fact will benefit upper-income Canadians at the expense of average and low-income families? Does the Minister think this is fair? Is this fairness for Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the principles of today are valid principles for tomorrow as well. I want to tell the Hon. Member that I have said continuously that when we come forward with a national child care plan, which the Prime Minister said would be brought forward by this Government and which is another area in which the Government is delivering on its promises, the Government will bring forward a plan which will give parents choices. It will not fit one mould which the New Democratic Party, with its blinkered approach to life, feels is the only way to go with these things. I am not going to accept an NDP way of life.

* * *

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF LEV AND MARINA FURMAN

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Just a few days ago, Lev and Marina Furman were again denied their exit visas to leave the Soviet Union. I met this couple when I was in Leningrad in May of this year. For 16 years Mr. Furman and his wife have been trying to leave the Soviet Union. They are so distraught that yesterday, I understand, they began a hunger strike. I know Marina's health is very fragile. She just about lost her life in giving birth to their daughter Bayla Alyia.

Surely Canada can be of some help in a tragic and sad case such as this?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for his continuing interest in this case and others of its kind. I am familiar with the case. The Hon. Member will know that I make it a practice in meetings with Soviet officials to raise cases of this kind, and I will continue to do that.

The matter has been raised by the Embassy in Moscow. We will continue to raise those kinds of pressures. I believe the Hon. Member himself intends to be part of a large demonstration of persons from across North America who are interested in issues of this kind and who will be making their views known directly when General Secretary Gorbachev is in Washington. I think these kinds of efforts also help to underline the broadly based concern for questions of human rights in the Soviet Union.

[*Translation*]

SHIPBUILDING

REQUEST THAT QUEBEC SHIPYARDS BE SAVED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, the Quebec Minister of Industry,Trade and Commerce, Mr. Daniel Johnson, stated that the Quebec Ministers in the Tory Government are less inclined to keep their promises concerning the future of our Quebec shipyards. Moreover, Mr. Johnson said that the Minister of Energy,Mines and Resources, the Minister of Immigration and the Minister of Regional Industrial Expansion do not understand the needs of Quebec shipyards and are not delivering the goods.

This is my question to the Prime Minister. Can he tell us whether the Tory Government intends to respond to Mr. Johnson's request and save our three Quebec shipyards?

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I should point out to the Hon. Member that I believe the shipyards in Quebec presently have more orders than any other shipyards in Canada. In dealing with the frigates, we are naturally looking at all the defence infrastructure across the country before making a decision. When the decision has been made, we will be glad to announce it.

[*Translation*]

AWARDING OF CONTRACTS—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary question. Mr. Daniel Johnson, Quebec's Minister of Industry and Commerce, has indicated that this would mean the end of the shipyards, and the unemployed Vickers workers in Montreal will let the Minister know he is wrong. Again, my question to the Prime Minister is simply this: Could the Prime Minister tell the House what other contracts the Federal Government intends to award to Quebec shipyards if they don't get any part of the frigate building contract? What other contracts are being considered to make sure that these shipyards will not close and that the Conservative Ministers will fulfill their commitments?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, as the honourable member knows, the people involved in the shipbuilding industry a few years ago acknowledged the need to streamline this industry both in Quebec and elsewhere in Canada. As the Quebec Minister and the Hon. Member himself will remember, the Federal Government contributed last year to a large extent to the purchase of the Eastern division of the MIL. When referring to Quebec shipyards, the Hon. Member could remind the House and our colleagues that their order books are filled for a number of years, that the planned restructuralization will take place and that the Federal Government will continue to help this industry both in Quebec and elsewhere in Canada, as it has tried to do since 1984.

* * *

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—FINAL TEXT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. On October 5 the Prime Minister made a commitment to this House that the House committee would have the final document to study before the agreement was signed. He said, and I quote from page 9632 of *Hansard*:

> —I shall table the complete text of the Agreement as soon as the wording is finalized. It will then be referred to the appropriate committee of the House for analysis, study and debate.

Does the Prime Minister stand by that commitment? Will we have the final document? Will it be sent to a House committee for study before it is signed?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, this issue has been discussed on many occasions in the House, and I think the Parliamentary Secretary responded quite fully to that. Of course we are disappointed that the final text is not in place. However, that has not prevented this House from debating it, and the committee, and debate has taken place in the provinces and across the country. As soon as the final text is available it will certainly be brought before the House of Commons and every ample opportunity for debate will certainly be provided.

REQUEST FOR COMMITTEE REFERRAL

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is again directed to the Prime Minister because it was his commitment to the House. Is that commitment still valid? Will the people of Canada have the finalized document? And will it appear before a committee of the House before the Prime Minister signs the final document?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, that is the same question and it is the same answer. There will be lots of opportunity to debate this issue in full, in the House, in committee and probably in the country.

PRIVILEGE

RELEASE TO OPPOSITION CRITICS OF ADVANCE COPIES OF DOCUMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, the question of privilege on which I rise, and of which I have given you notice, arises out of a matter I raised under Standing Order 21 before Question Period and on the evident position taken by the Government in heckling while I was speaking.

I rose following the announcement this morning by the Government that it would finally be making public the Parker Commission report into allegations of conflict of interest on the part of the former Minister of Regional Industrial Expansion. As you know, Mr. Speaker, and as I submit, there is a well established practice of a courtesy being extended to the media, on which I do not insist as a question of privilege, but which has been an established practice, and to members of the Opposition concerned, of advance copies being provided of difficult, complex and lengthy documents, as it has been indicated this one will be. It is necessary in order to have informed debate. It is necessary in order to permit Members of Parliament who are called upon to respond and comment on the report to have an advance copy in order to discharge their proper functions as a—

Mr. Speaker: Order. I hesitate, of course, to interrupt the Hon. Member because he is an experienced and senior Member in this place. He may have a grievance, but I have to make it very clear to him that it is not a question of privilege.

No Government, certainly in contemporary times, has ever been obliged to put out a document in advance. Sometimes it is done and sometimes it is not. In any event, while it may be a matter of complaint on the part of the Hon. Member, I have to advise him that it is not a point of privilege.

However, the Hon. Member has made his point and, of course, members of the Government are here and perhaps there will be some further action, but that is certainly not for the Speaker to say.

• (1510)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the hon. gentleman knows, this commission was established by the Government under the Public Inquiries Act. I am informed that the document will be released tomorrow through a briefing which is taking place under the auspices and control of the Royal Commissioner. Chief Justice Parker is in control of the briefing and will be dealing, at ten o'clock I think on the day of the tabling, with those parties which had standing before the commission.

I have heard the Hon. Member and I propose to get the direction of the Chief Justice with regard to the request made. I would explain to the Hon. Member that this is not a government briefing but a briefing and release, with an embargo of course, to those parties which had standing before the commission. I think that includes the party of the hon. gentleman.

Mr. Kaplan: Mr. Speaker, that is quite different from the understanding that I had arrived at from various rumours and statements made by the Government. I accept the Minister's word that it is not a document being put out by the Government. Therefore, I withdraw the criticism which I was proposing to make of the Government for failing to do so.

It is most unusual that a report of a royal commission is released by the commissioner. It is normally the Government which has commissioned it that releases it. That is the reason for the misunderstanding that arose.

With regard to advance briefings by the commissioner, I confirm what the Minister said, that I learned through counsel that documents were going to be made available in Toronto to the counsel to parties which had standing before the royal commission. I was not aware, and I gather that the Minister is not certain, that there will be an opportunity for counsel to be informed on, ask questions about, or see the report in advance of it being made public. I will look into that through the channel of the royal commission.

Mr. Speaker: I want to thank the Hon. Member for York Centre (Mr. Kaplan) for his gracious comments. I also want to thank the Minister of Justice (Mr. Hnatyshyn). Although it was not a question of privilege, as I said, this has perhaps helped resolve a difficulty.

ROUTINE PROCEEDINGS

[*English*]

EXTERNAL AFFAIRS

TABLING OF DOCUMENT ON PEACEKEEPING IN CENTRAL AMERICA

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 67(2) I rise to table, in both official languages, a discussion document relating to the Central America peacekeeping observer organization.

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EXTERNAL AFFAIRS

PEACEKEEPING IN CENTRAL AMERICA—STATEMENT BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to report to the House upon my conversations and meetings last week in Nicaragua, Guatemala, El Salvador, Honduras and Costa Rice and, in particular, to discuss the peace process agreed to unanimously by the five

Central American Presidents in their August meeting at Esquipulas.

That agreement seeks to achieve "the climate of liberty that democracy ensures", and it sets forth conditions with which all five Governments must comply. Two characteristics invest this agreement with unusual promise. It is unanimous and it is indigenous. It is not a prescription from outside but a commitment made deliberately by all five Presidents.

It is my impression, after talking to each President, that all intend to keep the word they gave. Indeed, a strength of this agreement is that no one—no Government, no guerilla force, no outside power—will want to stand accused of making this agreement fail. It is, therefore, of unusual importance that, in addition to whatever help countries like Canada might offer, we seek to create a public opinion that is informed and dispassionate about this process so that compliance can be fairly judged and pressure for compliance fully maintained.

No peace is simple. Countries which are serious about contributing to the success of this process must begin by understanding the complexity of the conflicts and the history of Central America and understanding also the relative frailty of the democracy which this accord seeks to promote.

Only eight years ago, in 1979, Costa Rica was the only democracy in the region. The Government of Nicaragua then was an oppressive, almost feudal, regime, a regime which invited revolution. The tradition in the region, again excepting Costa Rica, has been for crises to be resolved by force and military rule. There are, therefore, no deep roots for the democratic parties and institutions which can guarantee civil liberties and human rights as we Canadians have come to understand them.

The region is still torn by extremism—extremism of the right, extremism of the left—and it is marked by poverty, injustice and exploitation. Its economy is hobbled by debt, low commodity prices, frequent inefficiency, and the spectre and reality of war which drive growth away and distort domestic priorities. Even nature has been cruel. The capital cities of Managua, Guatemala and San Salvador have all been struck visibly by earthquakes. Those, Sir, are the circumstances in which the five Presidents seek peace.

Moreover, despite their unanimity, there are deep suspicions among them—doubts that the civil authorities in El Salvador, Guatemala and, to a lesser degree, Honduras, will in the end be strong enough to control the army, to control the police, to end the tradition of repression. There is also a profound skepticism as to whether the Sandinistas will let real democracy threaten the revolution which their constitution describes as irreversible.

In addition, each Government which signed the agreement must deal with combatants and refugees who have not been parties to this accord and whose views only become known in piecemeal fashion. That is to mention simply the complexities of the region itself which are complicated further by the extension to Central America of the competition between the United States and the Soviet Union.

There are, Sir, plenty of obstacles, but there is also a genuine commitment to the peace initiative and a recognition that the alternative is hopeless; continued bloodshed, economic stagnation, the withering of young, democratic institutions, and the consequent rebirth of coercive forces of the right and of the left.

[*Translation*]

Canada's interest and involvement in Central America is relatively recent, but our standing is high. Over the last five years we have tripled our bilateral aid to over $105 million, and, on a per capita basis, our aid to Central America is second only to what we do in the Caribbean. In that period, total direct Canadian assistance amounted to nearly $170 million, including support for Canadian non-governmental organizations who are active throughout the region.

To get some better sense of the people and, the countryside, we visited a Farmers For Peace workshop in Nicaragua where farmers are trained to repair machinery.

We visited also two NGO projects in southern Honduras, one where Horizons For Friendship helps educate orphans, and the other, a rural clinic operated by Canadian church workers.

Members of our delegation visited different CIDA projects—with purposes ranging from purifying water to providing daycare for single parents, to improving dairy production, to building houses, and meeting other practical needs.

Some of our delegation also met with human rights groups, womens' associations, artists, and refugees in the camp at Limon. We saw for ourselves the good reputation of Canada, which gives us credentials to contribute to the peace process.

The Accord asks "the respect and support of the international community for our efforts. We have plans in Central America for peace and development, but we need help to make them a reality."

I had planned to visit the region sometime before the Spring of next year to provide a visible signal of Canada's support. I sought to meet, in seven days, as broad as possible a representation of the people and organizations who, because they are involved in the conflict, must be brought into the process of peace. I had meetings with the five Presidents; the five Foreign Ministers; other Ministers and commandantes; the two clerics, Cardinal Obando y Bravo and Archbishop Rivera y Damas who are charged with leading reconciliation in, respectively, Nicaragua and El Salvador; leaders of the political wing of the guerrillas in El Salvador; a contra representative in Costa Rica, Alfredo Cesar, who was once the head of the Nicaraguan Central Bank under the Sandinistas; the Miskito Indian Leader Brooklyn Rivera; Opposition leaders in Nicaragua including Pablo Antonio Cuadra, the noted poet and co-

director of *La Prensa*, and groups preoccupied with human rights.

• (1520)

[*English*]

In addition, our delegation included Lieutenant-Colonel Don Ethell and Lieutenant Colonel Gerald Thompson, two Canadian officers who have commanded international peacekeeping operations elsewhere in the world. They had detailed discussions with Central American authorities about the practical challenges of designing and operating verification and peacekeeping mechanisms.

I have just laid upon the Table of the House the basic document that was used by those two representatives of our military in their discussions in Central America.

The Esquipulas plan proposes procedures of verification and follow-up, but I told each President of Canada's concern that they were underestimating the complexity of putting such mechanisms in place. A peacekeeping operation must fit precisely the conditions in the regions where the peace is to be kept. You cannot simply shift a model that might work in Cyprus to the very different conditions of Central America.

Our experts believe that it could take up to six months to design and mount a mechanism that would prove effective in Central America. I said that Canadian expertise would be available for all or part of that work, if the five Presidents agreed unanimously that they wanted Canadian help. I emphasized, Sir, that we were not seeking an invitation, because we want the decision on this vital question to be taken by Central America for Central American reasons. I indicated that there were general conditions of unanimity and authority that Canada requires before becoming involved in any aspect of any peacekeeping operations.

I should tell the House that I do not think it would be appropriate to attach new conditions in this case, since the problems in Central America are already complex enough. As a result of our conversations, I believe the five Governments now have a greater sense of the urgency of getting on with the design of the mechanisms that they will need.

Peace and the peace plan are the overwhelming preoccupation in Central America now. Naturally, other issues arise. Let me deal with two of them, the question of the conditionality of aid, and the resumption of our program in Guatemala.

There has been a suggestion that, in the special circumstances of Central America, Canada should abandon the principle of not using our aid for political purposes. Part of the reason that Canada is respected in the world is precisely because our aid has been designed to help the poorest, to help the most needy. Other countries, including the United States, use aid for political leverage, and their reputation reflects their practice just as our reputation reflects our practice. If we make an exception in Central America, we would begin to discount that distinctive, valuable Canadian principle.

I discussed the question in Central America, including with President Arias, who understands and accepts Canada's policy. I make the point, Sir, that it would be consistent with our practice to consider help to special multilateral mechanisms which the five Presidents might jointly establish to promote democratization or compliance or other specific purposes in the region as a whole and as part of the evolution of the peace process.

[*Translation*]

We are maintaining active development projects in Nicaragua, Honduras, Costa Rica, and El Salvador, and have announced our intention to resume bilateral aid to Guatemala. We will follow in Guatemala the precedent established two years ago in El Salvador, which allows control of our aid to rest in Canadian hands, at least until the program is well launched. That system has proven very effective in El Salvador. Some critics in Canada believe Guatemala should continue to be left out of bilateral programs, because of their human rights record. Unquestionably, abuses of human rights continue. The questions are first whether the democratically-elected government of President Cerezo has made enough progress on human rights to justify resumption of aid and second whether it is now safe for Canadian aid workers to deliver that program. The Gatemalan Human Rights Commission in exile, the Inter-American Human Rights Commission of the OAS, the U.N. Special Representative for Guatemala, and Amnesty International have all noted signs of improvement in Guatemala under the civilian government while indicating, as we would agree, that abuses continue. My judgment is that there has been progress, and that bilateral aid relation with Canada will encourage further progress on human rights in Guatemala.

[*English*]

Obviously, another question in Canada concerns the public position we should take regarding the support by the United States of the Contras, and the support by the Soviet Union and Cuba of the Sandinista Government and of guerrilla activity in El Salvador. We oppose third party intervention in Central America, whatever the source, and have made that position clear to both superpowers.

Some Canadians argue sincerely that our Central American policy should focus more on public criticism of the United States. I believe that such a policy would reduce, and not increase, whatever real influence we might have in Washington on this question. It could, in addition, impede our ability to play other, more active roles in support of the peace plan. The five Governments of Central America are in no doubt about the difference between Canadian and U.S. policy, and our conduct should be guided by what makes us most effective in Central America itself.

• (1530)

The issue of compliance with the peace plan is most acute in three countries—Nicaragua, El Salvador, and Honduras.

In Nicaragua, real commitments have been made to democratic reform—the formation of a National Reconciliation Commission, the reopening of *La Prensa* and Radio Catolica, the readmission of exiled clerics, and the release of almost 1,000 political prisoners. Earlier this month the Government also expressed a willingness to enter into indirect dialogue with the Contras, through the mediation of Cardinal Obando y Bravo. These commitments are real and they are encouraging. However, we should recall that by some estimates there are still between 7,000 and 8,000 political prisoners held in Nicaraguan jails, that some clerics remain in exile, that Radio Catolica was prevented from broadcasting its first newscast, and that the dialogue with the Contras is narrowly defined and still in very preliminary stages. There has been no complete amnesty.

In El Salvador, a full amnesty has been granted for political prisoners. Two prominent leaders of the political wing of the guerrilla movement have already taken advantage of this opening to return to that country's legitimate political process. The Salvadoran Government has also formed a National Reconciliation Commission and was quick to reopen talks with the guerrilla opposition. As well, El Salvador accepted the repatriation of some 4,300 Salvadoran refugees from camps inside Honduras. However, the violence continues in that country, and the Government-guerrilla dialogue was suspended after the assassination of Herbert Anaya, the head of the non-governmental Human Rights Commission. Unfortunately, neither side seems prepared to take the serious initiatives needed to resume the dialogue.

Honduras is a country which does not have an internal conflict but is plagued with the problems of the Contra presence in the south, as well as the influx of enormous numbers of refugees from both Nicaragua and El Salvador. The Government has formed a National Reconciliation Commission to help deal with these problems. On the refugee side, as I noted, the Government co-operated fully with the UNHCR in the recent repatriation of Salvadoran refugees from Honduran camps. They have also asked the Contras to leave Honduran soil, though to date there has been no measurable movement. I was advised in Honduras that informal discussions may begin soon between Honduras and Nicaragua to move toward concrete compliance with the Esquipulas agreement respecting non-use of territory.

I remind the House that the notion of simultaneity, so central to this accord, means that implementation of the basic provisions of the accord must occur in lock-step. The Contras must be removed from Honduras at the same time as a ceasefire is negotiated between the Nicaraguan Government and the Contras. Neither objective has yet been reached, and each relies on the other.

I expressed at the outset my view of the importance of creating an active, informed, and dispassionate Canadian public opinion, whose interest and judgment might encourage compliance with the peace plan. I think it appropriate that the House of Commons pursue more formally the interest several individual Members have already shown in the region and the process.

At the Government's request, House Leaders have begun discussions on the appropriate parliamentary committee to allow this House to monitor and encourage the peace process in Central America. I would place before that committee, on a monthly basis, a report on the current compliance with the plan and would seek to arrange other briefings and background. It might be useful for the committee to review the discussion paper on peacekeeping, which was just tabled and was the basis of our conversations last week, and to examine other ways by which Canada can contribute constructively to achieving peace. Officials of External Affairs, CIDA, and other Departments would be available to provide information.

Those of us who criticize the superpowers' involvement in Central America often unconsciously commit the error we condemn and see the region not by its own lights but in the shadow of a superpower. The initiative of the five Presidents is more than an attempt to resolve their own problems. It is an assertion of their distinct destiny. These are five countries with histories, aspirations, and identities of their own. Their development has been blunted by repression, poverty and conflict. Trade and tourists shift away from a region known as a war zone. Economic strategies are displaced by military strategies. Children, who should be in families, are orphaned. Youngsters, who should be in school, are at war.

The real issue in Central America is not Marxism, nor is it death squads, nor even is it the abuse of human rights. Those are symptoms. The root problems are economic and social, and Central America needs peace to resolve them.

Five different Presidents, with courage and uncommon unanimity, have launched their own initiative for peace. The issue now is whether the five Presidents who signed the accord will respect its principles, will keep moving toward peace, and will keep moving toward what they call in their own document "the climate of liberty that democracy ensures". I believe the House would agree that Canada should encourage and help them.

Some Hon. Members: Hear, hear!

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, like the Secretary of State for External Affairs (Mr. Clark), I recently had occasion to visit Central America, to witness many of the same events, and to pay witness to the very courageous and important initiatives being taken in that region by the five Governments. I concur with the Secretary of State for External Affairs that the most important development in that region or that hemisphere is the incredible and historic effort of those countries to become independent for the first time, to escape from the surrogate wars which have been fought in their territories for generations, to escape from the economic embargos of large powers in the horizon which still plague that country, and to escape from the criss-crossing of

their territories at will by marauding mercenary bands, which is still part of their effort.

In one sense I think the Secretary of State for External Affairs falls short of the mark when he says that the problems are basically economic and social. Those may be the consequences, but I believe the problem has been the sense of imperialism, colonialism, or domination under which they have suffered. They have not lived in a world where there is a rule of law or where there is a recognition of the sovereign right of those countries to decide for themselves their own destiny, what kind of government they want to have, or what kind of economic and social systems they want to create. They have been dominated, manipulated, and pushed around. That is a cause that has inspired various countries and regions, not just for generations but for thousands of years. This is why I think that the opportunity for Canada to associate itself and to ally itself with that incredible historic initiative is something all Canadians support.

There is an understanding out there in the country. The Minister talks about trying to develop Canadian public opinion. It is there. It is amazing the number of churches and groups across the country that have sent people into Central America. It is amazing the number of people who have worked in co-ops in Nicaragua or Honduras and have direct experience from working in the most basic conditions. Canadians understand and recognize that they have a certain affinity for a small country trying to retain its independence in the looming shadow of a great power. That is why I looked forward to the Minister's visit. I really believe that when Canadians ask the question where we can play a role, here is a place for Canadian interest, Canadian affinity and a Canadian opportunity to do something meaningful, not by imposing our will but by providing many of those countries with the skills and support they are so desperately looking for.

• (1540)

One of the conversations in Nicaragua that I recall quite graphically was with one of the secondary Ministers. He told me that they were accused of being allied with the Soviets. What could they do, he said, when the Americans turned them down, started supporting the Contras and put an economic embargo on? Who did they have to turn to? Where else could they get support? It was only the Soviets and their bloc, he told me, who were prepared to come forward with the oil and sufficient economic aid to keep them alive. The Minister said, "Please, when you go back, tell your Government and country that we do not want to be associated with the Soviet Union. We want to be independent, but we need countries like Canada and others like you to give us that kind of support".

I have to express some disappointment with the Minister's remarks. I do not question or quarrel with his emotional sentiment. I think that he has been bitten, in a sense, by the same bug we all have when we go to Central America and we see the kind of struggle with which we all identify. But the Minister went there without a Central American policy and he has come back without one. We still do not have a policy as to how Canada will organize its various economic, diplomatic and political initiatives to meet the historic significance and the historic challenge that greets us in that region of the world.

Where I perhaps take quarrel the most, and I do it in all good intentions, is on the assertion the Minister makes that Canada should not speak out against U.S. aid to the Contras. That is the central issue in Central America. If the peace plan will work, aid to the Contras must stop. There is no other issue. All the rest of it is prelude and prologue. That is the central issue. Until that incredible, disruptive and immoral action comes to a halt, there will not be a peace plan. I believe sincerely, and I say it to the Minister, that Canada could play an important role in helping that aid to be halted.

When we visited Washington after our trip to Central America, the group that I was with met with a number of Congressman to talk about what would happen if Canada said no to Contra aid, specifically, clearly, directly, not in vague language of third party intervention, but clearly. They said that right now the issue is in the balance, that Congress must decide within a matter of months one way or the other. It is not the Reagan administration that will decide. Ultimately, it will be the Congress of the United States that will decide. There are people in that Congress fighting desperately to stop that aid on both sides of the House in both Parties. They said that if a country like Canada, with the kind of legitimacy and credibility that we have, seen as a good ally of the U.S., were to take the stand that the peace process is paramount and that the stoppage of aid is the priority, then that message would be heard in the halls of Congress. It might change 10 or 15 votes. I do not know the numbers, but they said it would have an impact and it would make a difference. We would add credibility.

Charges often heard in that kind of political debate about those going against aid to the Contras being soft on communism or something, the kind of rhetoric you hear from the right wing in the U.S., could be stopped if allies like Canada, the European countries and others took a stand. The American Congressmen told me that if we took a stand, then maybe some of the Europeans would take a stand, and all of a sudden the Americans would see it as the international community saying, "Stop this immoral practice". We could make a difference, Mr. Speaker. This Government could make a difference by saying in a forthright way, not in anger, not with vitriol, but by saying that if the peace process is to work you cannot have a surrogate war being sponsored by a great power which is designed to upset and overturn one of the partners to that peace process. That is what it is all about.

If I might be allowed a moment of anecdote, let me say this. Mr. Reagan does not know what he is doing. I believe he has no idea of the kind of inspiration that is in the hearts of many of those people in Nicaragua. I visited a farm village that had been attacked by the Contras five days earlier. As I walked into the village and watched the farmers and their families with rifles on their backs, I saw the destruction, the burned

tractors, huts and granaries, and a little girl about seven years old approached. The translator told me that she wanted to show me her prize possession. It was a reading exercise book. She was the first one in her family to learn to read. That is what the revolution is about. As the Minister said, it is about children learning to read and proper health care. Her father said to me—I will never forget his words as he stood there—"You go back and tell Mr. Reagan that if he thinks he is going to take this away from me and my daughter, I will fight to the death to stop him". That is what is going on in that region. That is why it is so central for Canada to make its voice heard in a way that I think will ring not only through the Congress but throughout the corridors of Government in all parts of the world.

I realize there are dangers. I do not diminish the sense of caution of the Secretary of State for External Affairs', but if I may, through you, Mr. Speaker, I would like to say to the Secretary of State for External Affairs that this is a rare chance for a Canadian voice to be expressed in a way that would make a difference. I hope that this statement will not be the last word in our Central American policy. I hope, before the timetable of the peace process comes to an end, that we will say to our allies in the United States, "Stop aid".

In the next few minutes I would like to go beyond that. We should also tell the Americans to stop the economic embargo. This is something which the Minister did not mention in his statement. He spoke about poverty, economic difficulties and injustices. How would you like to be a country in which the largest power in the world is using its diplomatic influence to stop all trade, Mr. Speaker? Farmers for Peace, the Canadian aid project, send tools from Alberta, but they have to ship them to Costa Rica up a very difficult highway into Nicaragua. Inflation is 1000 per cent. When I arrived in Nicaragua, it was 55,000 cordobas to the dollar. When I left, it was 60,000 cordobas to the dollar. How can there be any kind of stability in that circumstance? The economic embargo is a large cause of that. We could be speaking out on that issue as well. If the process will work, you have to allow these countries to have some input into economic exchange. This is a Government that is talking about free trade, yet we are condoning a total blockage of trade of one of the countries in Central America.

Mr. Clark (Yellowhead): No.

Mr. Axworthy: I am sorry, not condoning. I do not want to use the word condoning, but we are not speaking out against it. That subject was not in the Minister's statement and it should have been.

Equally on the question of our own aid, I know this is a difficult issue, we wrestled with it at the External Affairs and International Trade Committee, but once again I believe the wrong signals in part were sent. While we were there we were offering new aid to Honduras and Guatemala and really no new aid to Nicaragua. I would like to debate this with the Minister, and when we get to committee maybe we will have a chance—

Mr. Friesen: No contest.

Mr. Axworthy: I do not know whether the Parliamentary Secretary is being facetious, but I am trying to make a point and I wish he would take it seriously.

In this question of the use of economic aid—I think this is a special circumstance because of the peace process—we will have to be careful. If we do business as usual and offer an extra $14 million in aid to Honduras when it is still harbouring Contras, does that signal to some of the other countries that we are implicitly supporting that practice? In the discussions which the Secretary of State for External Affairs had with the President and the Foreign Minister of Honduras that subject should have been raised. We are the second largest donor in Honduras. We have clout and leverage. Our economic aid is not being given in a heavy-handed manner. The Americans, as the Minister probably recognizes, are tramping in and using their military aid as a way of trying to stop Honduras from making a change in its policy. The Reagan administration is clearly using its economic and military aid in Honduras to try to disrupt the peace plan. We should provide an alternative to that by saying that our country and others believe that, with the right gestures, we can do more.

• (1550)

In this case, I endorse fully what I believe was a commitment from the Minister. I do not want to put words in his mouth, but I do endorse the idea that there should be a Central American reconstruction plan and that Canada should take the lead in helping to pull that together. That is very important in allowing the other Central American countries, especially Honduras and El Salvador which are very dependent upon American aid, to know that if the peace plan succeeds and military aid is withdrawn, the economic vacuum will be filled.

One of the fears of those countries is that since American aid is such a dominant part of their economy, if it is pulled out, there will be nothing left. There must be a substantial contribution made by other countries of the world to fill that vacuum. I would hope that we could even go beyond that. I would hope that that would be an issue which the standing committee would address as well. It should address the question of whether or not Canada should take leadership by helping to organize, through the United Nations, NATO, the OECD and the various other multilateral groups to which we belong, a substantial reconstruction plan for Central America in order to provide a foundation for the peace plan.

A gesture that Canada could make immediately, even tomorrow, is to provide direct aid, perhaps through the auspices of the Red Cross, to help those countries carry out the amnesty. That costs money. If Contra rebels are to be persuaded to come from the hills back into the villages, they will need houses, training and farm tools. Those countries cannot afford that.

When I was there, members of the Nicaraguan Assembly asked us if we could find $50,000 in Canada to help them print their Constitution. They have no money with which to do that kind of work. An amount of $1 million in aid, an amount that is very small in terms of the CIDA budget, to help the resettlement of rebels and Contras, would have an enormous and magnifying impact on those countries. The money would not have to be given to the Governments. The Red Cross is already carrying out those kinds of functions, and aid targeted specifically at this early phase of the peace process would be a salutary and beneficial move.

I am not trying to fight the Minister's policy but I am saying that there are many elements that could go into that policy. There are elements of it that we could be implementing right now. This is not a condemnation of what the Minister saw and reported on, I am simply saying that there is a lot more that could be done.

Although my time is almost up, there is much more that I would like to say. I appreciate the fact that the Government will be establishing a committee, but in order to make that committee's work meaningful, the Government should place before it a clear statement of policy initiatives which we will be prepared to follow. Let the committee then debate and agonize over the issues and come to grips with them in a very quick and effective way. This should be done within a week or two, and my last message is that there is no time to waste.

The process is moving along. In some ways it is evolving, in some ways it is unravelling. Because the process is so crucial and historic and because there is an opportunity for Canadians to play a positive, beneficial and constructive role in it, we must take action immediately. We cannot wait for spring. That is why I urge the Minister to come forward with a policy, set up the committee and take the initiative.

I now return to my central point. Most important of all, we must be prepared to say clearly and without equivocation to our allies, using our influence, that after a proper assessment and judgment, the Government of Canada, with the support of the Canadian people, with members of the Opposition fully in accord, believes that the most important contribution Canada and the United States could make to peace in this world, to resolving the conflicts, would be to make a decision as quickly as possible that we will no longer support aid to that surrogate war that is going on in Central America and that it must be prepared to withdraw its military presence. That is the one most important ingredient in making the recipe for peace in Central America work.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, before I begin my remarks, I would like to make a brief comment. It breaks my heart that Parliament has come to the point that a major statement on Canadian foreign policy contained in the report of the Secretary of State for External Affairs (Mr. Clark) on his visit to a very troubled region of the world should be made in the presence of—how many Members are present? I suppose the rules do not allow me to comment on that, but I think it is a sad comment on the state of affairs in Parliament. I will not say any more than that because I do not want to use up any more of the time I am allotted to speak to the Minister's statement.

First I would like to say, on behalf of a great many Canadians, how glad we are that the Secretary of State for External Affairs decided to go to Central America. It was a very important thing for him to do and I hope that what the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) alleged of him is true, and that is that he has been bitten by the bug of Central America and that his level of concern for that area will be heightened as a result of his visit.

I thank him as well for making a statement to the House in spite of the fact that there are so few Members present to hear it. The Minister himself has had something to do with the partial renewal of the practice of making statements in the House. Perhaps some day we will gather together Members of the House in ways that they no longer gather together for these kinds of things.

I was moved, as I always am, by the sincere rhetoric and the analysis of the Hon. Member for Winnipeg—Fort Garry, but I am also moved to a rage which I will suppress when I recall the timidity with which the Government to which he belonged dealt with this question in the early days of the Sandinista revolution. At that time, different Canadian policies might have made a difference in the evolution of the situation this Government is now trying to address.

I should begin by saying that I support the major Canadian procedural recommendation made by the Minister in his statement with respect to the formation of a committee. I would hope that the House Leaders would see their way clear to form a special committee with full powers and full flexibility, rather than a subcommittee of some other committee.

I am not sure I agree with the idea of putting a policy before the committee. I would like to think about it more before I decide whether or not it is a good idea. Perhaps giving the committee some time, although time is short, to make up its own mind would be a good idea. I am worried that government members of the committee might feel beholden to any policy that would be put before them by the Government, and I would rather have them have an independence of mind at the beginning so that the committee itself could form a view on the situation. However, in order for Canada to be helpful, we will have to take steps in the very short run. Whatever the committee does will have to be done with that in mind.

My problem with the Minister's statement is that, over-all, I find it to be too timid and imbalanced in ways that I hope I will be able to articulate in the time remaining to me. It is timid in its analysis of the superpower relationships in Central America and it is timid about obvious Canadian interests.

I would have thought that when the Secretary of State for External Affairs made a statement on Central America, he would have had some sharp words of protest to register against

the attacks on Canadians and Canadian-sponsored projects. I thought that this would be an opportunity for the Canadian Government to send a strong message of disapproval to the American Government about what people supported by that Government are doing to Canadians and Canadian-backed projects.

The Minister said that the peace plan is unanimous and indigenous. These are of course what recommends the plan to everyone. We hope it is respect for those two characteristics of the plan which will cause everyone, including the U.S., to avoid trying to impose their own will on the plan or the region. I am glad the Minister made that statement.

• (1600)

He talks about the need for informed and dispassionate Canadian public opinion about this process. I say to the Minister that the Canadian public is already very well informed on Central America. In fact, I would say the average church-goer in the mainstream churches of this country is probably more informed about Central America than the average Member of Parliament. It is very difficult to walk into the lobby of a United Church, a Roman Catholic Church, an Anglican Church, a Mennonite Church, or various other churches, without finding in front of you an array of literature and material on Central America. So I would just warn the Minister not to be too paternalistic with respect to the Canadian public. There is already a large body of well-informed Canadians who have experience in Central America and have related that experience to other Canadians. On occasion the Minister has chosen to ignore the advice of those Canadians, most recently with respect to the resumption of bilateral aid to Guatemala.

I was glad to hear the Minister referring to pre-1979, say that the then Government of Nicaragua was an oppressive, almost feudal regime which invited revolution. Indeed, that was so, but would it not have been more historically informative, accurate and balanced to have noted that that very regime was put in place and supported by the U.S. for decades? This is part of the problem. It is one thing to say the problem is social and economic, but those problems cannot be divorced from the politics of superpower domination in that area. The fact is that the superpower domination we are talking about when we talk about Central America is American domination going all the way back to the Monroe Doctrine of 1823. It did not originate with Ronald Reagan; it originated in the 19th century and an American commitment to domination of that area of the world.

The Minister displays this imbalance, if you like, in the analysis on page 5 of his statement when he talks about profound skepticism over whether the Sandinistas will let real democracy threaten the revolution which their Constitution describes as irreversible. Why the sarcasm about democracy in Nicaragua and not about elected Governments in other countries of Central America? All the observers of the election in Nicaragua came to the judgment that it was valid. There are opposition Parties and there is an Assembly. I just think the statement would have been much stronger if he had left out the word "real" and posed a legitimate question about whether the Sandinistas would allow a democratic process to threaten their revolution. That would have been a legitimate question, but to insert this cute adjective of "real" before "democracy" it seems to me, weakened it.

Mr. Clark (Yellowhead): I will give you the word.

Mr. Blaikie: Besides, I recall it was the Minister himself, at a banquet here for Vice-President Ramirez, who used the word "irreversible" in the French portion of his speech to describe the Sandinista revolution.

What I am saying is that throughout this statement there is this sort of double standard with respect to burden of proof, and that a much harder case is made against Nicaragua than some of the other countries. That is a weak spot in the Minister's analysis and it is no coincidence, of course. It comes from an over-all willingness to be critical of those elements in Central America which might irritate the Americans.

With respect to peacekeeping, the Minister says on page 10:

> You cannot simply shift a model that works in Cyprus to the very different conditions of Central America.

I agree, but did the Nicaraguans or others ask for a model off the shelf? They probably did not, so I think it should be clear that they probably were not in the market for a Cyprus model. It may be that we will not have the six months or eight months that the Minister is talking about to work out that kind of peacekeeping plan. It may be that Canada will have to be part of a much more urgent process. I hope the Minister is at least open to that. I would also like to have seen some mention of how the Minister sees UN involvement. Does he see such involvement in any peacekeeping structure in which Canada would participate? It would have been good to have had that illuminated for the House.

With respect to aid, the Minister says Canada should not abandon its policy of not using aid for political purposes. I agree in the pejorative sense of the word "political", but it is nevertheless a fact that the choice of whom we give aid to and whom we do not is a political act. The resumption of aid to Guatemala was a political act. It will have political effects, even if it did not have ostensible political purposes. That was one of the criticisms made of it. It would send the wrong signal to the Government of Guatemala that perhaps the Canadian Government and people were satisfied with the progress made so far.

I know the Minister has a different view in that he feels this will encourage respect for human rights. However, no matter what side of the argument you are on, there is a political dimension to aid. I hope the Minister is not trying to pretend there is not and that therefore debate about it is illegitimate.

One of the things the Minister could have done in making this announcement was to announce some support for human

rights institutions, commissions and the like in Central America. That certainly would have strengthened the perception that human rights are central to the Canadian perception of the problem there.

I want to go back to the analysis, if you like, because this is crucial. The Minister made a good announcement with respect to the committee, but there is an ongoing problem with the analysis. On page 16 he says:

> We oppose third party intervention in Central America, whatever the source, and have made that position clear to both superpowers.

He says that as if there were some equivalence to the involvement of the United States and the Soviet Union in Central America. That is like talking about superpower intervention in Afghanistan, as if there were no difference between what the Soviet Union is doing there and the aid that the Americans are giving to the Afghanistan rebels. There is an obvious difference, one that I am sure he would maintain.

That difference exists in Central America. The Contra army, which is basically a proxy army, not a guerrilla army, would disappear minutes after U.S. funding stopped. It is supported by the American Government. It is an extension of long-standing American policy in the area. I just say to the Minister, anyone who knows anything about the situation is not going to accept an analysis which tries to equate the involvement of the two superpowers in the area.

It would be very helpful if just once the Government would condemn outright U.S. funding of the Contras. I can understand the Minister's tactical claim that there may not be that much good to be achieved in persistently haranguing the Americans about their funding of the Contras. I am not sure the tactic works; I am not sure anything works with the U.S. However, if just once, on principle, the Minister or the Government would say that we condemn outright U.S. funding of the Contras and then proceeded from there, that would be so much more helpful. It would clear the air and be helpful to our allies in the U.S. Congress who want to resist the attempts by President Reagan for further funding of the Contras. It is the same tactical debate all over again.

• (1610)

I see the Minister of the Environment (Mr. McMillan) is in the House. As a result of being too nice in dealing with President Reagan's policies on acid rain, the Government undermined our real allies in the Congress who wanted to be able to refer to international criticism.

The same mistake is being made with respect to Central America. It would be more helpful if the Minister were able to make a strong statement about Central America, because, whether we like it or not, the U.S. funding of the Contras will have to stop if the peace plan is to succeed. Nicaragua will be unable to meet the standards it has set for itself as long as it is in a permanent state of mobilization. It cannot demobilize until it is no longer under attack, which will not happen until the United States decides to stop funding the Contras.

It is very difficult indeed for the Minister to have an analysis of Central America without addressing that very crucial point.

I return to the imbalance which is finely woven into this analysis. We are told that Radio Catolica was delayed one day in presenting its first news broadcast. One day! There is no mention that this was due to a bureaucratic foul-up with respect to licensing, and that they were able to broadcast on the second day. That should not have been contained in the analysis. There is no mention of all of the opposition newspapers that have been shut down over the years in El Salvador and do not have a hope of ever reopening. Those newspapers were not just censored; the editors were shot, the presses were destroyed and the premises were bombed. Many of those countries do not even bother with censorship, yet acts such as these do not receive the same kind of attention as the shutdown and the reopening of *La Prensa*, the opposition newspaper in Nicaragua.

The Minister said that there has been no complete amnesty in Nicaragua. The plan does not call for complete amnesty. For instance, the plan does not call for the release of national guardsmen who were prosecuted for crimes committed before the Sandinista revolution. This question of imbalance in the analysis by the Minister is certainly something that I hope the committee could address.

We must be careful in regard to the peace plan. The Arias peace plan is the actual written peace plan. There is also the peace plan as it is perceived by the world through the influence of the United States and the international press. That plan, which does not bear any strict relationship to the actual text, is the one which the United States is interested in fulfilling in Central America. That unofficial plan requires compliance essentially from Nicaragua alone. While this does not mean there will be no benefits to other countries, a double standard applies in this unofficial plan. Nicaragua will have to live up to the letter, the spirit, and the additional interpretation put on it by the United States in this case.

I hope the Canadian Government and this committee can be useful in separating those two plans, between the actual collective judgment of the five central American nations with respect to what was required for peace and that which will come from the White House and the Pentagon about what Nicaragua must do in order for the U.S. to cease the funding of the Contras. That is what is so crucial in the first place, because Nicaragua will not be able to live up to the peace plan as it wishes so long as it is mobilized. No one can expect it to do so. Canada would not be able to live up to those kinds of commitments if we were under attack from an army on a daily basis. We had the War Measures Act over our heads when all that we had was a supposed apprehended insurrection.

We must attempt to avoid the double standard with respect to Nicaragua. I propose that the Government should make a clear statement about the crucial nature of the U.S. role in the funding of the Contras and the need for it to stop. While the Minister's statement today represents progress, such a clear

statement by the Government would represent a much greater step forward. I hope the committee will be able to give good advice to the Government, and I look forward to our participation in that committee.

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REVISED STATUTES OF CANADA, 1985 ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of Justice) moved for leave to introduce Bill C-94, an Act to bring into force the Revised Statutes of Canada, 1985.

The Acting Speaker (Mr. Paproski): Shall the Hon. Minister have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

CONSTITUTION ACT, 1867, AND RELATED ACTS

MEASURE TO AMEND

Mr. Svend J. Robinson (Burnaby) moved for leave to introduce Bill C-274, an Act to amend the Constitution Act, 1867, to amend the Criminal Code and to amend the Senate and House of Commons Act (contempt).

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, the Ontario Court of Appeal recently acquitted lawyer Harry Kopyto on the offence of scandalizing the court, and a majority of the court found the offence to be in breach of the guarantee of freedom of speech in the Charter of Rights.

The purpose of this Bill is to abolish this archaic offence of scandalizing the court, in addition to conferring upon the Houses of Parliament the right to impose a fine in cases of contempt of Parliament.

The time for abolition of this archaic and repressive offence of scandalizing the court is long overdue. Certainly I want to congratulate Harry Kopyto on having spearheaded this important initiative.

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

CANADA LABOUR CODE

MEASURE TO AMEND

Mr. Jim Jepson (London East) moved for leave to introduce Bill C-275, an Act to amend the Canada Labour Code (postal services).

The Acting Speaker (Mr. Paproski): Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Jepson: Mr. Speaker, the purpose of this Bill is to declare the Post Office an essential service, taking away the right to strike of all postal workers and subjecting both the corporation and the postal workers to binding arbitration.

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

* * *

• (1620)

PETITIONS

OPPOSITION TO WHITE PAPER ON TAX REFORM

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have a petition properly certified which has been signed by residents of the City of Thunder Bay, resident both in my riding of Thunder Bay—Nipigon and in my colleague's riding of Thunder Bay—Atikokan. These persons are protesting the federal Government's White Paper which proposes changes in the taxation structure of Canada. They protest the fact that these proposals do not change an already unfair tax structure which is experienced by average Canadian families but will give wealthy Canadians earning over $100,000 a year, who are presently not paying their fair share, a tax cut.

These proposals will also permit 60,000 profitable corporations to pay no income tax at all and threaten a levy on food and other essential items. The petitioners humbly pray and call upon Parliament to reject these tax changes, to reject the tax on food and to restore full indexation to the personal tax system.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

[*English*]

The Acting Speaker (Mr. Paproski): I wish to inform the House that because of the Ministerial statement, Government Orders will be extended by sixty-three minutes, unless the House Leaders would like to make some sort of arrangement.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Monday, November 30, consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee, and the amendment of Mr. Robinson (p. 11291).

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am very pleased to enter into the debate on Bill C-54 and the amendment put forward by the Hon. Member for Burnaby (Mr. Robinson) representing the New Democratic Party. The amendment reads, among other things, that the House decline to give second reading to Bill C-54. This would, as you can appreciate, Mr. Speaker, have the effect of killing the Bill on pornography which is something I believe very important to the people of Canada. It is an amendment which I feel is unfortunate and I would hope the New Democratic Party would consider withdrawing it.

I have had a continuing interest in Bill C-54. I congratulate the Minister of Justice (Mr. Hnatyshyn) for bringing forward the Bill. I believe it is a mark of this Government's commitment to fighting pornography that this Bill has been brought forward. I think it will help in the fight against pornography in a very effective manner. I am pleased that the Parliament of Canada is finally debating an amendment to the Criminal Code which, I might say, is badly needed. The present wording in the Criminal Code, I would suggest, is so vague as to be, for the most part, unenforceable. There is no definition presently of pornography, and I think it is unfortunate.

I congratulate the Government for bringing this Bill forward because one of the things which has motivated me into entering public life is a well-founded belief on my part that too often the Parliament of Canada has passed the buck on important subjects such as this. I think pornography is just one example. We all know what a difficult problem there was with street soliciting. For years, throughout the early 1980s, the Government said again and again to different groups and delegations which came to Ottawa how concerned it was about this subject, and we hear today from the opposition Parties how concerned they are about pornography. In the case of street soliciting, it was this Government which acted because it was properly within the jurisdiction of this Chamber, just as is the subject of pornography. It is not acceptable, I would suggest, that we leave it to city councils, liquor control board regulations or others to do the work which should properly be done by the Canadian Parliament.

Let me say that I do not believe we should leave it up to the courts either to decide what is pornographic. It is a difficult topic, one about which people have strong opinions. I believe it is important that this Chamber tackle the subject and try to define it as best we can in an effort to control it. All of us have seen the proliferation of pornography. It is a gigantic industry. There seems to be no shortage of individuals who would push to the limit and beyond society's tolerance for pornography. I might add that those individuals always seem to be well financed and well organized. For those people who feel strongly about trying to control this, I think it is one fact we should always keep in mind.

When we talk about pornography, I think we should be very clear what we are talking about. We are talking about the exploitation of human beings, and very often the targets of pornography are women and children. I suppose one of the saddest things about the whole pornography industry is that very often it is the people who are least able to protect themselves who are the victims. These are the people, I would suggest, who are the most deserving of the protection of this Parliament and any protection Bill C-54 would afford them.

Bill C-54 attempts to settle a definition of pornography. It sets out as well the defences. I have read in the paper and have received letters by various lobbying groups indicating concerns. I suggest to them that the defences based on artistic, educational, medical or scientific purposes are well set out. I would suggest to them that their fears are unwarranted. I might say that the fears were unwarranted in the street soliciting Bill as well. I remember groups and members of other political Parties saying that we should not pass Bill C-49 because with just a wave of the hand, the next thing we know we could be charged with participating in prostitution and find ourselves in jail. The same arguments are made here and they are all predicated on the same thing. They are all predicated on the belief that our law enforcement authorities will act in an outrageous and irresponsible manner. I do not accept that. I did not accept it with respect to Bill C-49, the street soliciting

Bill, and I do not accept it with respect to Bill C-54, the Bill to control pornography.

It has been suggested as well that there are very few people who want this Bill. With that I disagree. I indicated a couple of days ago in the House that a week does not go by but someone in my constituency of Niagara Falls writes to me about this problem. Not a week goes by that someone does not indicate to me that they do support Bill C-54. They support the attempt to try to control pornography which, I believe, exploits human beings.

• (1630)

When I explain to individuals the attempt that we have made to define pornography, most of them, even those who have some concerns about this Bill, can accept the definition of pornography, among other things, as:

> —a degrading act in a sexual context, including an act by which one person treats that person or any other person as an animal or object, engages in an act of bondage, penetrates with an object the vagina or anus of that person or any other person or defecates, urinates or ejaculates onto another person—

It continues, Mr. Speaker. I can live with that definition of pornography as can the people who have called me or written to me. I have to agree that this is not a perfect definition of pornography. However, at the same time, I know of nothing on this earth which is perfect. However, those who do not like this definition should come before the committee to tell us how to make it better.

Some of my colleagues will remember the occasion when a very respected individual appeared before the committee and told us that he did not like the wording of a particular piece of legislation, that it contravened his idea of civil liberties. I challenged him to tell the committee what it should say in order that the committee could study it and decide whether it was better wording. He laughed and said that his job is to look at the Government's wording and tell us whether it meets his standards, not to tell us what the wording should be.

With all due respect, that is not good enough. Individuals who say they are concerned about pornography and want to do something about it should give us a definition which the legislative committee can study in an attempt to improve the legislation.

I believe that most people think this is a pretty good definition of pornography. Most people think the defences are reasonable. However, I am not saying that it cannot be improved, and I would certainly hope to do that.

Some very unfortunate characterizations have been made of Canadians who do support this. I have followed the debate and read some of the articles of journalists and lobbying groups. They seem to characterize people who support Bill C-54 as prudish and narrow-minded individuals who would trample on the civil liberties of others. There is no end to the criticisms which are directed against those individuals. That is unfortunate and it is wrong.

I have spoken with many individuals who feel very strongly about this. They see the proliferation of pornography in 1987 and do not like the portrayal of sexual acts on television. Without criticizing anyone else, I believe that the individuals with whom I have met who support this, some of whom I named in the House a couple of days ago, are very fine Canadians. They are the kinds of individuals upon whom Canada can count and has counted in the past. They are concerned about the atmosphere in which they are raising their children. They are concerned about instilling in them the proper values. These people are still the backbone of this country. They are not part of a lobbying group and no one is paying their way to Ottawa. They rely upon their Members of Parliament to bring forward their very legitimate concerns.

I have the same concerns. I take my seven-year old into the local candy store and see garbage on the shelves. What has happened in Canadian society is ironic. Twenty-five years ago when I was a child in Niagara Falls I remember hearing discussions about the bad effects of comic books. I am sure that some Members in this Chamber will remember that. I remember articles in the *Reader's Digest* and the local newspaper on the effect that comic books were having on children. It was said that they were not learning the best version of the English language, that the vocabulary in comic books was simplistic. I believe that parents today would be happy to see comic books in the corner milk store if they could get the garbage out.

The New Democratic Party has moved an amendment which would kill this Bill and further delay any attempt by Parliament to come to grips with this problem. That is unfortunate and I hope they will withdraw the motion. I hope that in the end we can all join together to do what we can by passing this legislation to end the exploitation of children and women. Let us get this legislation into committee and see if we can make any improvements.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I have been listening with interest to the comments of the Member for Niagara Falls (Mr. Nicholson). He suggested that alternative definitions to the one proposed in the Bill with which we are dealing critically this afternoon are difficult to get. He told us about one person who had come before the committee to criticize these proposals who had been challenged to propose an alternative and had declined to do so suggesting that he was there as a critic, not as a drafter of legislation. That does have some legitimacy. It is the law officers of the Government to whom we look for the drafting of legislation.

The Member has been calling on the New Democratic caucus to withdraw this motion and allow the Bill to go forward. Does he mean to suggest that there are no alternatives? Does he mean to suggest that there are not ways of defining pornography different from the ones the Government has put forward which are on the public record and were available to the law officers of the Government, to the

Minister of Justice (Mr. Hnatyshyn) and his officials when they prepared this Bill, and to the previous Minister when they worked on the predecessor Bill which set us on this unfortunate course?

Surely as a result of the work of Mr. Fraser and his committee and others, and even in the very words of the amendment put forward by my friend, the Member for Burnaby (Mr. Robinson), there are alternative formulations which could be used. To suggest that we are left with no alternative except to accept the Government's wording is not what the Hon. Member really wants to put forward in the House this afternoon.

• (1640)

Mr. Nicholson (Niagara Falls): Mr. Speaker, I would not for a moment suggest that I underestimate the difficulty some individuals might have in composing definitions, whether it relates to pornography, sexual exploitation of children, prostitution, street soliciting, or any of the difficult things.

It is sometimes frustrating to me that, instead of working together to come up with better definitions, there are many people in society who sit back and say, "I am concerned about these subjects, and I don't like what you are doing", period. All I am suggesting, as I suggested in the committee, is that I want them to go further. I say that out of a sincere attempt to get help on some of those things, so that it is not only, "We don't like what the Government is doing here". I want to get as much as possible from witnesses who appear before the standing committee on justice, or the legislative committee.

With respect to the motion of the NDP which I have before me, it states in *Hansard* of November 30, 1987, "This House declines to give second reading to Bill C-54 . . . " If the House declines to give second reading to Bill C-54, we are back to square one.

All I have suggested to Hon. Members is that I believe that the definition of pornography—in fact, I am somewhat uncomfortable reading it. One of the Hon. Members stated that this is on television in the afternoon and perhaps thousands of children are watching and hearing the description of some of these acts. I think it is fairly comprehensive, but at the legislative committee stage I think we should be open to improving what we have here.

I am the first to admit that it is not perfect. I think most Canadians will say that we are finally making the attempt at doing something after many years. We have all known for years that the present definition of pornography is no good, that it is difficult to enforce, that it is arbitrary, and it varies from region to region. Most Canadians appreciate the fact that we have brought it forward. Many would appreciate the opportunity to appear before a legislative committee. I can tell the Hon. Member that this will not happen if we accept what members of the NDP are saying. They are saying to go back to the drawing board. We have heard this on all those subjects. On every piece of legislation we have brought forward in the justice area they have said, "Give it the six month hoist. We will discuss it some other time. It is brought in too quickly; it is too vague, too narrow, too restrictive. We do not like it".

All I say to Members is, let us work together. This is a difficult subject. Let us get it into the legislative committee and consider the amendments from the New Democratic Party, the Liberal Party, or from members of my own Party. I know the Hon. Member for London East (Mr. Jepson) has been a crusader in the area against pornography, and I commend him for that. He also may have amendments to help us zero in on those individuals who want to exploit other people in society. I for one would look forward to what he has to offer. I am suggesting that we consider all the amendments. Let us get it into committee, which is what I think Canadians want us to do.

Mr. Jepson: Mr. Speaker, I wish to commend the Hon. Member for Niagara Falls (Mr. Nicholson) who likewise has worked diligently on this very important subject and is doing everything he can to protect those values, particularly of the family, and to protect the real victims of pornography.

I would like to ask the Hon. Member if he agrees with the Opposition, in particular the NDP, that this takes us back to mid-Victorian times, bearing in mind that we are moving forward in this day and age of science and technology. Does the Hon. Member agree that in matters of morality and dealing with issues such as pornography it takes us back to what they would call the days of Pat Boone and white bucks, or mid-Victorian days?

Mr. Nicholson (Niagara Falls): I do not think this is regressive. There are people in 1987 who are uncomfortable watching sexual acts on television, or seeing them on magazine racks staring at them. I believe that is important, and I am sensitive to it. A belief that women and children should not be exploited through pornography is timeless, and not something that is out of date. Perhaps it is a mark of how far our society has gone that there is a recognition of this terrible problem.

People are becoming rich from the exploitation of those individuals who are least able to protect themselves. This is the main thrust of this Bill. It is an attempt to codify in the Criminal Code protection for those individuals. It is something I feel very strongly about, and it has nothing to do with whether it is 1965, 1976, or 1987. It would be my hope that these values have always been cherished by Canadians, and certainly ones I hope we always will cherish, and that they are very much part of the fabric of Canada.

Mr. Robinson: Mr. Speaker, I have a brief comment and question for the Hon. Member. The Hon. Member has suggested that there would not be any abuse of this legislation, and that we should trust the law enforcement authorities.

I would remind the Hon. Member of the recent situation in Calgary where a group of women concerned about the proliferation of pornography in Canada put together a slide show illustrating some of their concerns. They were charged

under the provisions of the obscenity provisions of the Criminal Code. His suggestion that there will not be those types of abuses is utterly without foundation.

The Hon. Member is a lawyer and a respected member of the justice committee. I wish to ask him how he can defend the provision in the legislation which imposes a reverse onus on artists to prove the merit of their work. It is not the artistic purpose, but actually imposes a burden on them to prove the merit of their work. The Canadian Bar Association has urged that the onus be placed on the Crown in this important area. Why is it that the Hon. Member supports a provision that imposes an onus on artists, who are already some of the poorest members of our society, to prove the merit of their work before the courts?

Mr. Nicholson (Niagara Falls): Mr. Speaker, I have heard the arguments of the Hon. Member for Burnaby both here and in committee that, because there may be abuse by the police, or there is an example of abuse, a documented case, therefore we do not act. I do not buy that. I do not buy it with respect to the street soliciting Bill. The Hon. Member will remember that he was one of the ones with all types of warnings to us about how this would be abused by the police—

Mr. Robinson: It has been. How many customers have been charged?

Mr. Nicholson (Niagara Falls): No, it has not been. It has been enforced responsibly. I can speak from experience in Niagara Falls. The Hon. Member asks how many customers have been charged. The last time I checked, 40 per cent of the arrests in the City of Niagara Falls were of the customers.

Mr. Robinson: Not in Vancouver.

Mr. Nicholson (Niagara Falls): Regarding the Hon. Member's comment with respect to artists, let me just ask, what type of position are the artists in right now? They do not know what pornography is, because it is not defined. I have had individuals ask me to tell them what is pornography, and they will not put it in their story. This is what the Bill does. Most people would welcome it. Now they know. They also know that if they contravene that, there are certain defences set out. The present situation is intolerable, because it is anybody's guess what is pornography. This is a tremendous improvement.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Hamilton Mountain.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise to speak to this amendment because I think it is important that it be supported. This subject is not new to me, because I have certainly been very much involved in the whole process of what we could do. As a feminist, I abhor the type of pornography available to our children, our young people, and adults in society. It seems to me that the Bill is not attacking any of those areas. My major concern is that after the Bill is passed it will still be possible to demonstrate violence against women.

• (1650)

If we are talking about amendments, we are talking about a major rewrite of the Bill. We are also talking about the ability to bring forward legislation which indicates that we will not accept the fact that children and women can be looked at in a demeaning way. If we want to deal with that problem, we cannot do it with this legislation.

I am saddened to think that, as a result of the Bill before us, artists will have to defend themselves before the courts. I would like to think that society has progressed to the stage today where we understand, welcome, and love the whole human body and the sexuality of the human body, which can be something very beautiful and wonderful.

It seems to me that the Bill is attacking the beauty, not really attacking the demeaning parts of the multimillion dollar pornography industry. For a pornography Bill to be a positive one, it must look at what happens in society and how we feel about violence. Do we really think that it is okay to watch people being cut up or blown up? Is it okay for that to become a constant diet for our children and our teenagers? Those areas would not be touched if this Bill were passed.

Really it was women who got together and started to raise the consciousness level of society and to do something about it. They were not saying, "Set up a censor board for librarians". They were not saying, "Stifle and stop creative artists". They were not saying that they did not appreciate and love what they were all about, what the whole human being was all about. What they were saying is that they object to the kinds of things that were happening in society with violence being portrayed every day on our television screens, movies, and videos.

Many Members of the House do not seem to be aware of the constant diet of violence and real degradation of the human being to which people in society are subjected on a daily basis. We really want a Bill which will address that area.

I have heard much discussion about the fact that the essence of the Bill has not been adequately defined. Why is the Government bringing forward a Bill when the essence of it has not been defined? If the Bill has been brought forward only to say that it will control, we must ask what it will control. Will it control the freedom of expression in society? Will it stifle people who want to address—and I am talking particularly about librarians—the creativity of authors, of visual artists, and of musicians? We should be encouraging these kinds of things. If this Bill goes forward, it will stifle much of that and it will say to our artists, teachers, and librarians, "Be careful; you might be breaking the law". Surely that is not the kind of society we are trying to build.

Earlier the Hon. Member referred to the women in Calgary who got together and tried to show the effects of pornography

on society—how it demeans women, human beings, and the human family. They were arrested. They were told that they were not allowed to do that. We will never be able to raise the level of consciousness and have people do positive things in terms of what community values are all about if this kind of legislation goes through.

Another concern is the fact that we have been told that amendments can be made to the Bill before us and that those amendments will help us work together. Why is the Bill in front of us? It is not a new issue. It has certainly been before the public for at least five years or six years. Why did the Government not consult and bring forward a Bill earlier? I have no confidence in the ability to amend and get something positive that goes in a direction we would like to see it go. I certainly do not think that potential is there. My experience has been that when we bring forward amendments which we think go in a positive direction, very often the majority on the committee votes them down. If they had been sincere about having a positive Bill, I think consultation would have taken place ahead of time. If there had been broad consultation, we would not be getting the kinds of letters we are getting from a variety of communities. I am talking now about teachers, librarians, visual artists, actors, and musicians. We are also hearing from feminist groups that wanted to have some kind of control over the demeaning material which is out there. Instead, what they got was a Bill which does not mean anything. It does not mean anything as far as the priorities which they put forward are concerned.

I would also like to say how dangerous a Bill like this one can be. If we go back to mid-Victorian times, many things happened which were very serious. This kind of legislation puts forward in our community a value sense that we must be frightened about being total human beings. Actually, it says to youngsters that human sexuality is negative, is something they must be afraid of, is something that they do not talk about, and is something that they hide. Lo and behold, the law could tell teachers that the material they are looking at in trying to teach could be confiscated. Surely to goodness, in 1987, we are looking at a more positive attitude about what we are all about.

There was some discussion earlier this afternoon about violence in Central America. It seems to me that we can look around the world and ask ourselves how we feel about sexuality in human beings. How do we feel about innocent human beings who are being destroyed through no fault of their own? Yet the majority of the House appears to be willing to pass a Bill which says to people, "We will control what you look at, even if it is in an avenue of education, creativity, or beauty". That is what the Government is doing with this Bill. It does nothing to prevent the horrible violence which is out there now, violence which shows women in chains, being tortured, and put in trunks. That is the reality of the pornography out there. It is not acceptable. Certainly it is what women's groups and many other people in the country want to stop, and it will not happen with this Bill.

We are talking about much more than some gentle amendments. We are talking about a redraft of the Bill if we really want to get to the heart of the situation, and the heart of the situation is really important.

I have worked with groups in this municipality and in other municipalities across the country. Certainly we want to stop violence against men, women, and children. We do not want people to be used as commodities. We want people to be seen as the creative, beautiful beings they are. These kinds of things are not being addressed in the Bill.

If we returned to the drafting-board and did some broad consultation, I think the people who drafted the Bill and the Government would find inspiration from the groups who have really looked at the issue. I do not think the issue has been addressed in the Bill before us. Certainly more and more people recognize that we are not looking at censorship. We want to see something that will stop violent material.

• (1700)

This Bill addresses itself much more to censorship. We know that the cut-backs in the Canada Council have been detrimental to Canada's art community. More and more we are asking the same artists who appear before the courts to prove that they are innocent. They are not innocent until they are proven innocent, according to the draft of this Bill. The onus is on them to defend themselves and their work. We know how artists struggle. We recognize how difficult things are for them. I know you yourself, Mr. Speaker, are very conscious of the artistic communities struggle. Your partner has demonstrated wonderful art. It would be very negative for her to be seen—and I am not suggesting that her art would be seen as pornographic—having to come before a judge to defend her art. This does not make any sense at all. The public outcry has been one of looking at rational distribution of material and addressing ourselves to what is unacceptable to everyone.

Another thing that I believe has not been addressed in this Bill is to look at what happens to the victims of sexual assault. There is no suggestion that the Government wants to address itself to positive programs to help people have a sense of their own dignity again. The Government, with a sledge-hammer, is saying "We will stop everything that we think is not very good". Part and parcel of a lot of that concerns the human body. The human body is something in which we should find beauty. It is part of our creation and it is something to celebrate and enjoy. How can we have a society that has that kind of principle and value system if we attack people attempting to express beauty? We should be attacking those who are destroying the elements of our society those who go after children, who demean women with violence and use them as commodities. The Bill does not address itself to that. If the Government is sincere about wanting to reflect what the public is asking for, the Government should withdraw the Bill. It should consult with those who have done a lot of research. Many voluntary and professional hours have gone into this issue.

Last weekend I was in Edmonton at the NAC meeting. Many women's groups have looked at the issue and at this Bill. They unanimously asked that the Bill be withdrawn. They said the very concerns they have had are not the concerns to which this Bill addresses itself. We want a Bill, they said, that says women should not be treated as commodities, nor should they be put in demeaning circumstances. Children should not be used in pornographic situations and we should outlaw bestiality. We think legislation can be drawn to stop all of that. We do not want restrictions on our artists, teachers and librarians thus stopping the beauty of our own creation. That is not what we are attempting to do, at least I hope that is not what the Government has in mind, but it appears that is what is coming through in this legislation.

I urge the House to accept the amendment in good will and recognize that there is another way of being able to address this subject. Canadians want to see some strong legislation with a real good bite to it which addresses people's priorities. I ask the Government not to attack, for political expediency, a whole lot of values that are precious to us. People will be frightened to express themselves. People have asked whether there are some works of so-called art that are not acceptable. I do not think we are afraid to say that at all. There are many kinds of visual depictions that are totally unacceptable. Things that show violence against children, women and men is pornographic. People become numb if they see these things every day, and pornography becomes acceptable, another aspect not addressed in the Bill.

More and more women's groups are asking us to look seriously at the legislation we are bringing in. Women's groups have never asked us to stifle creativity or beauty. They have asked us to stop some of the depicted violence and the demeaning situations into which people are put. Those are the things that people want to see cease completely.

If we look at some of the recommendations and read what some of the groups have objected to about this Bill, there is a sincerity in wanting to work with the Government to be able to bring in positive legislation. That is not possible at this point. We need to redraft this Bill. I do not understand how a Bill like this came into the House of Commons for debate. I have heard members of the Government saying they wanted to bring in control, but they have allowed a Bill which does not control the kind of violence people have been talking about. No longer is it acceptable for women to be seen as objects that one can do with what one wants in circumstances that are so despicable that it is nauseating to think about it. These depictions are being sold by a multi-million dollar industry. That does not mean we are getting at artists, librarians, teachers and those types of people.

I appreciate the fact that the Government says it wants to address this particular subject but I ask the Government to withdraw the Bill, quickly consult with people and bring back a well drafted Bill. If that happens, we can give it support. If not, we will be going to committee and we will have a long hassle about amendments which probably will not get passed. Maybe it is political expediency for the Government to say it brought a Bill forward, but Bill C-54 is totally inoperable. Perhaps the Government wants to say that Liberals and New Democrats would not let it pass, but that is not true. We are looking for something operable and something that addresses itself to the values of our community and what we want.

Mr. Redway: Mr. Speaker, I listened with interest to the Hon. Member's comments. I understand and accept her sincerity. I have spoken to many women across this country and many in my own community, including women's groups, who feel very deeply about this issue. I agree with the Hon. Member when she points out that women are interested in seeing some legislation which controls the exploitation of women and children and which controls the depiction of violence against women and children. There is no question about that in my mind as there appears to be no question in the Hon. Member's mind.

• (1710)

However, what concerns me is the fact that the amendment before the House today, in support of which the Hon. Member spoke, does not seek to change the Bill to accommodate the concerns of the Hon. Member and the concerns of the women for whom she speaks but is rather to decline to give second reading to the Bill and simply kill the Bill all together. If she truly believes what she has said, surely she has an obligation to the House, to the women for whom she speaks and to the people of Canada to bring forth a substantive amendment at this time, an amendment which incorporates her beliefs and the beliefs of the women of Canada.

Ms. Dewar: Mr. Speaker, I would like to bring forward such a comprehensive amendment in consultation with the women's groups across Canada. However, procedurally I cannot do so at second reading. If I could and if the Government would accept it, I would then feel that there would be some honesty in addressing the problem through the Bill.

Over the years, I have not always taken the populist stand on prostitution. We must realize that prostitutes too are very much victims of society. It is part and parcel of the Government's unwillingness to address the heart of the situation. The heart of the situation is that women do not have dignity and are not total human beings along with the rest of society.

We are dealing with a Bill designed to deal with pornography but I would suggest that there is a great deal of pornography directed at violence in men, showing violence in men as an heroic virtue. Surely that is not the way we want to see society evolve.

Being regressive and simply stifling any kind of creative expression does not really attack the value system in which multimillion-dollar industries are allowed to destroy the dignity of women and children. The women's groups have been asking for a Bill that really deals with the people who make the millions, not with the small artists who have to defend

themselves. That does not make any sense at all and I do not think it is what Canadians are looking for.

[*Translation*]

Mr. Grisé: I have a question for the Hon. Member for Hamilton Mountain (Mrs. Dewar), and I also have a few comments, Mr. Speaker.

[*English*]

The Hon. Member for Hamilton Mountain (Ms. Dewar) is supporting the amendment put by the Hon. Member for Burnaby (Mr. Robinson) but at the same time, we in this House are well aware of the fact that her predecessor, the former Hon. Member for Hamilton Mountain, worked toward and supported very strongly parliamentary reform. Parliamentary reform is designed to deal with the kind of Bill that is before us today without scrapping it like the Hon. Member for Burnaby has suggested we do. Parliamentary reform would bring such Bills to committee, and that is what the former Hon. Member for Hamilton Mountain worked so hard at achieving just before he left the House.

We now hear that the present Hon. Member for Hamilton Mountain is supporting the motion of her colleague, the Hon. Member for Burnaby, which would scrap the Bill and go back to square one.

[*Translation*]

Mr. Speaker, at the same time she says we must protect people against sexual violence, against the violence involved in child pornography, but that is exactly what the Bill does. It clearly defines the pornographic matter that is prohibited: any visual matter that shows children or young persons engaging in sexual activity, extreme violence in a sexual context, sexually violent conduct, degrading acts in a sexual context, bestiality, incest or necrophilia, and certain specific types of sexual conduct.

Mr. Speaker, the Hon. Member for Hamilton Mountain (Mrs. Dewar) also pointed out that artists should be defended on the grounds that their work is creative. Are we going to defend a thief who robs a bank on the grounds of creativity, because he found a new way of robbing a bank that is unknown to the police? Is that an excuse? Is that a defence? Then it will no longer be a crime. Mr. Speaker, we defend artists and we protect society. I have nothing against defending artists. It makes sense when we are within the law. But after all, when new legislation is passed, for instance when the various provincial governments decided to set speed limits and make seat belts compulsory, weren't these restrictions as well? And didn't Canadians learn to live with them?

Mr. Speaker, I would like to ask a question. Would the Hon. Member go along with what was said by the Hon. Member for Broadview—Greenwood (Ms. Mcdonald) yesterday, who commented she was willing to bring the Bill before a legislative committee and would probably propose amendments? Does she go along with the proposal made by her colleague, the Hon. Member for Broadview—Greenwood?

[*English*]

Ms. Dewar: Mr. Speaker, there was a lot in that question. As an outsider at the time it was being discussed, I was quite excited about parliamentary reform. I thought that the work of the committee would give all Members of Parliament the ability to address things like this. Since I have been here, however, we dealt with an immigration Bill through very quick hearings at which no amendments were accepted and we are now having hearings on free trade when we have not even seen the final document. It is hard not to be cynical when talking about parliamentary reform.

We must still work toward parliamentary reform and we must try to make the committees as functional as possible. The Hon. Member has criticized the Opposition for saying that we do not think that comprehensive and substantive amendments could be brought forward, but we are saying that with some experience. There has been a certain amount of arrogance demonstrated and I think that is counter to what parliamentary reform was all about. Certainly Members who supported parliamentary reform supported it in good faith.

I said that I thought the most expedient way to get a Bill before the House to really address the heart of the subject would be to withdraw this Bill and bring forward another one that had been properly drafted. If this Bill goes to committee, I would be very interested in seeing how many amendments will be accepted by the majority of the committee. I am not very hopeful that very many will.

I wonder if there is a hidden agenda here which would allow this Bill to die. If government Members really wanted to bring forward a Bill that addressed the problem, they would withdraw this one and redraft it in consultation with many people across the country to address the problems that exist. That is why I support the amendment put by my colleague. I think it is the quickest way to get legislation that will deal sincerely with the kinds of things we think are unacceptable in Canadian society and amend the Criminal Code to reflect that.

• (1720)

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Resuming debate.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I will begin by begging your indulgence for a second time in a matter of hours and ask you to once again lend an ear to my comments on a crucial matter before the House. I think the Chair will recognize that the debate this afternoon is of such importance that it demands the honest participation of all Members.

I have been listening to the debate quite carefully and there is a phrase which recurs in the words of Conservative Members spoken in defence of the Bill. They say: "it is not perfect but we had to do something". That will go down in history along with other great statements such as: "I am only following orders". Or: "I had no choice" and others.

An Hon. Member: That was a good one!

Mr. Redway: All from the Liberals.

Mr. Axworthy: "Sacred trust" is another one, perhaps the most abused phrase.

This Bill is far from being perfect. In fact, it is quite imperfect and that is not a proper defence for government Members to offer. They had in front of them a better solution but they rejected it. That is partly why there is a degree of skepticism on the part of members of the Opposition about whether the Government would have an open mind to amendments. Government Members had in front of them the report of the Fraser Commission and a reasoned, fairly-well argued set of proposals to deal with the problem.

The previous Government and Members of the previous Parliament recognized that the old obscenity standards did not apply. They also recognized that it was important to get a fairly broad reading of individual points of view. That was the reason for the royal commission. The Fraser Commission set out three different tiers of pornographic description which I believe established a reasonable framework for argument. Somewhere along the way those definitions were twisted, distorted, shrunken, reduced and manipulated to the point that they no longer bear any resemblance to the proposals in this Bill.

Look at the Fraser definition of the third tier. It would penalize a public display of sexually explicit erotica where there is no warning or where it is made accessible to persons under 18. Now look at the definition in this Bill. It will attack simple pornographic material showing non-violent sexual acts and that would be punishable by up to two years of imprisonment. The gap between what was originally proposed and what we have in this Bill is the gap between night and day.

Someone in the Government, presumably the Minister of Justice (Mr. Hnatyshyn) and the Cabinet, made a conscious choice to reject those proposals and it is therefore the height of sophistry to argue that if we only have second reading we can introduce amendments that would more nearly accommodate the proposals in the Fraser Commission. Who are you trying to fool?

As the Hon. Member for Hamilton Mountain (Ms. Dewar) just reminded the House, we have had many examples of the Government, wearing steel-studded boots, tromping on any attempt to move amendments. The immigration Bills are the prime example. The Canadian Bar Association, Amnesty International, the UN High Commission for Refugees all said the Bill contravened treaties, and they suggested amendments. Did the Government listen and respond? Of course not. It just ramrodded the Bill through because it was trying to appeal to a certain constituency with which it thought it could gain some political favour. Why should this Bill be different? Why should the public that we represent assume that somehow all of a sudden there will be a change of mind when we have had so many examples of the opposite? We get legislation put before us with a political spin to it, devised in the curious mind of Dalton Camp or whoever is advising the Prime Minister (Mr. Mulroney), and that is the way it is going to be.

When I use the immigration Bills as examples, I do not do so capriciously. Over the last year we have seen legislative initiatives by the Government which are quite clearly designed to suppress a broader, more tolerant, more liberalized society.

What we are really arguing about is the principle of the Bill. That is, will the measures introduced, presumably to combat the serious problem of pornography, in fact end up being a form of suppression? It is quite curious that a Government which daily applauds the free market as the best way to allocate the economic pie seems to be deathly afraid of the free market of ideas and expression. That is a very curious contradiction.

I was in western Canada last week with the Standing Committee on Justice and Solicitor General. In Saskatchewan a United Church minister reminded the Conservative members of the committee about how far their Government has gone toward getting rid of the traditional values of conservatism in this country. I think those values have honestly and legitimately been on the side of broadening individual liberties, yet they have been traded in for some kind of theology, perhaps borrowed from our neighbour to the south, which believes the way to appeal to conservatism is through this kind of repression.

You, Mr. Speaker, are a long-standing veteran of this House. Do you really believe that John Diefenbaker, a champion of civil liberties, would support legislation of this kind? He fought for a Bill of Rights, for individual rights and liberties. I think it is highly doubtful that he would support a Bill of this kind. We are hearing the sound of a strange melody, and I am sure it is a source of embarrassment to members on the government side who remember those traditions but who now find they are part of a Government going in the opposite direction.

What the Government is really saying is that the preoccupation and concern broadly shared in this society over extreme forms of pornography and their impact on human behaviour is such that the best way to deal with it is to suppress virtually all forms of expression dealing with human sexuality, human behaviour, and imposing heavy penalties for violators.

I listened carefully to the speech of the Hon. Member for Niagara Falls (Mr. Nicholson). He says he is a lawyer and a member of the Standing Committee on Justice and Solicitor General. I take all that at face value. He referred to numerous letters written by people who said they are deeply concerned about pornographic material in drugstores and other places. I do not quarrel with his objection, but has he examined the means he is supporting to achieve his goal?

• (1730)

We live in a pluralistic society that is composed of wide ranging tastes, interests, views and opinions. There are almost as many as there are Canadian citizens. Has he asked himself whether this is a piece of legislation that will express the attitude of only one part of that population and will be denying or restricting opportunities for many other Canadians? Has he considered that what he is really suggesting is that one set of values will prevail, one point of view, and one set of opinions, and that the legislation that will apply to all Canadians is based on the views of only one element of our society? That is what is happening.

I recall an interesting editorial which described how this legislation embodies almost a fear of the human body, yet one can see on the beaches of Europe in the summer how nudity is a natural, functioning part of the society. If this legislation is passed, adult Canadians will have to view a photograph or piece of art in the privacy of their own bedroom for fear that some prude will report them to the police and they will be subject to two years punishment in jail.

Can Members of Parliament honestly accept that we should somehow put ourselves in such a potion? Are we going to tell Grade 12 students in Manitoba high schools that they can no longer read *Ulysses*? Are we going to put a librarian in danger of a severe jail penalty by making that book accessible on the library shelf?

The mind boggles when one considers how far this legislation could go. Suddenly, the courts and police forces will be required by law to exercise their judgment about simple, so-called pornographic materials which may simply be the depiction of a human body.

I am not arguing that all Canadians must look at nude art forms. It is their privilege not to do so and when it is displayed in an exhibitionist fashion, there should be some penalty as the Fraser Commission recommended. However, as artists suggest, it is suppressive to dictate that there be no opportunity to display such material and to put the onus of proof on the creators of this material.

I have talked to people in the artistic community who are being dismissed in this debate by Conservative Members of Parliament. They are being described as a lobby group. The only reason they are coming to Parliament Hill or writing letters is that they are afraid of what this legislation will do to their right to create.

Normally, artists are the last group to become involved in political matters. They have a certain indifference to the whole system, as perhaps they should. However, they are suddenly being faced with legislation that attacks them directly. Not only does it attack them, it attacks all of us.

There is another twist to this matter which I find somewhat of an anomaly. The House is also preoccupied with the proposals on free trade. Those proposals include opening the border to the distribution of all kinds of materials. As we saw today in the report from the U.S. trade representative, the United States will retain the right to retaliate if they believe their commercial interests are being affected.

How will we determine whether that mass of material that crosses our borders contravenes our pornographic laws? Will the Government hire thousands of customs officials to sift through every magazine, whether it is *Esquire*, *Gentlemen's Quarterly*, *Good Housekeeping*, *Vogue*, *Elle* or others because apparently there is an occasional picture of a model who is not wearing a dress or is in disarray.

The consequences of this legislation boggles the mind. Yet, according to the Member for Niagara Falls I suppose we will close our eyes, hold our nose, and plunge straight ahead. He is adopting the philosophy of the charge of the light brigade. It does not matter what is destroyed, as long as something is being done. That is a fallacious argument to be using on the floor of the House of Commons.

Surely legislation which deals with such a delicate and sensitive area requires the best of thought, the best drafting and the best intelligence that can be brought to bear on these matters.

Let me say that there are parts of the Bill with which I believe most Members agree. For instance, I suggest those portions of the Bill on child pornography would have unanimous support in the House. Why does the Government not consider separating the Bill and putting those elements of it, such as child pornography, into law as quickly as possible? Let us remove those other parts of the Bill that are in dispute and redefine them rather than commit itself to this kind of egregious suppression of rights in this country.

This question is not a matter of all or nothing. The purpose of Parliament is to point out the problems, and there are innumerable precedents to show how governments have demonstrated flexibility in their approach and shown some subtleness in their attitudes. Governments have split Bills in order to proceed with certain portions which can be supported and revised those portions with which there is disagreement.

I suggest to Conservative Members who remember the traditions of their Party and the legitimate battles they fought in the past to broaden the sense of an open society, to use their persuasion in their caucus to have the Government revise its stand on this Bill and split it between those parts on which they can agree and those parts which are so divisive that they must be redrafted.

I suggest that that would be a very important role this Parliament could play. The Member for Chambly (Mr. Grisé) talked about parliamentary reform. That would be a demonstration of Parliament working as it should, and Parliament working at its finest.

Mr. Robinson: Mr. Speaker, I want to congratulate the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) on a very lucid and clear statement of the position of the Liberal

Party on this legislation. Since I did not have the opportunity to do so earlier, I must say that I was certainly most impressed and moved by his comment with respect to the Central American situation as well.

• (1740)

I want to ask the Hon. Member for Winnipeg—Fort Garry a question with respect to the recommendations of the Fraser Commission. The Hon. Member has spoken favourably about those recommendations. Is it in fact his position on the so-called third tier of the Fraser Commission report, in other words, material which depicts explicit sexuality which is in no way violent or degrading or involves child pornography, that that material should not be subject to criminal sanction, that rather there could be controls in terms of public display or availability to children? I thought I heard the Hon. Member suggest that that was his position. Certainly I think the Fraser Commission made a compelling argument to that effect. I wonder if the Hon. Member could clarify his remarks on that point?

Mr. Axworthy: First, I must declare that I have what one might call a conflict of interest in this because Mr. Fraser was a long time friend of mine in college and I was the best man at his wedding. Therefore, I may be unduly influenced by his wisdom, judgment and perspicacity when it comes to this matter. I would also say that I consider him to be one of Canada's finest jurors. As a former president of the Canadian Bar Association, I know he was able to call upon an incredible broad range of legal, social and public opinion for his report.

Our justice critic will speak more directly to the issue but from my point of view, I think the third tier recommendation of the Fraser Commission does make sense. It talks about the fact that there is a normal, healthy depiction of sex which is part of our society and which should be recognized, but where it is made accessible to minors, certain warnings should be provided or a screening should take place. I think that is a fair admonition. Therefore, I endorse the report. I felt it made sense at the time. What I was expressing in my speech is that I do not understand why members of the Government could not read it in the same way.

Mr. Robinson: Mr. Speaker, I am pleased to hear support of the senior member of the Liberal caucus of the position for the Fraser Commission. I will certainly look forward with interest to the remarks of the justice critic for the Liberal Party on this issue because, of course, he has in the past, at least, differed on that particular issue but perhaps, with the passage of time, he has seen the light and will in fact support that recommendation. However, we will find out presumably during the course of the debate later today or when this debate continues.

The Hon. Member spoke about the impact of this legislation on the artistic community and the concerns raised by the Canada Council, the Writers Union of Canada, ACTRA, and by many others, about the devastating impact legislation of this nature could have. We are dealing with a community which is certainly, in many cases, not exactly the best paid community in Canadian society. Perhaps the Hon. Member might just elaborate in terms of another implication of this legislation which has been raised by a number of artists, that is, the whole element of self-censorship. One of the very dangerous possible implications of this legislation is that artists who simply cannot afford the risk of a court challenge, of having to go before a judge to defend the merit of their works, might be put in the position in which they just back off, in effect, and impose a form of self-censorship upon themselves. Would the Hon. Member care to elaborate on that particular point as well?

Mr. Axworthy: Mr. Speaker, let me say, first, that the Hon. Member for Burnaby (Mr. Robinson) cites a number of distinguished organizations. My contact in part has been constituency based. I represent in part of my riding an area called Osmond Village which is a part of the city where a large number of visual artists, particularly those working in pottery and sculpture, but also a number of writers and film makers in Winnipeg, live and work. It is only natural if one goes down there on a Saturday afternoon, or has lunch there, that one will talk to these people. The number of sidewalk pleadings I have received has been quite stunning to me. These are not the Pierre Bertons and Margaret Atwoods, these are young men and women who are starting out and creating a very active artistic community in our city.

They say that this will become a form of intimidation mainly because of the uncertainty. They will be faced with a whole set of question marks as to what they can do. They will not know. So, in a sense, the way in which the legislation is designed will create almost a more oppressive form of censorship than if it had been defined. There will be all kinds of speculation and hypotheses about what is or what is not acceptable. They might even be forced to go to court, putting the onus of proof on themselves to defend that their work has some artistic merit.

Many of these people cannot afford to do that. They do not receive the backing of huge organizations. They are not multinationals. They do not have the fees for fancy lawyers. They are poorly paid and are in this form of vocation because they love it. They do not make much money from it. Therefore, they are simply saying that they will not know what to do.

The self-censorship that will take place will be in part because of what is in the Bill and because, in part, what is unstated, and the fact they do not know whether they will meet a judges definition of artistic merit. So in a way, certainly in the early stages until there is jurisprudence built up within the next 40 or 50 years, we are creating a real stultification of artistic activity and merit in this country.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I was interested in one point in the comments of the Hon. Member for Winnipeg—Fort Gary when he referred to the possibility that in a free trade setting, the opening of the borders to American products—which seems to be contemplated by the

present Government whatever its consequences might be—as far as the export from the United States of literature of all sorts, could well, if the Government is bent on carrying this Bill through, run into the barrier of a new prudery in Canada. There are various consequences, but I wonder whether the Hon. Member, with his closer involvement with trade matters, might venture any thoughts about whether there is intent to this? At a time when American influence seems to be a marvellous thing—of course, there is always the hope that we will be similarly active across the border—is there any thought that out there in one quarter or another we still have to protect Canada against some of the things in the United States that are not so marvellous?

Is American freedom of the press going to be met firmly at the Canadian borders by a prohibition of the import of these items into Canada and their sale here? What are the consequences of all of this for Canadian trade relations with the United States?

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg—Fort Garry has exactly one minute to try to answer that.

Mr. Axworthy: Mr. Speaker, at least 60 seconds is better than the 30 seconds clip we are normally allowed.

Let me just say that if one was approaching this matter purely from the perspective of an international trade lawyer, one could say that the new laws on pornography are a form of non-tariff barrier that is being introduced into the Canadian system. Therefore, under the definition of the free trade agreement as it is being proposed, where the Americans have retained the right to retaliate based upon any cultural matter that affects its commercial interests, it might be subject to take retaliation on this matter. One can speculate for a long time about that.

I think what will probably happen is what we have seen often times. The Minister of Justice is doing something the Minister for International Trade (Miss Carney) has probably never looked at or vice versa. I would suggest to the Hon. Member that what could become part of the ongoing confusion is not only what the trade agreement would bring about but what this Bill would bring about, because it could end up being a matter of dispute. The Prime Minister talks about jobs, jobs, jobs. Perhaps what he had in mind, really, was the hiring of thousands of new customs inspectors at the border to keep this material out.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

• (1750)

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I would like to congratulate the Minister of Justice (Mr. Hnatyshyn) for bringing forward Bill C-54 to deal with the problem of pornography. With this Bill and Bill C-15, which dealt with the sexual abuse of children and which this House passed in June, the Government completes the legislation which responds to the recommendations of the Fraser and Badgley Commissions. The Badgley Commission dealt with sexual offences against children and youths. The Fraser Commission dealt with pornography and prostitution. Together they made more than 100 recommendations. Many of those recommendations are being dealt with today. Others were dealt with in Bill C-15.

The Fraser Commission called for a more precise definition of what is to be considered pornographic. Both commissions called for higher penalties for the worst forms of pornography. This is precisely what Bill C-54 provides. Both commissions called for a special offence to deal with those who collect child pornography. Bill C-54 provides that the possession of this type of material will become an offence punishable on summary conviction.

I would like to spend a few minutes dealing with sexual degradation, which is such a large part of this issue. Bill C-54 sets out a clear definition of what constitutes a degrading act in a sexual context. Visual matter which shows such acts is prohibited as is written matter which advocates, promotes or incites degrading sexual acts. Surely that is something which all Members can accept and support. It is certainly what Canadians want and expect.

I will review the portrayals of which we are speaking. This legislation outlaws acts which show one person treating another as an animal or an object; bondage; defecation, urination or ejaculation onto another person; et cetera. The present law dealing with obscenity does not have a specific provision dealing with degrading acts.

Many concerned groups have called for this matter to be specifically dealt with in the law. This provision of the Bill deals with the fundamental matter of human dignity and respect. Men and women should not be depicted in ways which clearly degrade them and their worth.

My constituents are among those Canadians who are frustrated with the continual inability of our justice system and legal system to severely curtail the dissemination and communication of these acts to which they object so strongly. This Bill provides appropriate penalties for dealing with degrading pornography. A maximum penalty of five years is set out. This maximum penalty is also available for those who engage in degrading pornographic performances.

The Fraser Commission called for effective action to deal with pornography generally and degrading pornography in particular. Bill C-54 responds in an appropriate manner. It takes a tough stand against the proliferation of degrading material. I ask Hon. Members to support these initiatives which are demanded by Canadians.

Does this Bill deal with the issue of child pornography in a manner acceptable to all Canadians? Material which exploits children is among the most harmful pornographic material available. Studies have shown that child abusers use child

pornography. No one in this House can disagree that this material must be eradicated to the fullest extent possible and that the criminal law must deal with it clearly and effectively. Both the Fraser and Badgley Commissions called for higher penalties for this worst form of pornography.

In fact, Bill C-54 goes further. It says that the possession of child pornography will be a summary conviction offence. Bill C-54 sets out a clear definition of child pornography. An offence of dealing in child pornography, that is, importing, making, publishing and distributing it, will be punishable with a maximum of 10 years imprisonment. The same maximum will apply to those who use or coerce a young person to participate in the production of child pornography and to those who use children in pornographic performances.

The message which this Bill sends to those who trade in the exploitation of children is very clear. Such conduct will not be tolerated by Canadians. Our children deserve to be protected from such exploitation and harm. All of us in this House have a duty to ensure that children are not exposed to sexual degradation and violence.

I want to spend a few moments discussing violent pornography. We would all agree that there is no place for the depiction of violent sexual conduct. In defining pornography Bill C-54 prohibits the depiction of a person causing, attempting to cause, or appearing to cause in a sexual context permanent or extended impairment of the body or bodily function. The dealing in such depictions is punishable by a maximum of 10 years imprisonment as is the advocacy or encouragement of such serious sexual violence in writing. As well, the depiction or advocacy of sexually violent conduct, conduct in which physical pain is inflicted or apparently inflicted in sexual conduct, is prohibited and punishable by a maximum of five years imprisonment.

Surely these are provisions which this House can support and which all Canadians want. Bill C-54 prohibits violent pornographic performances. Parallel penalties, a ten-year maximum for violence involving physical harm and a five-year maximum for other violence, are provided for those who engage in the production of such performances.

The Government has acted effectively to clarify the law and to send a signal to those who trade in sexual violence which degrades those who are portrayed and those who are exposed to it. Sexually violent material debases human dignity. This Bill deals with hard core sexually violent material head on.

The Fraser Commission which studied the proliferation of pornography in our society recommended firm action to deal with sexual violence. Bill C-54 provides such action. Gratuitous sexual violence has no place in Canada. We must, to the extent reasonably possible, act to eradicate it. I ask again for all Members to support the thrust of this legislation.

In response to the comments about the implications of free trade for the flow of this kind of information across our border, I would say that there has never been any suggestion that the criminal laws of our country will not apply as a result of a trade agreement with the United States. In fact, I do not think you would find a lawyer anywhere who would suggest that Canada's criminal laws would be somehow altered by the Canada-U.S. trade agreement any more than the importation of drugs, which is illegal in Canada, could be made legal if it were legalized in the United States. There is no change in Canada's sovereign right to pass criminal laws of general application. There will be no threat to the laws which we are discussing as a result of the Canada-U.S. trade agreement.

My constituents want an end to the proliferation of material which depicts sexual violence, child pornography and violence against women. My constituents do not see any constructive purpose served by the communication and dissemination of this material to Canadians. We believe that the greater public interest is served by passing legislation such as Bill C-54. We believe that the greater social interest demands that there be fairly strong measures taken to control the exploitation of women and children and that there be severe measures taken to curtail pornographic material by which no social purpose is served.

• (1800)

My constituents want something done about it. They are satisfied that this Bill takes a strong step toward dealing with this issue. It is not an easy issue to address, and it never has been. For the past two decades in every law school in the country there have been discussions of cases dealing with the definition of obscenity and the courts having to decide community standards. The law professors have had a field day pointing out the inconsistencies from one jurisdiction to another.

It is also a difficult issue in 1987, but we must deal with it as a Parliament. There is no easy way to deal with it. A decision has to be made. Canadians clearly want a balance in competing interests to take place and a judgment to be made. As reflected in this Bill, it is a judgment that I can support and that my constituents can support.

It is my view that the existing criminal law which prohibits the advertisement of abortion clinics and services should be retained and no measure should be adopted by Parliament to facilitate the advertising of abortion clinics. Abortion clinics are not legal. Abortion services are available under the law only in very rare circumstances. I will object, and I do object to any legislation which purports to withdraw that prohibition against advertising of abortion services.

Thank you, Mr. Speaker, it has been an honour and a pleasure to speak on this important topic on behalf of my constituents.

Mr. Redway: Mr. Speaker, I was very interested in the comments of the Hon. Member, particularly with respect to the views of his constituents. It is obvious from his comments that he has been listening to his constituents and has received a good deal of input from them on this particular issue.

The Bill before us is subject to an amendment put forward by the NDP. Apparently, from the comments that I have heard today that is supported by the Official Opposition, the Liberal Party. The effect of that amendment would be to wipe out this government initiative, this Bill to deal with pornography in all forms. It is not a question of whether some parts of it may be good or bad, the amendment is suggesting that the Bill should be wiped out altogether.

I have heard members of the Opposition actually indicate that they feel there should be some legislation in this area. It strikes me as passing strange, confusing, and shocking that the response from the Opposition would be to wipe it out and get rid of a Bill aimed at trying to stop the abuse, the depiction of violence, and the exploitation of women and children.

I wonder if the Hon. Member could tell us if his constituents believe that there should be legislation in this area, or whether they agree with the two opposition Parties, the Liberals and the NDP that we should wipe it out and forget about it altogether?

Mr. O'Neil: First, there is no question that my constituents support the initiative contained in this legislation. They want to stop these sexual matters and depictions of violence against other people in our society.

I will say that this is an issue that requires a judgment to be made. Sometimes political Parties and politicians do not want to make decisions and say that we must rule that this material will not be available, or that this material is pornographic. Sometimes in politics the easy decision cannot always be made and everybody kept happy. There has to be a balancing of the greater social interest against sometimes more specific interests.

That is what makes it difficult for the opposition Parties. They rise and state that they are against child pornography and violence against women. But when there is an opportunity to do something about it in this legislation, there are people who say that this is not a perfect Bill, that they will wait for the perfect Bill, but that they do support all this motherhood stuff against pornography and violence against women. They are trying to be on both sides of the issue. But a Government has to govern and make judgments. That is precisely what is done in this Bill.

Mr. Robinson: The Hon. Member has suggested that his constituents want tough action with respect to imagery which depicts violence, degradation, and involves children in pornography. Certainly, that approach is one that we support. Indeed, I take it from the remarks of the Hon. Member that he will be supporting the amendment which has been put forward by my Party at second reading which calls for precisely that.

I wish to ask the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) whether it is his belief that his constituents are not only calling for legislation to deal with violence and child pornography, but whether he seriously believes that his constituents are calling for legislation that makes it totally illegal to depict images of two adults engaging in consensual love-making? Does he believe that that is the type of legislation that his constituents want?

Mr. O'Neil: My constituents are very clear in their message to me and to Parliament. They want something done about sexual degradation, violent pornography, and child pornography. They want the trade in material depicting sexual activity stopped. They do not want to make any more millionaires who are selling videos or magazines that should not be on the racks. They want that stopped.

The amendment that the Hon. Member speaks about is an attempt to jettison and torpedo this Bill and throw it out of the House. That would result in nothing being done. They are trying to be on both sides of the issue at the same time. We have to make a judgment. Everybody cannot be pleased. Canadians want something done about this material, that is clear. Two commissions have recommended that aggressive and strong action be taken in these matters. The Minister of Justice and the Government are doing precisely that. But the NDP, in their traditional way, are being consistently inconsistent. They cannot have it both ways. They cannot say that they are the great liberal parliamentarians in this country, everything goes, and at the same time say that they want to protect women and children against violence and violent depictions. Judgments have to be made. Until we are prepared to make judgments, a great disservice is done to the constituents we all represent.

Mr. Robinson: The Hon. Member totally ignored the question. I will repeat it, because perhaps it was not clear enough the first time.

• (1810)

Does the Hon. Member believe that constituents in the communities, towns, and villages of his riding of Cape Breton Highlands—Canso should be subject to criminal prosecution if they are involved in any way in the distribution of adult material which is non-violent and non-degrading, material that does not involve children in any way but solely involves the portrayal of adult consensual sexuality? Does he really believe that his constituents should be going to jail for being involved in the distribution of that kind of material? That is not what the Fraser Commission recommended. It said that that was nonsense.

The Hon. Member for York East (Mr. Redway) said that we should read the definition. Well, I will read it.

> —any visual matter that shows
>
> (vi) masturbation or ejaculation not referred to in subparagraph (iv), or vaginal, anal or oral intercourse,—

If that kind of material is distributed, one goes to jail for two years. Who on earth is it in his constituency that is asking for that kind of legislation?

At the same time I might ask what clause of the Bill in fact allows for the advertising of what the Hon. Member referred

to as "abortion clinics"? He has suggested—and I have received a number of letters from people—that there is something in the Bill which deals with that issue. I would ask him what specific provision in the Bill touches on that question?

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated, but I will allow a very short rebuttal in answer to that question.

Mr. O'Neil: Mr. Speaker, it is clear that the Hon. Member wants the commercial trade. He wants people to get rich from selling the depictions of sexual activity and violence against children and women. That is what he wants. He wants people to get rich by selling films about sexual activity. He wants entrepreneurs to exploit women and to sell these depictions to the public.

Clearly my constituents do not want that. This is what I have said repeatedly today. That is what the Bill says. This is what makes our Party different from his Party.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in the debate this afternoon on Bill C-54. I particularly appreciate the opportunity to refocus the debate after some of the confusion cast on the matter by the comments of the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) in the last few minutes.

Viewers who are joining us particularly late in the day and after a hard day's work and who are curious about what we are about in the House, may be interested in knowing that the amendment under debate has the following wording in its important section:

> That this House declines to give second reading to Bill C-54 because it fails to clearly define pornography as material that condones violence, coercion, abuse and degradation in its depiction of human beings or portrays or promotes the sexual exploitation of children; and also, because it does not distinguish pornography from material of an artistic, literary, educational or scientific nature in a fashion acceptable to the Canadian public, including artists.

The amendment put forward by the Hon. Member for Burnaby (Mr. Robinson) attacks the Bill or criticizes the motion the Government has put forward because the legislation does not distinguish between erotica, in terms of consensual activity between adults, and pornography. It should be focused on violence, coercion, abuse, and degradation or that involving the portrayal or the promotion of sexual exploitation of children.

The legislation the Government has put forward has not done that. It is for that reason we are asking that the Bill not be given second reading and that the Government redraft the Bill properly for the third time. This is the second time the Government has made an attempt in this area, and it is not much better than the first attempt.

In order to clarify the potential threat which faces Canadians generally from the legislation the Government wants us to accept, I would like to take some words from a well recognized Canadian, an industry by himself in his writing capacities, author Pierre Berton. Writing last spring on this subject he had the following to say, and I break in at one point in his recognition of what would be the impact of Bill C-54 if it became law:

> *Blue Velvet* is now by definition pornographic, or will be as soon as the new law goes into effect. In the year of our Lord, 1987, we adults have been told that we cannot see a work that's been hailed as the breakthrough film of the year. Why? Because the plot hinges on a teenager watching a sexual act.
>
> Never mind *Blue Velvet*; we can't even see *Blue Lagoon*, which is now, by legal definition, a blue film in more ways than one. It shows teenagers having sex. That's pornography and no one has a hope in hell of defending it in court.
>
> I can hear people mumbling: "Oh, well, they won't go that far!" But they will; they always have. I can remember the day when they went that far with the century's two great classics, *Ulysses* and *Lady Chatterly's Lover*. It took years of expensive court actions before these seminal works were freed from the bondage imposed on them by men with Victorian minds.
>
> Now we're again back in the hands of the amateur censors: policemen, customs clerks, yes and librarians and teachers. What librarian will dare to stock *Show Me*, the pictorial sex education book for children? or *The Joy of Sex*, the pictorial sex education book for adults? The first is clearly pornographic and has no defence; to simply have it in your library can get you 10 years. The second might—and it's a big "might" get off on educational or artistic grounds, but only after an expensive trial; otherwise it's five years.
>
> The new laws fly in the face of common sense for they deny the sexuality of teenagers. We adults, at least, are flung a tiny bone: we are allowed something called "erotica", in the government's narrow definition of that term. We are going to be allowed to look at pictures of naked people as long as they don't touch themselves or each other. Whoopee!
>
> But the teenagers aren't allowed to view any nudity, even if they've reached puberty. Any theatre owner, for instance, who presents anything narrowly defined as "erotica" in the presence of anyone under the age of 18 is in for it. So is any magazine dealer who exhibits such erotica or tries to sell it to anybody under 18. That means, *Playboy*, folks.
>
> It also means *Time* and *Life*, if they show naked people—or even naked breasts or buttocks—unless they're prepared to defend themselves in court and prove that no sexual titillation was intended and also that they are artists and educators pure and simple. It only takes a couple of nuts on the witness stand to say that they were stimulated to throw defence into disarray.

Those comments were from a very well regarded Canadian author who presumably has the resources to defend himself, although I am sure he would not want to squander them in that kind of battle. How many artists or writers in Canada would not have the resources to undertake that? How many humble librarians and teachers will shudder as they have already in their protests across the country by letter and by other means, calling on parliamentarians to stand back and asking the Government to take back this Bill and do it properly?

I would like to consider for a few moments, in contemplating this Bill, the nature of law and its role in our society. I want to use a different prohibition drive early in this century as a way of drawing some wisdom from the Canadian past, from the historical past, and applying it to this particular situation.

Undoubtedly we have a good deal of concern. I heard one colleague earlier this afternoon refer to the maintenance of the family or the protection of the family. Who of us does not want to do that? We New Democrats are concerned about social programs which will make the family better and make it

easier to maintain it than it is in the present context, particularly with a Government which, in its tax provisions and other laws, has not done very much for the family. We would like to maintain the family.

It is very much like the kind of prohibition drive which led people in the churches and across the country to undertake a temperance movement to persuade people to draw back from indulgence in alcohol, to be temperate in their use of alcohol if they used it to some extent, to ensure that the head of the household was not squandering his earnings and making it impossible for him to maintain his family, and so on and so forth.

● (1820)

The temperance movement was an admirable moral movement in many ways. It is not to say that it was pure through and through but it was a worthy endeavour. Late in the 19th century people in the churches and in the movement generally began to turn from moral suasion, from attempts to get people to sign the pledge and turned to the possibility of using the law against others, so the idea of prohibition developed. It was a situation of why not use the means that Government might have and pass laws to make alcohol unavailable, only to be used in the medicinal context.

When it was finally done Stephen Leacock, among others, lampooned this quite effectively. In the midst of the First World War of 1914-1918 in province after province, in fact most of Canada—Quebec had better sense—laws were passed and alcohol was ruled out. Prohibition came into effect and what followed on that in Canada as it followed on in the United States was not some sort of purification of the body politic, or some improvement in social life. Instead a general movement took place to find ways around the law, a movement that brought law itself into contempt, a process of corruption of customs officers.

By the middle 1920s this had produced a scandalous situation and helped to bring down a Government of Canada as a result of the bribing of customs officers and as corruption of police forces took place in many border communities of Canada. Crime was strengthened by that process. That provides us with some lessons on using unwise laws to prohibit activity and, in the process, to bring law into contempt, creating very unhealthy tendencies in society.

We face a similar situation here. Here we have an attempt by the Government acting on prudish motivations. We have an attempt to restrict publication and depiction of situations. In the process we run the very same risks of bringing the law of the land into contempt, feeding criminal elements as far as the production of materials is concerned and threatening in various ways the social fabric which Conservative Members say they are concerned about maintaining.

We recognize that there is a significant diversity of opinion on this particular matter. It runs from those who are opposed to any kind of censorship to those who want the most rigid kind of censorship, the people who triumphed when the Minister of Justice (Mr. Hnatyshyn) brought in this Bill. It is striking that among those who are opposed to the censorship of any adult material, including even violent pornography, is the Canadian Civil Liberties Association and some very prominent feminists.

We have the writer June Callwood and another writer, Varda Burstyn, who has edited a book on the subject, both of whom are opposed to any censorship at all. They think that pornography serves very nicely to provide some people with a means to get ahead. Of course, the Canadian Civil Liberties Association, which is involved in trying to protect civil liberties, has joined with them in saying that when we are dealing with material involving adults and for adults, let us have no censorship at all. That is an extreme position. It is just as extreme as the prudish one that has triumphed coming from the other side, the position taken by people in some of the churches of Canada—by no means all—and by various other movements, including the so-called REAL women movement, who take just as extreme a position. Our position reflected in this amendment is at neither end of those extremes. We have attempted to address the chief concerns by which the Government supposedly is moved and which many Canadians have expressed.

Since it may be useful for people watching us to appreciate the extent to which this is true, I would like to read at least part of a resolution from the Federal Council of the New Democratic Party of 1983 into the record. It makes it quite clear that we feel concerned about the pornographic materials that circulate and can be obtained in Canada. We think something should be done about them. This resolution, which is now four years old, says the following:

> WHEREAS women's groups throughout Canada are deeply concerned about the avalanche of pornographic material which condones violence, coercion, abuse and degradation in its depiction of women and children; and
>
> WHEREAS such images are demeaning and destructive in their effect on the social fabric of Canada; and
>
> WHEREAS there is growing evidence of a causal link between such pornographic material and the increase in violence towards women and children,
>
> THEREFORE BE IT RESOLVED that the federal New Democratic Party:
>
> (1) defines as pornography material which condones violence, coercion, abuse and degradation in its depiction of human beings—

I add the word generally, women, men and certainly children. It continues:

> —and condemns the production and distribution of such material whether in film, video, print, or any other form;
>
> (2) condemns the production and distribution of material which portrays or promotes the sexual exploitation of children and calls for severe penalties for offenders;
>
> (3) calls for a strengthening of Section 159 of the Criminal Code of Canada to reflect these concerns;

There in a resolution of our federal council and expressed in the amendment before us this afternoon is the New Democratic Party's concern about pornography. Do not let anyone think that there is no concern at all. We want to deal with materials that everyone agrees are offensive and should not have any part in a human society in which we value good social interaction. They should, in fact, be proscribed.

Let us take action on matters on which there is agreement, Mr. Speaker, rather than making the law so broad that the millions of Canadians—many of whom voted for Conservative Members of Parliament in 1984 to their regret, of course, in more ways than one—who enjoy the products will no longer be able to because this Government will run them off the market if the Government has its way.

Considering the diversity of materials that we have before us and considering the diversity of positions that have developed, our concern is about the really offensive materials. Our concern is to ensure that artistic activity and education, in particular, should not suffer from the kinds of laws that will be put forward. It is in a realistic way that we want to come to grips with these matters.

I was impressed by the position put forward by the AIDS committee of Toronto. I will not take the time to read the presentation made on Bill C-54 but when we recognize the importance of a situation of an epidemic for which there is no cure, the only response is education, namely, to persuade people to behave differently and use other kinds of sexual expression than they have used before. If health oriented educational efforts in support of that become impossible and are pursued by the courts or the police, as the police in Calgary pursued those who were fighting pornography by gathering evidence to get people fired up, if that kind of stupidity is brought to bear on efforts to save lives in the AIDS epidemic, what can we say?

I want to take up the theme which the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) raised before and on which I commented already. With the prospect of free trade between two countries which the Government is seeking—we are not in the way the Government has made or is making the deal—in that context, what are we to make of the Government's determination to remove from the market such a wide variety of materials? We will have an army of customs officers required to screen materials to satisfy the requirements of this law, if it becomes law. There will be the possibility of the growth of a significant cottage industry that will carry out this bowdlerization that will be required of printed materials. There another of those 19th century notes is to be struck.

• (1830)

The study of Shakespeare was affected though not destroyed in the 19th century by the attempt to remove from the text phrases and references which were offensive to the Victorian sensibility. The lustiness of the 16th century which Shakespeare expressed in his plays was not suitable for children so Bowdler did his work.

If this Bill is to become law, we will require someone to carry out the same activity. It is possible that one of the industrial adjustments the Government actually has in mind is the establishment of a Canadian cottage industry that will bowdlerize texts, books and magazines to make them acceptable to the Canadian eye and to the Canadian morality. That coming from a Government which seems oriented to opening the door to the market is a very odd reaction. Of course, it is possible that since the Government is involved in selling the country out through free trade, it may want to satisfy some of its supporters by bringing forward a Bill like Bill C-54.

It is a pleasure to speak to the amendment opposing this Bill. The amendment is a passionate call for the Government to take the Bill back and do the job right. The Government has received more than enough advice from the media, from editorials, from librarians and teachers, from civil libertarians and from feminists, though I say that without having read the resolution of the National Action Committee on the Status of Women. In fact, there has been no shortage of advice.

In conclusion, I might ask what Canadians are to make of a Government that is so deaf to good advice, so set on its own repressive course as this Government seems to be. The Parliamentary Secretary laughs. Canadians are not laughing. They are worried about what they will do in court and where they will find the money to defend themselves if this Bill becomes law. Many worry about what will be lost to them when the Government puts this Bill into the hands of the police and lets the authorities go to work on individual Canadians.

Mr. Redway: Mr. Speaker, I listened with interest as I always do to my hon. friend. This time, I was shocked when I heard his remarks.

I found it to be somewhat inconceivable that the Hon. Member was speaking in support of an amendment which would in effect kill this Bill. The comments of the Hon. Member certainly indicated that he and members of the New Democratic Party support some sort of legislation to control pornography.

I ask the Hon. Member if members of the New Democratic Party could support, for instance, the part of the definition of pornography in the legislation which provides that pornography is sexually violent conduct including sexual assault and any conduct in which physical pain is inflicted or apparently inflicted on a person by that person or any other person in a sexual context. I would also ask him if he and members of his Party could support another part of the definition of pornography which includes bestiality, incest or necrophilia.

If I heard the Hon. Member correctly, I would assume that he would support those parts of the definition of pornography. Instead, he is supporting a motion not to send the Bill to committee where he could discuss all the various aspects of it and put forward amendments which he thinks are appropriate

and in line with the recommendations of the various organizations to which he has referred but rather to kill it, wipe it out and eliminate it altogether.

In all seriousness, how can the Hon. Member support a motion of that sort when he said quite clearly that he does support some form of restriction on pornography as does his Party?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the question is quite a good one. It is obvious that the Conservative Members who are upset by this motion would like very dearly to paint us as some sort of a licentious caucus.

I am sure the Hon. Member is aware of the wording of the amendment because he went looking in the Bill to see what might relate to it. We propose that the House decline to give second reading to the Bill because it fails to clearly define pornography as material that condones violence, coercion, abuse and degradation in its depiction of human beings. There are suggestions for what should be regarded as pornographic.

Why should we vote the Bill on to committee when, as others have said this afternoon, we know perfectly well what this bunch does with most amendments that are put forward in committee? We have received abominable treatment. One of the very few exceptions to this abominable treatment of amendments put forward in committee came on the emergency measures Bill. The Minister of National Defence (Mr. Beatty), when presenting the Bill, recognized that there were significant criticisms of it including criticisms from the Canadian Civil Liberties Association. He gave his commitment that he would be open to amendments which would improve the Bill.

It is not my responsibility to bargain on the details. It is the responsibility, I would suggest, of the Minister of Justice. If he is paying any attention at all to the voices across Canada which want an end to this dangerous legislation, it is up to him to indicate which clauses he is prepared to drop and how he is planning to amend the Bill if it gets to committee.

Let the Minister of Justice rise in the House and open up the possibility of amendment to the Bill. That could change our attitude toward it. I am not the key person who would determine that, but I suspect that it might. I see my friend, the Hon. Member for Burnaby, nodding his head. It could open such possibility, but let the Minister of Justice indicate that amendments have a chance.

The Hon. Member for York East (Mr. Redway) is suggesting that we send the Bill to committee and then see what chances there are. That is the sort of thing we have heard before. We know that we do not get very far with the Government's overwhelming majority, though we will get them in the next election.

Mr. Nunziata: Mr. Speaker, I have some difficulty understanding members of the New Democratic Party. They purport to be concerned about pornography. The Hon. Member went on to talk about some resolution they passed at some NDP convention not so long ago. I suppose it was passed at the same time they passed resolutions about pulling out of NATO, nationalizing banks and nationalizing cable companies. We know all about NDP resolutions.

Members of the NDP have mastered the art of speaking out of both sides of their mouths. This seems to be an example—

Mr. Robinson: Mr. Speaker, I rise on a short and succinct point of order. I wonder if the Hon. Member might just clarify whether these resolutions were adopted at the time he himself was in fact a member of the NDP.

The Acting Speaker (Mr. Paproski): The Hon. Member knows that that is not a point of order.

Mr. Nunziata: As I was saying, this is a classic example of how members of the NDP have mastered the art of speaking out of both sides of their mouths. They have been accused in the past, and I have been one of the accusers, of being hypocrites. Their attitude on Bill C-54 is an example of how hypocritical they are.

The Hon. Member for Burnaby (Mr. Robinson) comes from British Columbia, the province of my birth. At times, I am somewhat ashamed to say that I was born in the same province as that Hon. Member, but nonetheless, he is causing British Columbians shame by moving an amendment the net effect of which is to kill the Bill completely, as pointed out by the Hon. Member for York East (Mr. Redway).

The Hon. Member who just spoke expressed concerns about certain forms of pornography. Does he not believe that it would be more constructive to make his points here in the House at second reading stage? The Hon. Member for York Centre (Mr. Kaplan) will be expressing his concerns about this Bill in a few moments. We will go to committee and move constructive amendments. Does the Hon. Member not believe that would be a more appropriate and responsible course of action than trying to be obstructionist at second reading stage? He knows we are simply adopting the legislation in principle and the committee will have the power to make amendments.

• (1840)

I ask the Member that, and also to explain the hypocrisy of the NDP on this occasion?

The Acting Speaker (Mr. Paproski): The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has two minutes.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I am not sure whether to thank the Hon. Member for that question or not. I do not think there is hypocrisy involved here. I said that you are walking into a trap if you let that bunch take a Bill to committee unless they have committed themselves to amendments.

I served on the legislative committee dealing with the shipping conferences exemption Bill last spring. We heard

statement after statement expressing concern. I do not want to overdo it because there were those who supported it. However, a lot of concern was expressed about its consequences for people who work in the ports of Atlantic Canada and so on. Only very gradually did it become clear that the Government would accept an amendment or two. Then the committee had to go on hold while the Parliamentary Secretary took the amendments to Cabinet for approval before we could approve them. I have seen the amendment process so it is not hypocrisy for us to put up a fight to get the Minister to indicate that amendments will be accepted.

As far as the Hon. Member being unhappy about our amendment is concerned, instead of looking at our hypocrisy he should do a little checking into the possibility of contradiction in his own Party.

Mr. Nunziata: There is none.

Mr. Epp (Thunder Bay—Nipigon): I believe the Hon. Member for Mount Royal (Mrs. Finestone) and the Hon. Member for Winnipeg—Fort Garry were quite supportive of the amendment. I realize there are right-wingers in the Liberal Party and I guess I just heard from one. However, that is a different kind of contradiction from the hypocrisy he accuses us of.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mr. Nunziata: Point of order, Mr. Speaker. As you know, Hon. Members are permitted 20 minutes to speak. It is now approximately 6.45. I was wondering whether you would seek unanimous consent to call it seven o'clock so as not to interrupt my colleague's speech?

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

An Hon. Member: No.

The Acting Speaker (Mr. Paproski): There is not unanimous consent.

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am very glad to participate in this debate as the justice critic for the Official Opposition. I would like to indicate at the outset that the Official Opposition opposes this Bill which contains a radical, far-reaching and unacceptable definition of pornography. That definition characterizes virtually all sexuality as pornography and we will be voting against it on principle. I must also indicate, since I am rising on the amendment, that we also oppose that. We do so for the reason so cogently presented by my colleague, the Hon. Member for York South—Weston (Mr. Nunziata), namely that it is an NDP motion whose only logic is that they are satisfied with the *status quo* on pornography. If their view prevailed there would be no legislation amending the present law on pornography. That is unacceptable to the Official Opposition. We think there should be amendments to the law, but that the Government's legislation is very seriously flawed.

We take the Minister at his word, that he will be receptive to amendments at committee stage. We have many amendments to propose because from east to west this Bill has been condemned in its definition of pornography. I hope the Minister will think twice about the far-reaching nature of the definition he attributes to pornography.

This is not the first effort by the Government to amend the law. I remind the House about Bill C-114 brought forward by the former Minister of Justice, now the Minister of Transport (Mr. Crosbie). That Bill frightened every Canadian who saw it. The definition of pornography was so vague that it really became a matter of police discretion as to what was and what was not pornography. If they said it was, there was a very great risk that a court would agree under the definition given in that law. We opposed that law and the Government withdrew the Bill and did not proceed. We did not want a police state over the question of defining pornography.

Now we have Bill C-54. The one thing you can say about it is that it is not vague. It makes very clear what is to be characterized as pornography. It is that clarity which shows us how far-reaching was the Government's intention to prevent freedom of speech and expression in this country, and we are not going to accept the very broad definition presented.

I have in the past characterized this Bill as being tough where we want tough laws. It is tough in places where we support tough laws. Yet it is also tough in areas where the criminal law should not even intrude. We are going to seek to change the definition of pornography so that we move away from the idea in this Bill that sex is dirty and any presentation of sexuality should be qualified as pornography. We will try and move to a definition where certain forms of sexuality are to be covered by the criminal law. For the rest of it, that law should not cover it.

It is important, when we are enlarging the criminal law as we are in this Bill, to remind ourselves that any new law on pornography limits free speech. Things which might otherwise be said, expression which might otherwise be permitted, is no longer to be permitted. You have to ask yourself, when such a fundamental human right is being dealt with, what is the justification? Why should Parliament limit free speech in the area of pornography?

I think there is a very good answer for that in part of the Government's Bill and I want to deal with that. I could refer to so many studies in the U.S. and Canada but I will present an anecdotal explanation of why the restriction on freedom of speech is justified with some types of sexual expression. Every human being has a sexual appetite at birth. It develops during the course of the person's life and that development is defined and influenced to a certain extent by society. People are influenced, particularly young people, by the way sex is presented in society. There are very disturbing trends in that regard not only in Canada but throughout the world today.

There is an increasing involvement by young people in pornographic and sexual exhibitions and displays. This is unacceptable. It violates our sense of the protection our young people should have from that kind of exploitation. That is a value worth protecting. The criminal law is needed to prevent pornography of that type. Not only that, we see an ever greater identification of sexuality with violence. Young people pick that up. Adults pick it up as well.

• (1850)

I can think of one occasion when I met with battered wives in a women's shelter in my riding. They said that the kinds of things that their husbands or lovers saw in magazines was what they wanted from these women. This also involved violence.

A third kind of pornography that we must condemn and that we are entitled to use the criminal law to protect ourselves from is a kind of sexualization of power. More and more in literature we see the women degraded, treated as an object and humiliated for the satisfaction of a person. One cannot say that young people are not affected by that type of literature and sexual expression in the environment. As I have indicated, even adults are not immune to being affected by that. We are entitled to use the criminal law to prevent it.

Let me cite an anecdote from a related area. It is a story that reflects values in our society. An eight-year old child comes home from school one day and finds her mother and father looking very sad. They take her to her room to tell her that they have very bad news for her because her grandmother had died that day. The little girl pauses for a moment and asks: "Who killed her?" That is a normal thing for a child in our society to wonder when she learns that someone has died. Death is presented as a violent act in so much of our literature that young people grow up seeing it as normal.

The moral of that story can be transferred to these areas that I have discussed, child porn, violence, power over women and power over others, that is becoming defined more and more as normal sexual activity in society. We are entitled to stop that. We support that part of the Bill. These laws are tough in that area and I agree that they should be tough. The Official Opposition, unlike the NDP, would like to see the Bill move forward to see those objectives achieved.

However, when the Government goes beyond that to say it will limit people's freedom of speech in areas of sexuality that are not violent, not degrading or do not involve power or the exploitation or abuse of young people, one must ask what the Government is doing. How can it justify constraining freedom of speech where there is not an evil?

Of course, some people say that there is an evil and believe that this type of sexual expression is threatening to them. Perhaps some people are threatened by the presentation of sexuality and I think they have a right to be protected from it in a classification sense. People who want to wander through the streets of their city should not have to see explicit acts of sexuality displayed in front of their eyes. That is reasonable. However, to use the criminal law and make it a crime to present that type of sexuality is not acceptable. Children should not be allowed to see it and that can be covered by the law. It is not acceptable to go further to say that the presentation of any form of sexuality is to become a criminal act.

A couple of weeks ago I was on a panel where one of the participants said that with all the nudity one sees in movies now, she always thought it more erotic when people were dressed. That is her opinion, to which she is entitled. But should that opinion be validated by the criminal law? Surely it is going too far to criminalize the presentation of sexuality because some people feel that it is in bad taste. I know there are people who believe that, and they are the ones whose support the Government is seeking. They are the ones who want this law exactly the way it is.

I have listened to many of their arguments. They have no justifiable claim to prohibit that type of sexual expression in this society. They are entitled to have it classified and not to be exposed to it on the street or not have their children exposed to it on the street, but surely it is going too far to say that it should be a crime to display sexuality that does not involve children, that is not violent, not degrading or involving power as I have explained.

I hope we will be able to persuade the Government in committee that it does go too far and it should not use the criminal law to enforce a certain standard of taste of some people.

It was my hope that the Government would have taken note of the tremendous reaction against this Bill. The women's groups who were very supportive of a good pornography Bill and wanted the elimination of this degradation and downgrading of women in society called on the former Government to bring forward legislation. We set up the Fraser Commission which made sensible recommendations. These very women's groups are against the effort that the Government has finally produced, and for a very good reason. The Bill goes much too far. I hope the Government will listen to the women's groups. They are not saying that anything goes and everything in free speech should be permitted. They are not against censoring pornography. They are in favour of it. However, they are against censoring all sexuality, which is what this Bill does.

According to the Toronto *Star* on May 29, 1987, the Attorney General of Manitoba said that every provincial attorney general advised the federal Minister of Justice that they had problems with the portions of the Bill about which I am complaining. The Attorney General of Ontario, Ian Scott, observed that to include the portrayal of normal, healthy, sexual activity along with sexual violence and kiddy porn seems to indicate a misplaced sense of values. I adopt that position. I hope that in committee all Members will see the light and recognize that the Bill goes too far.

The booksellers of Canada opposed this Bill at their convention. The Canadian Music Centre wrote to express their

opposition to the Bill. The Canadian Actors Equity Association, some of whose representatives I met, have opposed this Bill. Admittedly, some of these groups oppose all forms of censorship. I am not agreeing with that total unwillingness of theirs to see the other side, but they are right in this area which I have talked bout, where the Government's measures simply go too far. The artists representative group has opposed this Bill.

I understand that I have until three minutes after seven, Mr. Speaker.

The Acting Speaker (Mr. Paproski): At seven o'clock, the Hon. Member would have five minutes in his speech and 10 minutes for questions and comment. If he wishes to carry on until 7.03, that is perfectly fine.

Mr. Kaplan: I was counting on that, Mr. Speaker.

I am not saying that the Official Opposition agrees with the full argument that nothing should be censored. I have stated our case.

The librarians have made the point that if this Bill goes through they can become criminally responsible for those things which young people come to see in the normal Canadian library. The same thing can be said about average Canadian art galleries. One of my colleagues indicated, and I want to endorse that view, that where it comes to the defences of artistic merit, scientific value, education purposes, and so on, we feel that that should not be put to the defence to prove. It should be part of the prosecution's case, and I will be moving that amendment. That burden of proof lies with the prosecutor.

• (1900)

In many ways we need a tougher pornography law. I want to say that again. We reject the idea of the New Democratic Party that we should be satisfied with the *status quo*. However, going to committee with this Government does expose us to the risk it may hang tough. It may play to that very small minority of Canadians who feel threatened by sexuality and who do not want to be reminded of it, who want to try to interfere with freedom of expression on the simple grounds of taste. They want to make people criminals because their taste is different from those who have convinced the Conservative Party to make their case into the criminal law.

[*Translation*]

Mr. Speaker, in concluding, I just want to say that we are 100 per cent willing to co-operate with the government and make some changes in order to have more effective legislation against pornography, but we reject the concept that sexuality as such may not be depicted. That, I believe, goes against the sensibilities of practically all Canadians, and as far as we are concerned, we want a Criminal Code with which Canadians can identify and which they can respect. Let us not go back to the values of bygone days in this country, to an era of sexual taboos and all the problems that ensued.

[*English*]

The Acting Speaker (Mr. Paproski): The Hon. Member has a further two minutes for debate, plus 10 minutes for questions and comments, if he wishes to take it at the next opportunity.

It being 7.03 p.m., the House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 3(1).

The House adjourned at 7.03 p.m.

HOUSE OF COMMONS

Thursday, December 3, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CHILD CARE

TABLING OF GOVERNMENT RESPONSE TO REPORT OF SPECIAL COMMITTEE

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, pursuant to the provisions of Standing Order 67(2) and Standing Order 99(2), I wish to table in both official languages the comprehensive response to the recommendations of the report of the Special Committee on Child Care entitled *Sharing the Responsibility*.

May I take this opportunity to thank you personally for the manner in which you handled this issue. I know that it was a new one in respect of the rules and I want to thank you for the care that you took on this issue.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Treasury Board): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-3265, 332-3281, 332-3282, 332-3316, 332-3339 and 332-3357.

• (1110)

STRIKING COMMITTEE

PRESENTATION OF FORTY-FIFTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the forty-fifth report of the Striking Committee.

Mr. Speaker, if the House agrees I intend to move concurrence in the forty-fifth report later this day.

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

[*English*]

CONCURRENCE IN FORTY-FIFTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I move that the forty-fifth report of the Striking Committee, presented to the House earlier this day, be concurred in.

Motion agreed to.

* * *

PETITIONS

HIGH COST OF LIVING IN ARCTIC COAST COMMUNITIES

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, I have the honour to present a petition signed by some 83 residents of the Arctic Coast communities of Sachs Harbour, Holman Island, Coppermine, Cambridge Bay, Gjoa Haven, Spence Bay, and Pelly Bay. They are petitioning the House concerning the high cost of freight and the high cost of living. They wish the House to consider a way in which the high cost of living and the high cost of freight can be dealt with and rectified.

* * *

Mr. Gauthier: Mr. Speaker, I rise on a point of order. A few minutes ago the Minister of National Health and Welfare (Mr. Epp) tabled a document. I believe it is the response of the Government to the committee report on day care. I have asked for a copy of the document from the Table Officers. I am told that it is not available. Could we be assured that that document will be made available to us in the near future, that is, within the next few minutes?

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) has raised a matter which, of course, is important. I assure the Hon. Member that I will immediately do everything I can so that the Hon. Member has the report, I hope within minutes.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 175 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 175 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

DEPARTMENT OF EXTERNAL AFFAIRS—LOANS TO METROPOLITAN TORONTO AREA

Question No. 175—**Mr. Redway:**

Since September 4, 1984, did the Department of External Affairs make grants and/or loans to persons or corporations, non-gouvernmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

WITHDRAWAL OF PRIVATE MEMBER'S BILL C-269

Mr. Jim Jepson (London East): Mr. Speaker, I rise on a point of order. Since my Private Member's Bill C-269 is now redundant, I request unanimous consent of the House to withdraw my Private Member's Bill.

Mr. Speaker: Is there unanimous consent of the House?

Some Hon. Members: Agreed.

Order discharged and Bill withdrawn.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I want to point out how efficient and effective you are. I just got a copy of the document which I requested, and it was in less than a few minutes.

Mr. Speaker: I suppose I could say your wish is my command, and I do so wish to be commanded.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Tuesday, December 1, consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee, and the following motions of Mr. Cassidy:

Motion No. 2.

That Bill C-87, be amended in Clause 19 by striking out lines 43 and 44 at page 5 and substituting the following therefor:

"other Act of Parliament.

(3) The rates of customs duty set out in Schedule I and section 46 and the customs duties imposed by this Act are further subject to such increases, reductions, removals or other exceptions as may be specified in any regulation or order made under this or any other Act of Parliament, provided that no such regulation or order shall have effect for more than sixty days unless it is adopted by resolution of both Houses of Parliament."

Motion No. 3.

That Bill C-87, be amended in Clause 22 by striking out lines 11 to 17 at page 7 and substituting the following therefore:

"22.(1) Subject to sections 23 and 24, goods that originate in a country listed in Schedule III as a beneficiary of the Most-Favoured-Nation Tariff are entitled to the rates of customs duty set out with respect to those goods in the Most-Favoured-Nation Tariff in Schedule I.

(2) No country listed in Schedule III shall be granted rates of customs duties lower than those of the Most-Favoured-Nation Tariff without prior approval of the new tariff rates by an Act of Parliament."

Motion No. 5.

That Bill C-87, be amended in Clause 36 by adding, immediately after line 11 at page 12, the following:

"(3) Where an order is made pursuant to subsection (1), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(4) For the purposes of subsection (3), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 6.

That Bill C-87, be amended in Clause 38 by adding, immediately after line 7 at page 13, the following:

"(3) Where an order is made pursuant to subsection (1), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(4) For the purposes of subsection (3), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 7.

That Bill C-87, be amended in Clause 54 by adding, immediately after line 31 at page 16, the following:

"(3) Where an order is made pursuant to subsection (1), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(4) For the purposes of subsection (3), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 9.

That Bill C-87, be amended in Clause 59 by adding, immediately after line 4 at page 19, the following:

"(7) Where an order is made pursuant to subsection (2), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(8) For the purposes of subsection (7), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Motion No. 10.

That Bill C-87, be amended in Clause 60 by striking out lines 9 to 45 at page 20 and substituting the following therefor:

"(3) Where an order is made pursuant to subsection (1) on the basis of a report of the Minister of Finance, an inquiry made by the Canadian Import Tribunal under section 48 of the *Special Import Measures Act* or an inquiry made by the Textile and Clothing Board under the *Textile and Clothing Board Act*, the order ceases to have effect on the expiration of the sixtieth day from the day on which the order is made if Parliament is then sitting or, if Parliament is not then sitting, on the expiration of the fifteenth sitting day after that day, unless before the order so ceases to have effect it is approved by a resolution adopted by both Houses of Parliament."

Motion No. 11.

That Bill C-87, be amended in Clause 60 by adding, immediately after line 27, at page 21 the following:

"(9) Where an order is made pursuant to subsection (7), the order shall cease to have any force or effect with respect to any period following the sixtieth day after the date on which it becomes effective or, if Parliament is not then sitting, the fifteenth day next thereafter that Parliament is sitting, unless, not later than that day, the order is approved by resolution adopted by both Houses of Parliament.

(10) For the purposes of subsection (9), a day on which either House of Parliament sits shall be deemed to be a sitting day."

Mr. Rod Murphy (Churchill): Mr. Speaker, you have grouped Motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11 for debate. These are on a number of clauses which basically deal with the same subject.

We have expressed our concern about the way the Government has been dealing with the whole issue of its trade deal with the Americans.

Presently, the House of Commons committee studying this question is hearing witnesses from all across the country without having the final text before it. We are in a situation where the promise made by the Prime Minister (Mr. Mulroney) in the House on October 5 has been ignored by the Government. At page 9632 of *Hansard*, the Prime Minister stated:

Mr. Speaker, I shall table the complete text of the Agreement as soon as the wording is finalized. It will then be referred to the appropriate committee of the House for analysis, study and debate.

On October 5, the Prime Minister promised the House and the people of Canada that the House of Commons committee would have the finalized document before the committee hearings in order that the committee could hear from witnesses from all parts of the country who had the document in front of them before he rushed off to Washington to sign the final trade deal.

● (1120)

It is now December 3, two months after the Government signed the Elements of Agreement, and we still do not have a finalized copy. Negotiations may or may not be taking place today to try to get a final copy of that document ready. It is now less than a month before the Prime Minister wants to sign a document which not one of us in the House has seen. This document is not even ready. Yet we know that it is a document which will fundamentally change the economy of this nation.

Mr. Jelinek: Improve.

Mr. Murphy: Some say it will improve, some say otherwise. But the problem is that we do not have the document. There is presently a committee of the House in Halifax, and it does not have the document. There are witnesses appearing before that committee, and they do not have the document. It is not acceptable for us in the House to pass any legislation at this time which gives the Government a blank cheque when it comes to trade deals and tariff reductions. We will do nothing to make it possible for the Government through Order in Council to do what it should be doing through proper legislation, debate, our committee system, and through the House itself.

As I stated in an earlier speech, we will not expedite the passage of Bill C-87 because it helps the Government move along the road to its trade deal. We do not believe that, in any sense, passing legislation in a legitimate and orderly process is happening at this time.

If the Government was able to negotiate a deal with the Americans, as it claims it has done, all that had to be done was the following, to use the Prime Minister's words when he stated:

I am advised that there may be a minor typographical error in this document, but that the document itself represents the fundamentals of the agreement arrived at by the parties.

These elements are the agreed basis for the agreement and will be translated into a legal document, as agreed, in appropriate time frames by the negotiating teams.

The trade negotiators met late into last night and it is obvious that they failed to come to some finalized wording, and we are not talking about "minor" amendments. We are talking about negotiations which are ongoing and which could fundamentally alter the Elements of Agreement that we were shown two months ago. Obviously, the people of this country are very concerned about the agreement, regardless of whether they are for or against it. The Government has boasted how important it is. The people recognize it is important and we need a process, not a three, four, or five day debate prior to the Christmas recess, which the Government wants, a debate where the people of Canada will be excluded because they will not have seen the document, a debate which will occur after the committee has held hearings but without a final document in front of it.

When minor pieces of legislation are passed through the House of Commons, there is first reading one day, second reading later, a debate in the House, and then the Bill goes to committee. A finalized version of that Bill goes to committee, even if it is a minor piece of legislation. Witnesses are allowed to appear, pro and con, and then amendments can take place.

The Bill comes back to the House of Commons, as does this legislation that we are dealing with today, with other amendments being possible at report stage, as we call it. Following that there is third reading. Even for minor pieces of legislation, we are in the situation where the public has a final document, and they have the time to appear in front of a committee. In some cases even what we may call minor pieces of legislation have more witnesses appearing in front of a committee than is happening in the case of the trade deal.

I repeat, at least the witnesses who appear have a final document in front of them. The House of Commons at report stage, and later at third reading, is in a position to debate the merits of the legislation and to try to make amendments to it. Quite often ordinary legislation, some of it minor, some more important, takes a long time to get through the House of Commons. It is very seldom that we circumvent that route.

When it comes to the trade deal, the House of Commons cannot allow the Prime Minister to break his promise that we would have the finalized document and that that document would then go to the committee for study. The Prime Minister made a promise on October 5 and during later speeches he implied that it would be fulfilled some time during the month of October and there would be a final document. Therefore, when the committee travelled that final document would be in front of it.

October passed and we did not have a finalized document. November passed and we did not have a finalized document. It is December and still there is no finalized document. Obviously, the committee which is scheduled to finish its work next Monday, will never have a finalized document in front of it. How can the Government, as it is doing at the present time, say that there will be a few days' debate just before the Christmas break, and it wants then to allow a vote on free trade so that our Prime Minister can go running off to Washington and say that he has the consent of the House of Commons? We do not do that for minor legislation. We certainly do not do it for major legislation. We will certainly not do it for the Prime Minister's trade package. The people of Canada deserve to have the information in front of them.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the Hon. Member that there is such a thing as relevancy. I hope that he is returning to the relevant part of the Bill. The Hon. Member for Churchill (Mr. Murphy) has the floor.

Mr. Murphy: Mr. Speaker, we are dealing with a customs matter; the amendments before us deal with restricting the ability of Cabinet to act without the consent of Parliament.

• (1130)

In introducing these amendments for debate on Tuesday of this week, we stated that the intent of our amendments on Bill C-87 was to restrict the right of the Government to implement any part of its trade deal through any Order in Council mechanism. Therefore, the amendments which are before us are part of a deliberate strategy by the New Democratic Party caucus to ensure that the Government, which has already broken its word to the House of Commons with regard to the trade deal and in terms of us having a finalized document, does not use Bill C-87 and other pieces of legislation to get around full parliamentary approval or disapproval.

In talking about these amendments, I am talking about why we have presented them to the House of Commons. It was to make clear to members of the Government and members of the Opposition why we believe they are important. It is because we do not trust the Government when it comes to the trade deal. It is because we have already been told something by the Prime Minister in terms of our having the finalized document, which he has not been able to deliver. It is because we know that there are still ongoing negotiations on the basis of what the Americans want to do to improve the deal as far as they are concerned.

We have a Prime Minister who denies that the negotiations are going on, yet we know that they are happening. We also know that the House of Commons committee is in Halifax today and does not have the final document. In many cases the witnesses are wasting their time.

We want to make abundantly clear—and I know that my time has run out as far as this debate is concerned—that the procedure the Government is trying to foist on the House of Commons is unacceptable. We will certainly make sure, through debate on the motion, that we do not allow the

Government to do through the back door what it is afraid to do through the House of Commons.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Tuesday I heard what Members opposite had to say about Bill C-87. Unfortunately, not one actually spoke to Bill C-87 and the motions tabled in this House. Attempts were made to discuss free trade, although Bill C-87 is a strictly administrative measure. It is really unfortunate, Mr. Speaker, and I will start with Motion No. 2—

Mr. Cassidy: That is absolutely false!

Mr. Vincent: I will start with Motion No. 2, Mr. Speaker. They don't like to hear the truth on the other side of the House, but what do you expect?

Motion No. 2 demands parliamentary approval for increases and reductions of certain tariffs. Mr. Speaker, I am sure you realize this motion would be disastrous for the administration and development of this country. In certain cases, decisions must be taken quickly, including decisions on increases or reduction in tariffs and that are vital to the development of this country and its individual regions. That is how things are done, Mr. Speaker. It has always worked that way, and the public interest has always been protected. So I think Motion No. 2 should be rejected on those grounds.

Mr. Speaker, Motion No. 3 would deny the Governor in Council the right to reduce rates or give certain developing countries lower preferential rates. Mr. Speaker, to vote in favour of this motion might distort international trade, and I want to say that I am speaking strictly about the substance of Bill C-87 and not about free trade.

Motion No. 3 refers to developing countries, and when I heard the debate on the motion this week, Hon. Members were talking about free trade. I do not think the United States is a developing country.

Motion No. 5 would prohibit the Government from quickly taking a position when imports are harming our Canadian producers. That is what the motion intends to do, Mr. Speaker. That motion was presented by the socialist party that wants to prevent quick action to help our Canadian producers when they are harmed by imports.

Mr. Cassidy: That is just not true! There is no restriction.

Mr. Vincent: This is the position of the New Democratic Party: Kill our Canadian businesses as soon as possible! That is their position.

Mr. Cassidy: That is absolutely false!

Mr. Vincent: That is their position. That is what the motion is about. If the Hon. Member would care to read it and understand it, that is what it says.

The same thing applies to Motion No. 6. Again, they want to restrict government intervention with respect to imports that are harming our Canadian producers. That is what Motion No. 6 is about. Read it carefully—

Mr. Cassidy: On a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa Centre (Mr. Cassidy), on a point of order.

Mr. Cassidy: Mr. Speaker, I am sorry, but the Hon. Member made statements that are absolutely untrue. There is no interference with a government's authority to adopt motions to block imports—

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order. It is a point of debate.

[*Translation*]

Mr. Vincent: Mr. Speaker, if the Hon. Member wants the floor, he will have his chance. Now perhaps he should find out how the system works. If certain goods arrive in Canada tomorrow morning which could harm our businesses, and if we have to get parliamentary approval, and if the Opposition Party acts up as usual and tries to obstruct the proceedings, even when the issue is urgent, I do not think the motion proposed by the socialist party would be a good thing for Canadian business. The truth always hurts, and I notice that at least the Hon. Member was not asleep and that he listened to what I had to say.

Motion No. 7 boils down to the same thing. Here again, they want to prevent Canada from acting quickly in case of imports from the Caribbean Commonwealth.

Mr. Cassidy: That is a lie, that is absolutely false!

Mr. Vincent: Mr. Speaker, Tuesday I listened to him and I did not interrupt. I trust he will have the courtesy to do the same.

Motion No. 9 is intended to keep the Government from conducting its foreign policy in a sensible and orderly fashion while protecting Canada's interests. Mr. Speaker, Motion No. 9 does not consider the fact that the Minister of Finance must advise Parliament of what he has done within two weeks. So I think, Mr. Speaker, that the interests of Canadians and the interests of this country are well protected, while Canada has requisite flexibility to apply its foreign policy.

Mr. Speaker, Motion No. 10 suggests setting up a tribunal. Another socialist invention that will harm Canadian business. Mr. Speaker, here again, and this is a very important point, when imports are dumped on our market, we must have ways to deal quickly with the situation. Motion No. 10 would merely make existing procedures take much longer.

As for Motion No. 11, Mr. Speaker, perhaps I could give you a quick summary. They simply want to paralyze the administration of this country and with it, Parliament, by

demanding that purely administrative work should be submitted for parliamentary approval. Briefly, Mr. Speaker, I would invite all Hon. Members to vote against Motion No. 11 as well as Motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11.

• (1140)

[*English*]

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I listened with interest to the last 10 minute presentation of the Parliamentary Secretary. That same argument has been used many times in history to defend the divine right of Kings, to defend the courts of Star Chamber, to defend enlightened despots, to defend the Inquisition, to defend various forms of bodies to make judgments on the basis of efficiency, to keep the country running, to keep the trains running, and all those wonderful slogans that have been used to defend ways of making decisions without recourse to democratically elected bodies and legislatures.

It would be important for Conservative Members of Parliament to recognize why such amendments are necessary. Let us presume for a moment that you were Jonathan Swift and you had the opportunity to pick a subject in the contemporary world of satire and you wanted to find a particular object which could bring out the absurdity and ludicrousness of the world. What would you choose, Mr. Speaker? Probably number one on the agenda would be a government that signed a deal that is not yet a deal, that got down to that finger-lickin' good Kentucky fried chicken summit meeting in Washington on October 4 where all the Ministers got together and announced with great fanfare and flourish, "Hey, we have a deal". Two months later to the day, on December 4, the American negotiator said, "We may have a deal and we may not have a deal". This gang still has not decided two months later on the most significant initiative within decades. This gang, who cannot shoot straight, still has not got itself a deal. To compound the problem, the Government has the incredible gall to initiate a parliamentary committee to consult with Canadians about a deal not yet made.

Jonathan Swift would have a wonderful time this far by asking "How can you comment on something that is not yet completed?" By some great leap of imagination, Conservative Members of Parliament are able to visualize what may be in the deal, not that they are going to tell anybody else, but it is that leap of faith that implies, "You have to believe what we believe" in order to agree with them.

Then the Government sends a committee across the country for public hearings, one day per province. The million people in the Province of Manitoba get to make six representations on a deal they have not yet seen. Nine million people in the Province of Ontario get to make six representations on a deal they have not yet seen. The committee is asked to report its findings to this Parliament on the basis of a document it has not seen, on the basis of presentations that are not relevant because—

The Acting Speaker (Mr. Paproski): I do not wish to interrupt the Hon. Member because I enjoy listening to his debates in the House, but I must bring to his attention the fact that we are dealing with Bill C-87, an Act respecting imposition of duties, customs and other charges to give effect to the International Convention on the Harmonized Commodity Description and Coding system. I would appreciate very much a slight bit of relevancy to the Bill. I do not wish to interrupt the Hon. Member because I sincerely appreciate his debates, but I would appreciate also, so that other younger Members in this House will be able to take into effect exactly what he is saying, if he were a little more relevant as far as the Bill is concerned.

Mr. Orlikow: Mr. Speaker, this type of Bill is ordinarily, as you have indicated, technical and fairly routine, but it is the contention of opposition Members on this side of the House that we are dealing with an entirely different situation because the free trade agreement signed between the Government of Canada and the President of the United States changes the whole trade situation in fundamental ways. Therefore you cannot discuss this without discussing the implications of free trade.

The Acting Speaker (Mr. Paproski): I appreciate what the other senior Member of this Chamber is saying, and I am also looking forward to his participation in the debate, but the Bill now being debated goes into the matter mentioned by the Hon. Member. Nevertheless, I would like the Member to come back to the meat of the Bill, please.

Mr. Cassidy: Mr. Speaker, in order to be of assistance to the Chair I would draw your attention to Clause 22 of the Bill which is one of the clauses amended in the series of amendments currently under debate. Clause 22 reads:

> Subject to Section 23 and 24, goods that originate in a country listed in Schedule III as a beneficiary of the Most-Favoured-Nation Tariff are entitled to the rates of customs duty set out with respect to those goods in the Most-Favoured-Nation Tariff in Schedule I.

That allows in a subsequent section—

The Acting Speaker (Mr. Paproski): I have no problem with that. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has the floor for debate.

Mr. Axworthy: Mr. Speaker, I would only say in response to your suggestion of relevance that the argument I am attempting to build in 10 minutes is somewhat akin to building a cathedral. One must lay the foundation and the flying buttresses before one completes the superstructure. Therefore, if you will bear with me for a moment or two longer, I will then complete the full structure of the case to be made.

I am alluding to the document we have not yet seen which will contain within it a number of annexes setting out a series of tariff rates. We do not know what is in it. We have not seen it yet. We do not know which commodities, goods or services will be given a series of tariff reductions over the 5 or 10 year period. As the Hon. Member for Ottawa Centre (Mr. Cassidy)

has pointed out, we have in this particular Bill a very clear indication that most-favoured-nation treatment, which is based upon the principle of non-discriminatory tariff rates for other countries, may run contradistinction to the kinds of proposals being made under the trade proposal with the Americans. We are concerned about the manipulation of those different rates, which could take place without any public understanding or recourse to this Parliament, to determine whether a change is in the public interest.

The harmonization of rates that were agreed to under the previous GATT round, to which this Bill is giving implementation, is based on what I think is a crucial, fundamental principle of Canadian trade policy, that is, the application of non-discriminatory tariffs to all countries, and one of the unfortunate and debilitating effects of the proposed agreement with the Americans will be to set out discriminatory trade tariff rates that will work against that basic principle. Therefore, we would put ourselves in danger, I believe, of not only undermining our own trade relations with other countries who all of a sudden will wake up to find that countries which have been good customers of Canada are now treated to a discriminatory set of tariffs and that the Americans will get preferential treatment to the Japanese, the Russians or the Europeans.

This Parliament itself has not had the opportunity to comment on that to determine whether that version of trade may be a serious danger. Aside from our own specific trade relationships, I believe this dichotomy that we now have presents an erosion of the international trade system.

• (1150)

I would cite for Your Honour the statements made just last Sunday night by Paul Volcker, probably one of the most highly respected financial analysts in the world and head of the U.S. Federal Reserve Bank for close to eight years. He said very clearly that the emergence of regional trading blocs in North America, Europe and other places will undermine the international trading system through discriminatory trading practices.

That is the contradiction in this Bill when compared to the free trade agreement. You are saying to one class of customer that they will get preferential treatment. If that happens we will be back to where we were in the 1930s. Rather than having individual countries raise tariff barriers or treating one country differently from the other, we will now be doing it on a regional basis. We have brought the jungle-like atmosphere of the 1930s into the 1980s and 1990s and with the same effect, that is, trade wars on an international level between regional trading blocs.

The problem we have in this Parliament is that it is hard to get at the issue, which is what I was saying earlier. How can we raise these kinds of problems when we are subjected to a flying circus approach to the whole deal? We do not have an agreement, but we have a committee going through a farcical exercise of holding hearings. Yet there will be no opportunity to raise these very relevant questions.

We have in front of us an important Bill which deals with harmonization of international trading rights, which the Government wants to pass before we have an opportunity to determine the impact of the free trade agreement. We cannot do that because we have not seen the final agreement. That agreement will contain all the tariff rates and schedules. When I referred to an absurdity, that is the point I was trying to make. We are once again facing a legislative conundrum. We do not have an opportunity to look at an important piece of legislation from the perspective of how it will be affected by the free trade proposals now being made because they are still up in the air.

In conclusion, I can only say that, contrary to what the Parliamentary Secretary was saying, these are important amendments and should be supported.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the basic purpose of this Bill is to establish a new harmonized system of tariffs between major trading nations, including Canada. There is no country for whom the question of tariffs and their effect on trade is more important than Canada. To a large extent we live by our ability to trade. Unfortunately, in recent years we have been faced by large groups of countries that are using tariffs and non-tariff methods to improve trade between themselves and restrict trade with other countries.

The European Economic Community has been extremely effective at removing tariffs between countries that belong to the community, and making it more and more difficult for other countries, including Canada, to sell to that community. The U.S. has followed a similar policy. Japan, that country to which we are urged to look as an example of how a free enterprise economy operates, has the most efficient and effective system of tariff and non-tariff barriers in the world. These include impossible standards which have to be met before one can sell to Japan. This has created tremendous difficulties for us.

A whole new set of difficulties will be created when this so-called free trade agreement with the U.S. is finally signed and put into effect. In the period before the 1984 election, the Prime Minister (Mr. Mulroney) and his Minister of Finance (Mr. Wilson) derided the possibility of a free trade agreement with the U.S. On one occasion I think the Prime Minister compared it to an elephant dealing with a rabbit. That was the relative strength and power of the two countries as the Prime Minister saw it at that time.

During the election campaign, there was not a single mention of the possibility of a free trade agreement with the U.S. Then, because the Government saw that for more than a year it had been down at the bottom in support, based on polls done by Gallup, Angus Reid and *The Globe and Mail*, and looking for an issue which might bring it back, suddenly it brought forward the concept of a free trade agreement.

No one in this country, no Member of Parliament, is opposed to improved trade arrangements between Canada and the U.S. or any other country. In October we had a lot of publicity—

Mr. Hawkes: On a point of order, Mr. Speaker. It has been a long-standing tradition of this House that debate at all times should be focused, but particularly so at report stage when we are considering amendments moved by the Party to which the Hon. Member belongs. I think it is incumbent upon us to speak to each of the amendments. Some of them are grouped for debate. We on this side are having a great deal of difficulty understanding that the Hon. Member is speaking to the amendments proposed by his Party.

The Acting Speaker (Mr. Paproski): I appreciate what the Hon. Member is saying. I know the Hon. Member for Winnipeg North (Mr. Orlikow) will be coming to the point.

Now we have another point of order from the Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, we have eight or nine amendments in this particular grouping. They all encompass the principle, according to the amendments, that these important tariff and trade actions taken by the Government of Canada should be subject to parliamentary accountability, just as a number of other matters in the customs and tariffs are subjected to parliamentary accountability. However, as I am sure the Parliamentary Secretary will realize—

Some Hon. Members: Order!

Mr. McDermid: Order, Mike!

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg North (Mr. Orlikow) realizes what the amendments are and I think he will be coming to the relevant point.

Mr. Orlikow: Mr. Speaker, the reason I am discussing, quite briefly and in a general way, the effects, as I see them, of this free trade agreement is that I will go from that to show how the agreement will actually have an adverse effect on various groups in Canada. It is for that reason that we are opposed to giving the Government the ability to change tariff schedules by Order in Council.

As I said, this agreement was signed on October 3 and we were assured repeatedly that it would only be a few days or a week or two before we saw the final text. It is now almost two months since the agreement was supposedly signed and there is still no text. Our partners, the Americans, have continued to bring up important issues on which they want amendments. According to reports we have heard in the last couple of days, they want to change the section on the Auto Pact. They want their shipping industry excluded from the provisions of this agreement. They are calling on Canada to change its procurement policies.

• (1200)

They say that both the federal Government and provincial Governments of Canada give provincial suppliers an important advantage over others, including American suppliers. The fact is that the American Government and 49 of the 50 American States do exactly the same thing. The Buy American Act provides that American companies will have an advantage over foreign companies when the American Government is making purchases. The American Government makes purchases of hundreds of billions of dollars. Every state in the United States gives an advantage to companies in its state over companies in other states when making purchases. If they do that, they will obviously create difficulties for Canadian companies which want to make sales to the American federal or state Governments. We do not hear our negotiators talking about that.

The Montreal *Gazette* today reported on the issue of agriculture. The Prime Minister the Minister of Agriculture (Mr. Wise), and our chief negotiator Mr. Reisman, have been asked repeatedly what effect this agreement will have on our farmers. Mr. Reisman said that it will not have any effect because our agricultural marketing boards and our supply management system are not even mentioned.

Mr. Reisman is a very able, clever, knowledgeable, and aggressive negotiator. I will not say that when he made that statement he was lying because, first, it would be unparliamentary and, second, because I do not want to say anything here to which he cannot reply directly. However, I say here, as I will say outside the House, that when Mr. Reisman said that agricultural producers will not be affected because supply management and marketing boards are not mentioned—

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the Chair has wisely chosen to group several motions for debate. I wish to address the principles of these motions today. I hope to be able to address as many of the motions which are before us as possible.

They all reflect a continuation of the struggle which began between the people and the monarchy as long ago as 1215 when King John was forced by the Lords of the day, who acted on behalf of the people, to sign the Magna Carta, which gave the very basic right for which we are fighting today with these amendments, that being the basic right of the Parliament of the country to establish what the rules should be with regard to the collection of taxes, the collection of government funds.

Under this particular Bill, approximately $2 billion worth of government revenues is at stake. The Government is proposing to do away with that revenue. Canada spends in the neighbourhood of $110 billion to $130 billion per year and has incurred a deficit in each year for the past three years in the neighbourhood of $30 billion. We are, therefore, not in a position to be giving away $2 billion worth of revenue.

Even more at issue is the fact that under Bill C-87 the power to reduce the amount of funds coming into the government Treasury by way of customs tariffs and other such revenues is being left essentially with the modern-day representative of the monarch, the Prime Minister and his Cabinet. We are seeing the age-old attempt under a constitutional monarchy by representatives of the Crown to make decisions with regard to the collection and expenditure of taxation without reference to the House of Commons which, under our system, is supposed to represent the people.

The principle which we are trying to establish with this series of motions is that within 60 days of the signing of an agreement which changes the procedure for the collection of tariffs, that agreement shall be submitted to the House of Commons for ratification. One would not think that this is a terribly radical initiative until you see the horror with which Members on the government side react.

We are attempting to continue a practice which was set in motion in 1215 and has been slowly and painfully continued through the centuries since then of putting the power to impose and collect taxation back into the hands of the House of Commons, which is the true representative of the people, rather than leaving it in the hands of the representatives of the monarch, namely the Prime Minister and his Cabinet.

We are not in any way restricting the monarch and her representatives, the Prime Minister and Cabinet, from undertaking initiatives by way of international treaties or by proposing changes to the amount of taxation which they will be levelling at or within our borders. We are simply asking for the maintenance of the ancient right that once decisions are made they cannot continue after 60 days without the approval of the House of Commons. This is not even as strong in some ways as that which the Lords demanded at Runnymede. We are saying "within 60 days" which seems to me to be a very reasonable request.

• (1210)

Two or three of these motions already in the first draft of the Act indicate that the Government is prepared to do so, would deign to do so, after 180 days. We are simply saying that we should speed up that process. This is consistent with some of the proposals made by both the McGrath commission and the Cooper commission, if I could call it that, two parliamentary groups which studied the activities of the House of Commons. The McGrath committee made proposals to strengthen the power of the back-benchers and of the Commons itself. The committee under the chairmanship of our friend, the Hon. Member for Peace River (Mr. Cooper), dealt with the question of parliamentary oversight and how Parliament could continue to build control over the budget and expenditure systems of this Chamber.

These proposed amendments which we are now discussing would force the Government to present such changes to our tariff laws, the amount of tariffs being levied at our borders, within 60 days for approval by the House. This follows through with the initiatives the committee, chaired by the Hon. Member for Peace River, was attempting to impose on our processes in this Chamber. We were attempting to make the budgetary process more reasonable, to have the Chamber itself deal with government Bills. We were attempting to force the Government to come forward with government Bills in fact very closely in concert with the presentation of the Budget so that we could avoid the spectacle we often go through in this Chamber of imposing taxes, collecting taxes, income taxes and other taxes, long before the law actually passes this Chamber.

What we are trying to do from now on is to keep our procedures a little more tight and a little more proper in the administrative sense so that this Chamber does get a chance to do its job of overviewing the expenditure plans of the administration of the executive branch of the Cabinet itself. This Bill proposes to give away close $2 billion in Government revenues, and because the Government is already in a deficit position of around $30 billion per year, this money will have to be made up through the tax system by some other means. We think that because there are a host of possibilities before us at the moment with the clauses mentioned in this Bill. There are potential changes to the tariff rates with Great Britain, the United States and various Commonwealth countries, some of the nations which have already been granted most-favoured-nation status, and a great long list of others who may in fact be granted such status to the point where they may eventually pay zero tariff from the current high level of 35 per cent tariff.

We think that before the Government makes permanent such arrangements by treaty, which it has under our constitutional monarchy every right to do, that treaty or those obligations should be transferred in front of this Chamber within 60 days so that this Chamber could have the opportunity to reject or ratify them. We presume that in virtually all cases the Government will be a majority Government which will be assured of its taxing proposal, or its proposal to give away tax revenue. But the principle should remain constant. This Chamber, and this Chamber alone, should make the final decision as to whether or not that should be ratified. That is what these amendments are attempting to do. I would urge all Members of the House, whether in government or in opposition, to see the extreme importance to this Chamber and to the representative system in this country for that to be strengthened and to continue.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have a word to say on motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11. This essentially gives the responsibility to the Government for any changes in customs duties or tariffs to be brought before the House for consideration by the House within 60 days. I think that is especially desirable at this time. We know that even though there has not been a firm agreement made between Canada and the United States with regard to the free trade agreement, we believe that the Prime Minister (Mr. Mulroney) will plunge ahead and sign this document on January 2 or January 3. It has long-term implications for all

sectors of the Canadian economy, but clearly none more important than for the dairy industry.

Under the treaty which the President and the Prime Minister will sign, tariffs on dairy commodities will be reduced by 17.5 per cent, and many groups like the Dairymen's Association are demanding that the Government impose quantitative tariff quotas on dairy commodities such as liquid milk, yoghurt and ice-cream. It has been promised by the Government that marketing boards and supply management would not be in the deal, but in fact they are in the deal, because the whole supply management marketing board system we have depends on the imposition of tariffs, quotas and supply management. In this case the Government is removing these tariffs, and that is how this motion becomes paramount.

The Canadian dairy farmers have recognized that the Government is playing fast and loose with the truth. It put out a statement on November 26 in which it was stated:

> "The removal of tariffs therefore provides access for U.S. products into Canada while an expansion of the exportation of Canadian dairy products to the U.S. remains an impossibility", stated Mr. Waardenburg. Dairy Farmers of Canada is seeking an amendment to the Import Control List which would ensure full coverage of all dairy products, before the signing of the Agreement on January 2, 1988.

Mr. Waardenburg goes on his press statement:

> Dairy Farmers of Canada did not oppose the trade negotiations with the United States because the federal government had clearly indicated its commitment to ensure that all the "underpinnings" required for the maintenance of an efficient milk supply management program in Canada would be unaffected. However, unless the federal government now demonstrates its sincere willingness to live up to this commitment Canadian milk producers will strongly oppose its initiative in the free trade agreement.

Yesterday it carried out that commitment. It met the Associate Minister of Agriculture in full force in Quebec. The headlines of the report of that meeting are pretty devastating. It was reported in the *Montreal Gazette* this morning. The headline reads: "Angry farmers scorch Minister for 'lying' about pact". The secondary headline from the inside page reads: "Farmers scorch Minister for 'lying' about pact". Clearly the dairy farmers of Canada are going to carry out the challenge they made to the Minister of Agriculture (Mr. Wise) in their press statement of November 26.

The *Gazette* goes on to report that dairy farmers, especially those in Quebec, feel that the Government has tampered with the truth. The press reports indicate that the Associate Minister of Agriculture was pilloried yesterday by 2,500 angry farmers who accused him and the Conservative Government of lying about the Canada-U.S. free trade deal. The Minister came under heavy fire at the farmers' union convention, after trying to convince the audience that the proposed agreement would not hurt farmers.

• (1220)

Clearly, the Government has lost the trust of the farmers of this country. It should simply pass those amendments to the import control list. It may not regain the trust of farmers generally, but it will help. The Americans have that in place now, so why is the Government not prepared to put similar restrictions in place with regard to milk and milk products, especially yoghurt and ice-cream?

This morning I asked the Deputy Minister of Agriculture if he has prepared amendments to the import quota list. He indicated that this was not before the Cabinet presently and he did not even indicate whether or not they would be put forward. He certainly gave the indication that they would not be put before January 2, as requested by the dairy farmers of Canada.

This mass demonstration against the Government will continue. It is reaching a fever pitch in the Province of Quebec, with the UPA presenting the junior Minister of Agriculture with a white rabbit, symbolic of what Canadian farmers got from the deal, compared to a horse which the Americans got from the trade deal. They did not open up their markets and have full quota restrictions on milk products going into the United States. Canada has granted extra quota throughout the dairy industry.

The Acting Speaker (Mr. Paproski): Would the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) please remove his coat?

Mr. Foster: Mr. Speaker, I think the Hon. Member just returned from the farmers' meeting in Quebec yesterday where he saw the junior Minister of Agriculture being pilloried by the UPA representatives.

Essentially, this is an amendment to the changes to the Tariff Act as will be made by the Government and the trade agreement which will commit the Government to making those changes, which could have a devastating impact on dairy farmers. It simply asks that these changes be brought before the House within 60 days.

The same would apply if a tariff were being increased. Once a treaty is signed, the Government is committed.

Mr. McDermid: You said you would tear it up.

Mr. Foster: Rather than the Prime Minister signing the agreement on January 2 and introducing legislation months later, why can those amendments to which the Government will be committed not be brought before the House within 60 days? I do not think the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) would see anything wrong with that. He is a strong believer in the parliamentary system and surely he would want to see tariff and trade-related items brought before the House and approved by the legislative body within 60 days, as proposed in this amendment.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Motions Nos. 2, 3, 5, 6, 7, 9, 10 and 11, which relate to parliamentary approval by either resolution or legislation, were debated together. A vote on Motion No. 2 will apply to Motions Nos. 3, 5, 6, 7, 9, 10 and 11.

The question is on Motion No. 2 standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): Negatived on division?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 4 and 12 will be debated together, with a vote on Motion No. 4 applied to Motion No. 12.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 4.

That Bill C-87, be amended in Clause 32 by striking out lines 13 to 16 at page 10 and substituting the following therefor:

"to sections 23, 27 or 28, the order shall cease to have any force or effect with respect to any period following the sixtieth day after the".

Motion No. 12

That Bill C-87, be amended in Clause 61 by striking out line 3 at page 22 and substituting the following therefor:

"sixtieth day from the day".

He said: Mr. Speaker, I acknowledge to my colleagues that I was a bit confused about the vote that was just taken. Rather than intending to oppose what the Government was doing, I wound up temporarily in error by opposing my own amendment. However, I will vote in the appropriate way when the deferred division is taken.

I think that speaks to the complexity of these tariff matters. It proves that they are well worth considering by Parliament in its role as a place where there should be a certain amount of sober second thought on important matters which can have such far-reaching implications.

Presently, some 2,000 pages are being negotiated in the agreement between Canada and the United States at white-hot speed. Who knows what is happening behind closed doors, and in terms of parliamentary scrutiny, a matter such as this would normally go before a parliamentary committee. The committee and its staff, on behalf of members of different Parties, would be able to study it. There would also be opportunity for the general public to examine it as well. Of course, those things will not occur because of today's news that once again there has been a delay, and the goodwill that existed at the bargaining table seems to have disappeared. The negotiators have gone away feeling sour and sore at each other.

• (1230)

I do not know when we will see the agreement. Certainly, the Government's credibility in suggesting when it will come out is totally shattered. It seems to be an ever receding target as to when this will come out—at Hallowe'en, in mid-November, or on December 1.

Mr. Orlikow: January 1.

Mr. Cassidy: Now it might come out on December 10. Or my colleague, the Hon. Member for Winnipeg North (Mr. Orlikow), suggests that it may not come out until January 1, or even after it is signed.

Let me return to Motions Nos. 4 and 12. Motion No. 4 refers specifically to Clauses 23, 27, and 28. I was a bit surprised when the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) rose and stated that Parliament would obstruct actions taken by Canadian officials, by the Government of Canada, when it came to important trade actions, for example, the need for surtaxes or retaliatory actions in the case of some trade dispute with another country. Surely the Hon. Parliamentary Secretary knows that that is not the case. That is why I indicated to him in interjecting that what he said was *absolument faux*, it was absolutely untrue.

It is not the actions that are being dealt with here, it is the question of the accountability to Parliament. Clause 32 already requires approval by Parliament within 180 days. In other words, the principle of parliamentary accountability is there with respect to changes in the tariffs under Clauses 23, 27, and 28 of the Bill.

That means that if Canada extends or withdraws a most favoured nation tariff to another country for any or all goods—that is covered in Clause 23—that that must now be submitted for approval by Parliament by resolution within 180 days, or it lapses. It means that if Canada extends or withdraws a British preferential tariff to another country for any or for all goods, the Government must get approval from Parliament within 180 days, or else it lapses. It means that if Canada gives to any country that is presently under the British preferential tariff a more favourable treatment—that would be a less developing country, probably in Africa—then there too that is subject to parliamentary approval within 180 days. The principle of accountability to Parliament is an important one. The question referred to in my amendments in Motion Nos. 4 and 12 is simply whether the approval should come within 180 days or within 60 days.

I would argue that, on the basis of what we know about the Government's lack of trustworthiness and its lack of credibility in terms of making promises to Parliament, and through Parliament to the Canadian people, it is incumbent upon us to review the question of whether 180 days is an adequate time, or whether Parliament should not be called upon to act sooner, in other words, in these particular and important clauses and actions, whether the accountability to Parliament should not be tightened up and reaffirmed.

Why is it 60 days? Would that not create a problem if Parliament does not happen to be sitting? The present legislation already covers that. It states that, if Parliament is not sitting within the 180 day period, then the resolution has to be affirmed by Parliament by the fifteenth sitting day after Parliament's return. For example, that might be during an election year. That would in fact apply in the case where we shortened the approval time to 60 days.

The Parliamentary Secretary to the Minister of Finance suggested that this would interfere insufferably with the working of Parliament. I would point out that, under Clauses 23, 27, and 28 those resolutions are already covered by Parliament or are required by Parliament, so there is a form of accountability.

I do not recall these matters ever being treated as anything but routine. Therefore, I would judge that if we decided, for example, to give most favoured nation treatment to Albania, which I believe is now under the general tariffs, or withdraw MFN status from some other country because of a trade dispute, I do not imagine that if it were a routine matter it would take any parliamentary time at all. It would be a resolution passed in a minute or two. If there were some desire to discuss the matter, it could be referred to the Standing Committee on Finance and Economic Affairs or the Standing Committee on External Affairs and International Trade.

The experience in the recent past would indicate that my contention is an accurate one. The problem is that we now have the Government seeking powers in this Bill which would allow it to enter into a fundamental change, a Bill or agreement which would wreak fundamental change in our trading relationship with our largest trading partner. And through the back door, by means of this Bill, whose primary purpose is the harmonized system of tariffs, it is seeking to confirm for itself powers to do this without reference to Parliament. The Government's behaviour is reprehensible, and I believe it should be put on a short leash until it can demonstrate once again that it is worthy of the trust of the Canadian people, and it has some credibility in this particular area.

I heard the Prime Minister (Mr. Mulroney) state in the House yesterday that no negotiations are taking place. But then on television I saw Mr. Murphy—Mr. Reisman went away by the garbage elevator—obviously rather emotional, upset and teed off at the situation, having come away from something which can only be described as a very tense and difficult set of negotiations.

We don't know whether they were negotiating the entire Auto Pact back, or down the drain, or whether they were negotiating in perpetuity that Canadian ship owners and sailors will never be able to serve American ports because of a perpetuation of the powers of the present Jones Act. But what I do know is that the issues must be pretty darned important that we got to 98 per cent of the deal being put into text some three or four weeks ago, and have gone no further than 1.5 per cent in the ensuing three or four weeks. This is where accountability comes in. In such a matter as the Canada-U.S. trade agreement, which goes far beyond the routine, parliamentary accountability begins to have an impact.

I would draw to your attention as an analogy, Mr. Speaker, the situation that prevails with the new procedure about the reference of nominees to Order in Council appointments to the relevant standing committees of the House of Commons. The analogy is not perfect, because there is no power for the committees to actually confirm or refuse to confirm those appointments. Nonetheless, those appointments are referred to the relevant committee, and they lie on the table in that committee for a period of some three or four weeks or some shorter period, and the committees have the power, and I think it is accepted that the majority will not be used to stop that, actually to consider those appointments and whether or not they are appropriate.

One of the reasons that that procedure came in was to ensure or seek to ensure that political favouritism and patronage would not be the governing principle in making important Order in Council appointments.

Last night I had a few minutes in my office and I was going through my desk and came across a list of approximately 10 appointments referred to the Standing Committee on Finance and Economic Affairs. There were appointments to the Canada Development Investment Corporation of a Deputy Superintendent of Financial Institutions, and to Canada's associate or alternate Governor to the International Monetary Fund.

I looked through the biographies appended and the people appeared to be able. One was an East Indian Canadian who came from Uganda in 1972. It is noteworthy that someone who settled in this country should, in 15 years, have achieved the stature and respect in the community that he would be appointed to the Canada Development Investment Corporation. There were three able women appointed to different positions, something that I welcome. I made a note to my staff simply to say that I do not think we need to worry about these ones, and we do not need to call those people before the committee.

Likewise, the same applies to the power of resolutions. Normally those matters will not require any parliamentary time. But where the situations are abnormal, such as in the Canada-U.S. trade agreement, and where we are kept in the dark while vital decisions affecting every Canadian are made behind closed doors, under that situation, we have to reaffirm the principle of parliamentary accountability.

In Motions Nos. 4 and 12, which cover a broad range of tariff-making powers and of different trade and tariff status given to different countries around the world, we are saying that these should come before Parliament for resolution within 60 days rather than within 180 days, bearing in mind that when Parliament is not sitting it would be the fifteenth sitting day after Parliament resumed.

• (1240)

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I support the position taken by the Hon. Member for Ottawa Centre (Mr. Cassidy). As he indicated, and as I said a while ago, we are not dealing with a normal situation. We are not dealing with a time when these changes in tariffs were fairly routine or when a great deal of discretion was left to the Government to change the schedules by Order in Council with little discussion in Parliament. It is our contention that the free trade agreement between Canada and the United States has changed the situation in a very fundamental way. For a few moments I will continue with the points I was trying to make with regard to how that changes the situation for Canadian farmers.

When Mr. Reisman said that agriculture was not affected because supply management and marketing boards were not mentioned, I meant it when I said that in my view and in the view of many farmers he was, to say the least, not telling the whole story. He was, to say the least, shading the truth. While supply management and marketing boards are not mentioned, the fact is that another part of the agreement removes the tariffs which Canada has traditionally put on processed foods.

Our chicken, turkey, egg, and other dairy producers operate under a supply management system through marketing boards. They are guaranteed, in return for agreeing to produce within a quota system, a price for their products which permits them to continue. It gives them the ability to continue. American producers do not have that system. Because American producers of chicken, turkey, and eggs have better weather, a larger market, subsidies for grain, and so on, they can sell their product cheaper than can Canadian producers. Their chickens, turkeys, and eggs can be processed into TV dinners, chicken pot pies, and chicken fingers for shipment to Canada and sold at a cheaper price than Canadian products.

I have checked that assertion or claim with leaders of the marketing boards in Manitoba and with the leaders of Keystone Agriculture, who are very cautious, conservative, good business types. I have also checked it with senior economists in the University of Manitoba Faculty of Agriculture. They agree with my description of how the system will work after the free trade agreement is signed. It is just one illustration of the importance of the agreement and the absolute necessity for Canadians to know what is in it.

I think it is ominous that we are in December and we still do not have the text of the agreement which was signed and announced with such fanfare and joy by the Prime Minister (Mr. Mulroney) in October. A couple of days ago we received a circular telling us that we could have the various documents when they were available. We are talking about hundreds of pages, perhaps several thousands of them. They will be very detailed, technical documents. How can Canadians, who will either benefit or be affected adversely, judge what will be the effect on them when they do not have the relevant documents?

I talked about the effect it would have on some farmers. Despite the fact that the Americans signed an agreement back in October, they are apparently insisting that the protection of their shipping industry under the Jones Act—and it has been given a great deal of protection against shipping industries of all other countries—shall continue. Talk about government procurement. They have innumerable laws which protect American companies and corporations in the area of procurement by the federal Government of the United States and by state Governments.

As far as we know, there is nothing in the agreement which will restrict their rights. I am told that when American negotiators were challenged on this point, they made very clear that they had no legal authority to restrict the ability of American states or American cities to adopt procurement laws and regulations which give advantages to American producers.

One criticism of Canadian practices which was discussed—and we were made to look bad, as if the things we were doing were improper and immoral—was the assistance given by the Conservative Government and by the Government of Quebec to General Motors to modernize and upgrade its plant at Ste. Thérèse. Somehow we were doing something that was improper. However, there has not been a new automobile plant built in the United States in the last four years or five years that has not been built with a contribution of hundreds of millions of dollars by the state or city in which it was built.

Mr. McDermid: So? What is the point?

Mr. Orlikow: The Parliamentary Secretary asks, "What is the point?" The point is a precise one, and I wish the Parliamentary Secretary would take the opportunity to deal with it. We are being criticized by the Americans for our regional development policies and told that we must change those policies—

Mr. McDermid: They have their own.

Mr. Orlikow: Exactly.

Mr. McDermid: They cannot touch ours.

Mr. Orlikow: I have yet to hear the Prime Minister, the Minister for International Trade (Miss Carney), the Minister of Finance (Mr. Wilson), or the Parliamentary Secretary say publicly in Canada to the American Congress, to the American negotiators, or to the American people: "Look, you are asking us to change our regional development policies. You have the same kinds of policies and you have to change yours".

I challenge the Parliamentary Secretary to put on record one statement which he or any other government representative has made that criticized or challenged the Americans on the basis of the fact that they are doing precisely what they are calling on us to stop doing. I see my time is up, Mr. Speaker.

• (1250)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, this debate today is on amendments to the customs Bill. The Liberals and the New Democrats, the socialists, are trying to turn it into a free trade debate.

Mr. Orlikow: It is.

Mr. McDermid: An entire couple of days have been spent discussing the free trade issue. I would dearly love to get into this debate but it is not a free trade debate.

Mr. Orlikow: Go ahead.

Mr. McDermid: The Hon. Member challenged me about whether we ever made a public statement on regional disparities, subsidies and so on that has taken place in the United States. Certainly, that is what the entire negotiations were about. When the Americans said, "Well you do this, this and this", Mr. Reisman and the people in the trade negotiation office were able to go right back and say, "Yes. But you do this, this and this."

Mr. Orlikow: Publicly?

Mr. McDermid: That is what negotiations are all about.

Mr. Orlikow: They say it publicly, we do not.

Mr. McDermid: Yesterday in the House I said—this is pretty public because it was Question Period—as reported in Hansard at page 11402:

> It may come as a surprise to the Hon. Member to know that when we were negotiating the free trade agreement, lo and behold, the Americans had some subsidies as well that they did not want to give up.

That was in the House yesterday. The Member challenged me to point out where it was said publicly and I have just pointed it out to him.

Mr. Orlikow: Once.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on debate.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I would willingly defer to the Parliamentary Secretary, but since I am being invited to speak to this amendment I will gladly do so. This is an amendment to clause 32 of an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity System, and so forth. I will spare you the long title of the Bill.

Mr. Speaker, clause 22 has to do with the accountability of the Government or the public administration and Parliament. This clause relates particularly to the ratification of any resolution or any decision under which certain imported goods would be subject to duties.

[*English*]

The purpose of the amendment, if I understand it properly, is to cut from 180 days, which is I think the present situation, to 60 days the time government orders relative to tariffs can have effect before they require ratification by a resolution of Parliament. These deal with accountability. It does not deal—and I agree with the Parliamentary Secretary—with anything to do with the present Canada-U.S. relations in regard to free trade or the so-called Mulroney—Reagan trade deal. It does deal with accountability. That is why I stand up, because I think over the years I have made the point that we should receive from Governments, on a regular basis, accountable reports as to how Ministers run the country.

[*Translation*]

Under the proposed amendment, Mr. Speaker, the Government would have only 60 instead of 180 days, and we suggest this would make for stricter control, better accountability, greater participation of the House in the administration of the country, and would provide Hon. Members with an opportunity to become familiar with a very complicated process.

[*English*]

Clause 23 allows the Government to extend or withdraw what was called most-favoured-nation tariffs. These tariffs are applied to any goods that originate in a country to which the general tariff applies. Normally it is set at about 35 per cent, which is a pretty high tariff. It applies to few countries that do not have essentially a very important trading relationship with Canada. The 35 per cent rate of tariff is so punitive that very few goods can get into Canada. Therefore, in order to gain access, these countries must negotiate for most-favoured-nations status for the goods they wish to sell in Canada or, alternatively, give Canada some reciprocal concessions. Hence this section does not deal strictly with the Canada—U.S. free trade negotiations. Nonetheless it permits the principle of parliamentary accountability to be argued.

I believe strongly that this is a well intentioned amendment. It is one that I think is done in the spirit of trying to get the Government to be more responsive to Parliament. I think it is what one might call a friendly amendment in trying to get parliamentarians more interested and, possibly through them, the public more involved in deciding what will happen with our tariffs and how we exclude or allow certain goods to be imported into this country.

[*Translation*]

Mr. Speaker, this proposition is supported by another amendment, amendment No. 12, and if I got it right amendments Nos. 4 and 12 are being debated together. Amendment No. 12 deals with another subject. It reads as follows:

> That Bill C-87, be amended in Clause 61 by striking out line 3 at page 22 and substituting the following therefor:
>
> "sixtieth day from the day"

It is almost Greek to me. If we read this in the context of the amendment it is difficult to understand, so during the few

minutes I have left I will try to find the page and the clause involved so as to put all this in simpler terms.

Clause—

[*English*]

The Acting Speaker (Mr. Paproski): Maybe the Hon. Member will find it after one o'clock.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON FISHING INDUSTRY

Mr. George Henderson (Egmont): Mr. Speaker, the Conservative Government has called the Prime Minister's (Mr. Mulroney) trade deal a panacea for our fishing industry. The facts tell a different story. The industry did not get unfettered access to the United States, by far our most important market. The American fish lobby is alive and kicking, and our industry still faces the threat of future action under American trade remedy laws. The *status quo* remains.

The Fisheries Council of Canada says there has been no change. Some spokesmen have said the trade deal gives us enhanced *status quo*. When the dissatisfaction with the *status quo* is enough to cause this deal, then I question the merits of "enhanced *status quo*". The recent embargo on our fresh fish exports is ample proof that the trade deal has no protection.

Little wonder then that the Government is playing games with fishing groups appearing before the parliamentary committee studying the Canada-U.S. free trade deal. Yesterday, in Charlottetown, Walter Bruce, President of the Prince Edward Island Fishermen's Association, accused the Tory majority on the committee, in the absence of the final deal, of trying to manipulate organizations such as his into a position where it would appear they are in support of this free trade deal. Mr. Bruce called it "sleazy political manoeuvring". These hearings are an absolute sham, and I am sure Canadians will not be misled by such a charade.

S. O. 21

WILDLIFE

ALBERTA WILDERNESS ASSOCIATION—CONCERN FOR KANANASKIS MOOSE AND ELK

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Alberta Wilderness Association has launched a court action against the Alberta Government to stop it from keeping open this winter a section of Highway 40 south of Mount Allan. Highway 40 runs through the Highwood Pass, a wintering area for elk and moose, and has always been closed to traffic after December 1. According to Diane Pachal, Executive Director of the AWA, there are no other areas for the moose and elk to go because a substantial area of wilderness habitat has been lost through development of Kananaskis country. The traffic will scare the elk and moose away, and in addition the highway could provide access for poachers.

Wildlife should not be put at risk because of the Olympics. We urge the Minister of the Environment (Mr. McMillan) and the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) to intervene and direct the Olympic Transportation Group to develop a traffic plan that will not require keeping Highway 40 open this winter through the Highwood Pass area. This is the least that must be done to protect the moose and elk of the Kananaskis.

* * *

NORTHERN AFFAIRS

INUIT CIRCUM-POLAR CONFERENCES—POSSIBLE PARTICIPATION OF INUIT FROM U.S.S.R.

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, much comment has been made recently regarding the demilitarization of the Arctic. Overtures made by the Soviet Union to ensure no military build-up there are commendable. However, let us remember that Canada does not now have the capability to navigate its Arctic waters, both through and under the ice, for most of the year.

I would also like to point out that there has recently been co-operation in the polar sciences as shown by the exchange of experts between the U.S.S.R. and Canada.

As well, it is my understanding that the U.S.S.R. may in future allow its Inuit to attend the Inuit Cirum-Polar conferences. The Inuit of Canada, Greenland and Alaska will be pleased to hear of this, but must exercise extreme diplomacy in ensuring that they do not become involved in the fruitless ideological debate that can result from living under different political systems.

S. O. 21

CAPE BRETON DEVELOPMENT CORPORATION

RETENTION OF INDUSTRIAL DEVELOPMENT DIVISION URGED

Mr. Rod Murphy (Churchill): Mr. Speaker, the people of Cape Breton Island have been hearing rumours for some time that the Government plans to disband the Industrial Development Division of the Cape Breton Development Corporation. Such a move would be a terrible mistake.

The division has played an important role in helping diversify the economy of Cape Breton. That is why the 250 people who attended a meeting on Tuesday night in Sydney unanimously passed a motion calling on the Government not to scrap the division. Employers who attended the meeting acknowledged that without the division they might never have come to Cape Breton. Mayor David MacDonald of North Sydney called it "the vital component for the continuing search for success in Cape Breton".

The role of the IDD should be increased, not ended. Its work cannot be shifted to Enterprise Cape Breton. That body has too narrow a mandate for the job. I urge the Government to follow the wishes of the people of that island and retain a body which has done so much to help Cape Breton.

* * *

[*Translation*]

MULTICULTURALISM

LEGAL STATUS OF MULTICULTURALISM

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister responsible for Multiculturalism): Mr. Speaker, on Tuesday, December 1st, Canadians witnessed the implementation of yet another promise made by the Conservative Government with the introduction of the Bill on Multiculturalism, as promised by our Prime Minister in 1984, as well as the creation of a Parliamentary Committee on Multiculturalism.

This legislation reaffirms the freedom already enjoyed by Canadians from all ethnic origins, to maintain, improve and share our cultural heritage. It acknowledges that all Canadians are equal partners.

To those who want a separate department, I will say: "Beware lest you create a multicultural ghetto!" To those who want a commissioner for multiculturalism, I will say: "Beware of sterile duplication!" The Human Rights Commission as well as the Parliamentary Committee on Multiculturalism already are adequately filling the bill.

To conclude, multiculturalism affects all Canadians and promotes harmony and stability in this country. I take pride in being a citizen of the first country in the world to pass a legislation on multiculturalism.

December 1st, Mr. Speaker, was not a symbolic but an historic day.

Well done and thank you Canada!

* * *

SHIPBUILDING

NEED FOR GOVERNMENT TO AWARD CONTRACTS IN QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today, another 450 workers from the yards at Lauzon near Quebec City have come to ask for work. Last week they came from Halifax, and the week before they came from Vickers in Montreal.

Mr. Speaker, workers from the Davie Yard at Lauzon, Quebec, want two frigates to go to Lauzon near Quebec City.

My advice to the Conservatives is as follows: This Government must award shipbuilding contracts to yards in the Maritimes and Quebec. If Quebec yards are not going to build frigates, they must have other work because these are very skilled workers.

* * *

[*English*]

ENERGY

FEDERAL INITIATIVES TO ASSIST ECONOMY OF ALBERTA

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the Alberta economy will resume real growth this year, and expansion will continue in 1988. A 1 per cent increase is forecast by the Investment Dealers Association of Canada in its November report.

In 1985 this Government removed the Liberal National Energy Program which devastated the west. In 1986 this Government removed the unilaterally imposed federal Petroleum Gas Revenue Tax which raped Alberta of $56 billion. When world energy prices fell, we implemented the Canadian Exploration and Development Incentive Program to assist small and medium-sized producers.

These federal initiatives, provincial royalty holidays, and drilling incentives, plus the recent stability of crude oil prices, have renewed investor confidence. Three times as many oil rigs are working today compared to one year ago. Deliveries of natural gas are expected to increase.

Livestock producers have benefited from higher cattle, hog and milk prices, plus lower feed and oil prices. Calgary is hosting the 1988 Winter Olympic Games which will contribute as much as $800 million and 19,000 person-years of employment in Alberta.

Free trade provides an even brighter future. We must secure our export markets. The red meat, petrochemical and petroleum industries in Alberta all support free trade. The prospects for Alberta look excellent and will contribute to the well-being of this whole country.

* * *

[*Translation*]

FREE TRADE

POSITION OF NEW DEMOCRATIC PARTY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, Canadians would like to know the Liberal Party's position on the Mulroney-Reagan Trade Agreement.

On October 26 this year, the Leader of the Opposition (Mr. Turner) said in the House and I quote: "We will not live with it." He also said: "We are going to tear the deal up".

After two years of hesitation, many people thought the Liberals were finally going to deal with an issue that is so fundamental to the future of our country. Unfortunately, they were wrong.

Last Monday, the Leader of the Opposition told the newspaper *La Presse* that he was in favour of the principle of free trade and would like to reopen negotiations with the Americans to improve some of the terms of the Agreement.

Does the Leader of the Opposition really believe the Americans will make concessions to Canada, once the Agreement has been signed, sealed and delivered? And does he believe that a few superficial changes can nullify an agreement that is fundamentally bad and that challenges our sovereignty?

Clearly, the Leader of the Opposition has no intention of providing any serious opposition to the Free Trade Agreement. He is clearly in favour of a bilateral trade agreement with the United States and can hardly claim otherwise.

The Leader of the Official Opposition is a continentalist who has come out of the closet. Only the Members of the NDP are truly in a position to oppose a trade agreement that is an outright betrayal of Canadian interests and Canadian autonomy.

* * *

• (1410)

[*English*]

CANADA PENSION PLAN

PROPOSED PENSIONS FOR HOMEMAKERS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the Government recognizes the value of work done in the home and the contribution which homemakers make to society. Homemakers need better protection under our pension system and the Government is committed to finding a way of providing this.

In its recent report "Building Benefits for Homemakers" the Canada Pension Plan Advisory Board re-examines its previous "deemed earnings" approach in which it now finds inconsistencies related to the "earnings-benefit" link. The Board now favours a system of annual credit splitting between spouses.

The Minister of National Health and Welfare (Mr. Epp) has described the report as timely and valuable, and it will certainly contribute to a better understanding of this very complex problem.

* * *

CHILD CARE

NATIONAL STRATEGY—UNDERFUNDING OF NATIVE CHILD CARE AGENCIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the federal Government's national strategy on child care, which was announced today, fails to give sufficient recognition to the priority needs of native families and children.

Across the country over the past few years First Nations have assumed the responsibility for delivering child care and child welfare services. However, their ability to provide these services comparable to non-native agencies has been hampered due to underfunding by the federal Government. The strategy announced today does not respond to the serious underfunding problems of native child care agencies.

In Manitoba, for example, negotiations on a renewed child welfare agreement have yet to take place. I remind the Government that the 1983 unanimous report of the Special Committee on Indian Self-Government identified child welfare as a critical area for Indian control.

The responsibility, ability, and jurisdiction of Indian Governments and their agencies to provide quality child care and child welfare services on a par with other Governments must be recognized and adequately assisted by the federal Government.

* * *

NATIONAL FILM BOARD

BILLY BISHOP, V.C.—PETITION SEEKING WITHDRAWAL OF DEROGATORY FILM

Mr. Stan Graham (Kootenay East—Revelstoke): Mr. Speaker, further to the ongoing saga of Billy Bishop, holder of the Victoria Cross, Distinguished Service Order, Military Cross, Distinguished Flying Cross, Croix de guerre, and a host

of other honours, I would like the House and his character assassins at the National Film Board to be aware of the fact that as of November 27 of this year there had been received on Parliament Hill 16,365 names on a petition asking that the film "The Kid Who Couldn't Miss" be removed from circulation.

In addition, there have been representations from various organizations representing 57,312 Canadians who still believe that Billy Bishop is a national hero, even if the National Film Board does not.

* * *

CHILD CARE

NATIONAL STRATEGY—OMISSION OF REFERENCE TO PARENTAL LEAVE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, today the Minister of National Health and Welfare (Mr. Epp) tabled his report on child care. It is unfortunate that that child care report mentions not a word about parental leave even though witness after witness appearing before the Special Committee on Child Care recommended it. In fact, one of the recommendations of the Special Committee was on parental leave.

There is not so much as a whisper or a tittle in the report about parental leave. This does not provide parents with any flexibility in meeting their child care needs. It is a blot on the escutcheon of Parliament that the Government has refused to respond to an obvious need, namely, parental leave, under the child care program.

* * *

AWARDS AND DECORATIONS

BISHOP CROWLEY AWARD WINNER SISTER MARGOT POWER

Hon. Bob Layton (Lachine): Mr. Speaker, every year the English-speaking Catholic community in Montreal unites to review its accomplishments and commitments in our city. The occasion becomes the more special because, in the name of Bishop Crowley, leadership is cited and acknowledged.

At the Bishop Crowley Awards Night last Tuesday, following an exhibition under the theme "Crossroads, Where We Meet", and a musical and dance review put on by the students of the D'Arcy McGee and Pierrefonds Comprehensive High Schools, the awards committee announced that Sister Margot Power had been elected for the Bishop Crowley Award.

Sister Margot, best known for her role as principal, teacher, and friend to the students of Sacred Heart School, was also Superior of her Order from 1965 to 1973. After her official retirement Sister Margot became an advocate for the underprivileged in the lower section of Montreal and helped many to understand their rights under social legislation.

For her work as a teacher, for her leadership, and for her witness to love in a very real world, we salute Sister Margot's extraordinary contribution. She sets an example for all of us.

* * *

[*Translation*]

SHIPYARDS

CONSTRUCTION OF FRIGATES—AWARDING OF CONTRACTS—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, why is the Government putting off its decision about awarding the frigate contract? Why is it not making other decisions which could provide work for the other Quebec shipyards?

Mr. Speaker, we know that the Government has had the figures for quite a while, but it is still reluctant to make a decision, and this creates conflicts between the regions. The more we wait, the more tension there is.

We also know that the price of St. John's Shipyard is closed until the end the December, after which the negotiations will have to be reopened.

Mr. Speaker, is this what the Government really intends, to reopen the contract and create even more tension between the regions?

* * *

CANADA POST CORPORATION

ALLEGED DISCRIMINATION CREATED BY GOVERNMENT

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Canada Post is closing rural post offices and installing superboxes for new residential projects, thus creating second class citizens.

At the same time, the Minister responsible for the Canada Post Corporation is allowing an increase of up to 42 per cent in postal rates while denying home delivery service and rural post offices to thousands of Canadians.

Mr. Speaker, this Government does not believe that Canadians are entitled to equal services for equal prices.

How can Canadians be asked to pay the same price for stamps while denying some of them services that other Canadians have always enjoyed?

This Governement is creating discrimination among Canadians.

ORAL QUESTION PERIOD

[*Translation*]

DAY CARE

REQUEST FOR CLARIFICATION OF FUNDS GOVERNMENT INTENDS TO ALLOT TO DAY CARE SYSTEM

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is for the Minister of National Health and Welfare.

Based on the rate of increase in the amounts allocated to daycare centres, which is 22 per cent a year, the federal Government would have spent $5.1 billion over the next seven years without the program announced this morning.

The Government has announced today that it will invest $5.4 bilion of new funds in child care.

Mr. Speaker, this is a gross distortion of the facts. The Government will invest only $250 million, or $35 million a year.

I would like the Minister to tell us why the Government says that it will invest $5.4 billion in new funds when the fact is that it would have spent about the same amount without this program.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has come forward with a massive expansion of subsidized child care. At present about half of the 220,000 spaces in Canada are subsidized. The program brings in 200,000 additional subsidized spaces over seven years.

• (1420)

I will try to be as kind as I might, but the Hon. Member should realize that what we are spending as a Government of Canada on child care per year right now is $140 million. If she looks at $140 million a year times the seven years, it gives her about $1 billion. If she takes that $1 billion against the $5.4 billion, she will find it is an increase of $4.4 billion over seven years.

The Hon. Member is also wrong in that she has to add an additional $1.7 billion annually which is in child tax credits and which is in income deductions allowed by the Minister of Finance. Once the Hon. Member puts all those figures together she will find, for example, that there is in fact a 400 per cent increase rather than a reduction.

Mrs. Pépin: It's a shell game.

[*Translation*]

QUERY WHY PRIME MINISTER BROKE PROMISE ABOUT MAJOR DAY CARE SERVICES PLAN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Prime Minister. He had promised us a major day care services plan. He broke his promise. With the program unveiled this morning by the Minister of National Health and Welfare, 1.8 million children will have no place in day care centres.

Mr. Speaker, I would like the Prime Minister to tell us what he intends to do for these children, for this million children who will have no place, and why he broke the promise he had made to the parents of these children?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Prime Minister has fulfilled his promises to the children of Canada. The Prime Minister has fulfilled his promises to the families of Canada. Again, I do not mind a good debate, but I wish the Hon. Member would look into the exact figures.

First, she talks about 1.9 million children. She is taking for granted, as did other researchers, including Katie Cooke, that every family, every parent wants their children in child care. That is not the case. What we came in with was a choice, a choice to expand the spaces. It is a choice to increase into capitalization, 75 per cent—25 per cent, which never existed, and her Government did not even think about. In all the years it was around, it only used CAP.

Not only are we bringing in subsidization on the spaces, but also on the operating, the initiatives fund, and an increase of families who can afford to keep their children at home. I say to the Hon. Member that, when I analysed the Liberal paper, I found we went way beyond anything that Party was going to do in opposition and, generally, it used irresponsibility even along those lines.

SCOPE OF PLAN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is again directed to the Prime Minister. Nearly two million children will still not have proper child care. There are no tax breaks for the people who cannot afford child care. For those parents lucky enough to find child care for their children, there is no national standard of quality that we demand for our children.

Why is the Prime Minister content with a plan that will take seventy years to solve the day care problem of 1987? Why is he content with that plan?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member puts the very same question in English. She again bases her argument on the fact that every parent and every family wants to be fitted into one mould of child care. That is not the case. That is the first point.

Second, if she takes a look at the number of spaces in Canada, 220,000 spaces, of which half are subsidized by the Government of Canada, she will find that not only are we now on a 75 per cent—25 per cent basis helping on the capital side, but also on the subsidy side. The other point that is so interesting is that the provinces, which also want to expand the child care system, thought, both last night and when they looked

again at it this morning, that it is an excellent program. They know and we know this is an excellent day for women, families, and especially children.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—TIMETABLE FOR PRODUCING FINAL TEXT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. Last October when the trade agreement with the Americans was signed, the Prime Minister and his Minister said there were just a few small legal points that needed clearing up. Last night when the talks broke off, Mr. Murphy, the chief U.S. negotiator, was reported as saying: "Hopefully, we can come up with a decent deal". I thought there was a deal made two months ago, so I have to ask the Prime Minister what is the timetable the Government now has for this very critical economic document?

Will there be a final text before the committee of the Commons has completed its hearings next week? Will there be a final text before the Prime Minister signs an agreement on January 2?

Are we going to ask Santa Claus to come down the chimney with a deal as part of a Christmas present? What are we waiting for? What is the hold-up? Will the Prime Minister please explain to this Parliament and to the country what is going on with this document? And why have the talks broken down?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we had a good deal on October 4 and we have a good deal today. We are in the process of translating that into a legal text. Just as quickly as the legal text is available, we will make it available to my hon. friend.

As we have indicated many times, contrary to the tradition of the Liberal Government in dealing with important commercial transactions, there will be ample opportunity for all Members of the House of Commons to debate and consider this matter in a very exhaustive way. So my hon. friend, if he is just a little more patient, will no doubt have a final text and no doubt, given the spirit of fairness which has motivated him throughout, he will want to read it carefully and decide whether he is in favour or against.

REQUEST THAT SIGNING OF AGREEMENT BE DELAYED

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would be more than pleased to have the opportunity to read it. I am not just sure if there will be anything to read before the Minister signs the deal. That is the question we want to ask the Prime Minister.

Does he really think it is fair and proper to go ahead and sign an agreement on January 2 when we do not yet even have the final text, and when there is no apparent timetable to have a text before the agreement is even signed? Does he not think it would be proper for him to be in contact with the President of the United States to ask for a delay in the signing of the agreement for at least another month or two months so that the Canadian House of Commons will have an opportunity to read and review that document properly, and the Canadian people in all the sectors throughout this country who will be affected will have the same opportunity?

Is it not in the principle of fairness that the Prime Minister should delay his proposed plans to go to the California ranch and sign this deal, so that Canadians can have a chance to participate fully as is proper under a democratic system?

Right Hon. Brian Mulroney (Prime Minister): With respect, Mr. Speaker, January 2 is a day of no great significance to Canadians or to the House of Commons.

Mr. Broadbent: Right!

Mr. Tobin: Right on!

Some Hon. Members: Hear, hear!

Mr. Mulroney: This is a date of some significance in American legislation. The Government of Canada will do what it has to do with regard to an international trade treaty when it is fully satisfied that that treaty is completely consistent with the objectives and the agreements of October 3 and October 4. That is the manner and the time frame during which that will take place, not a minute before and not a minute after.

* * *

CHILD CARE

NATIONAL STRATEGY—CREATION OF CHILD CARE SPACES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. His Government has allocated $5.4 billion for a child care program which promises only to double the number of services for young children within seven years. Yet child care spaces doubled between 1974 and 1980 and again between 1980 and 1986. Does the Prime Minister really think that a program that merely stabilizes, or even reduces the rate of growth of child care, is what Canadian families have been waiting for since the Prime Minister made his strong promises of action in 1984?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is again using figures that are not correct, and I want to explain them to her.

Mr. Blackburn (Brant): Oh, thanks a lot, Teach.

Ms. Mitchell: I can read, thank you.

Mr. Epp (Provencher): I thought you might like that. If the Hon. Member takes a look at the doubling of spaces in the period mentioned by the Hon. Member, she will find that what she is looking at is a doubling of spaces in total, subsidized and non-subsidized. When we take a look at the 220,000 spaces now in place, we find that approximately half of those spaces are subsidized. The 220,000 additional spaces over seven years are an increase from roughly 100,000 subsidized spaces to 300,000 subsidized spaces. That is the extra commitment of the federal and provincial Governments.

• (1430)

In addition to that there is always the possibility and likelihood, as I believe will happen, that other additional spaces not subsidized will be created in exactly the kind of period and configuration, even if you look over the last two years. The point I am making to the Hon. Member is not to mix up subsidized and non-subsidized.

Right now there are 100,000 spaces on the subsidized side, and we are moving to 300,000 in seven years.

Ms. Mitchell: Thank you for the arithmetic lesson, but the Minister is not very sharp if he does not know that 200,000 spaces will not meet the needs of Canadian families.

CHILD TAX CREDITS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, with deindexation of family allowances and child tax credits the federal Government will have removed from families the amount of $1.5 billion per year by the year 1991.

Will the Minister acknowledge that even with this child care program in place, families will still lose over $500 million a year which his Government has taken from families? What kind of fairness is this for Canadian families?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government of Canada is roughly doubling the spaces in seven years. I have given you the subsidized figure and you might as well accept it because that is the way it is.

Some Hon. Members: Order.

Mr. Epp (Provencher): I apologize, Mr. Speaker. The Hon. Member should recognize that presently the Government of Canada is paying $1.7 billion to families, which will be increased by another $2.3 billion over seven years. You have to add that, $1.7 billion and $2.3 billion.

She should also remember that in this whole program, $4.4 billion of the $5.4 billion is new money, federal plus provincial. That is a massive increase in this area.

If she believes that somehow there should be additional money within the capacity of the Government and taxpayers of Canada and that we should use only the one model which she has always used, I suggest to her that parents in Canada do not accept that.

* * *

[*Translation*]

CONFLICTS OF INTEREST

PRIME MINISTER'S POSITION ON STEVENS AFFAIR

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister and has to do with the conflict of interest guidelines. On September 9, 1985, the Prime Minister wrote Hon. Members, and I quote: "—the ultimate responsibility for the ethical standards of the federal government rests with the Cabinet and, more particularly, with me." In light of today's media reports that the former Minister of Regional Industrial Expansion allegedly breached the conflict of interest rules on 14 occasions, is the Prime Minister now prepared to admit that he did neglect his duty by failing to ensure compliance with the conflict of interest guidelines and, in addition, can he tell Canadian taxpayers that they will immediately be reimbursed the $650,000 they paid in lawyers' fees? Is he prepared to promise to do that?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, rather than rely on media reports, the Parker Commission Report will be tabled at three o'clock or thereabouts. The Hon. Member will be able to read it—

Mr. Clark (Yellowhead): Don't be too sure of that.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —after which there will be a statement released by the Prime Minister in response to it.

Mr. Speaker: The Hon. Member for York South—Weston on a supplementary.

PAYMENT OF FORMER MINISTER'S LEGAL FEES

Mr. John Nunziata (York South—Weston): Mr. Speaker, my supplementary question is directed to the Prime Minister. After the Minister's resignation, the Prime Minister said: "It is my belief that Mr. Stevens will be fully vindicated and will return to Cabinet where he has served with such distinction and competence". Based on that belief, the Prime Minister approved of the payment of the former Minister's legal fees in the total amount of $650,000.

In view of the fact that the Parker Inquiry has found the former Minister guilty on 14 counts of breaching the conflict of interest guidelines, will the Prime Minister explain to the people of Canada why the taxpayers of Canada should be paying the former Minister's legal fees?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, it would be a breach of the traditions of the House to respond to that question. The report will be tabled at three o'clock. There will be lots of opportunity for questions and debate after that.

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TRADE

CANADA-UNITED STATES TRADE AGREEMENT—DISPUTE SETTLEMENT MECHANISM—MARITIME TRANSPORTATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Despite what Mr. Ritchie and Ambassador Reisman said yesterday, the Prime Minister denied that the two countries are now renegotiating the trade agreement.

Considering that Mr. Murphy, the trade negotiator for the United States, repeated today that negotiations are now taking place and he is hoping to get a new deal, is the Prime Minister prepared to be frank with Canadians and say that negotiations have once again resumed on something we thought was settled? More specifically, will he confirm to the House that they are bogged down on two specifics, changes the Americans want in the dispute settlement mechanism on the one hand and changes in the agreement as it affects maritime transportation on the other?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I stand by the statement and the explanation which I gave my hon. friend yesterday in regard to the status of the discussions. I refer the Leader of the New Democratic Party to a statement to Canadian Press this morning by Ambassador Clayton Yeutter who said that continuing problems in drafting the final text of a trade deal should not jeopardize the accord. He made clear that Peter Murphy has no mandate to negotiate substantive changes in the deal and he expects the final text to mirror the deal reached early last month. That is exactly our position as well.

Mr. Broadbent: If the Prime Minister read further he would have discovered that Mr. Yeutter also added that he hopes the deal is still there.

WORDING OF AGREEMENT—REQUEST FOR ASSURANCES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my understanding of that wording is exactly what Mr. Reisman, Mr. Murphy and Mr. Ritchie have been candid enough to say, that there has been a reopening of the substance of this deal. All Canadians understand that, whether or not the Prime Minister wants to agree in public.

If the Prime Minister is going to stick to what he is saying, that there is no negotiation on substance now, will he give us the assurance that there will be no change in the wording as it pertains to the dispute settlement mechanism and substance, and as it pertains to maritime transportation? Furthermore, as it is two months today since the Government of Canada was cornered into the last bad deal it made, will he give us assurances that no Canadian politicians will be going to Washington in the next 48 hours to confirm once again a bad deal for Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the NDP asks whether we can confirm the reopening of the substance of the deal, as he asserts. That has been formally denied by the American administration and by the Government of Canada. I hope that would satisfy my hon. friend.

He asks me to read a little further. Ambassador Yeutter, who is responsible for international trade policy for the Government of the United States of America, said this morning: "Simply because there are differences in the drafting process does not mean that the agreement is in any way jeopardized". He also said: "Ambassador Peter Murphy has no mandate to negotiate substantive changes in the deal".

I know that my hon. friend has reluctance in accepting Canadian explanations and has been dealing mostly with American news. Perhaps he will endorse the view of his American friends.

Mr. Broadbent: I know that the Prime Minister is always meticulous about his use of words. He will have noted that Mr. Yeutter said that Mr. Murphy has no mandate to negotiate change. Of course, if any final change is made it must be agreed to by the responsible politicians on both sides of the border.

REQUEST THAT PRIME MINISTER GIVE GUARANTEE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if the Prime Minister is telling us that there will be no substantive change, will he guarantee that there will be no change in what has already been agreed to on maritime transportation and the dispute settlement mechanism? If he offers that unequivocal guarantee then we on this side will be prepared—dare I say it—to accept what he says in relation to that. Will he give us the guarantee that there will be no substantive change? If he does, then we will be in a position to verify it when we see the final words.

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we know full well that we have not the slightest opportunity or capacity of persuading my hon. friend to endorse a free trade agreement, notwithstanding—

Mr. Broadbent: Not endorse.

Mr. Mulroney: —notwithstanding the tremendous benefits that it has brought to regions of this country, including, for example, his own riding which has benefited greatly from

foreign investment, from free trade in the Auto Pact, and from liberalized trade.

Mr. Broadbent: Just be honest for once. I thought we were talking about free trade.

Mr. Mulroney: He is opposed to it for Canada, but he wants it for his own riding.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, with the usual solicitude and concern that my hon. friend says he has for the truth, I refer him, inasmuch as he asked me and Members of the House to deal with Mr. Yeutter's statement, I refer him to Mr. Yeutter's statement and I quote, "Yeutter also made clear that U.S. chief negotiator Peter Murphy has no mandate to negotiate substantive changes in the deal—"

Mr. Broadbent: Right!

Mr. Mulroney: "—and he expects the final text to mirror the deal reached early last month—"

Mr. Broadbent: He "expects".

Some Hon. Members: Oh, oh!

Mr. McDermid: You blew it, Ed.

* * *

EXTERNAL AFFAIRS

INDIA—DETENTION OF CANADIAN CITIZEN—PHYSICAL MALTREATMENT

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it concerns Balkar Singh, a Canadian citizen under arrest in India.

Can the Minister confirm that in the presence of a consular official and a doctor from our High Commission in New Delhi, allegations were made of torture to the feet, electrical wires to the face and genitals, hanging by the wrists, and beatings with a lathi stick, and that our doctor was able to see visible evidence of maltreatment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can certainly confirm that in the presence of both a consular representative of Canada, and a medical doctor, there was evidence given by Mr. Balkar Singh of physical abuse. It was the view of the Canadian doctor present that he had indeed been seriously physically mistreated.

We have protested that matter to the Government of India, and moreover have demanded that there be the immediate provision of adequate medical care and attention to Mr. Balkar Singh.

CANADIAN PROTEST TO GOVERNMENT OF INDIA

Mr. W. Paul McCrossan (York-Scarborough): In view of the fact that Indian government officials today have both denied receiving a protest from the Canadian Government, and that there was any evidence of torture found on a medical inspection, can I have the assurance of the Minister that he has indeed lodged the strongest formal protest, and indicated to the Government of India that, should another such episode occur to any Canadian citizen, Canada would have to consider revoking the extradition treaty with India?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was surprised to see press reports today indicating that the Indian High Commissioner thought that there had not been a protest lodged. A protest was lodged.

In order that the Indian High Commissioner could be in no doubt about it, I had him brought in this morning and we lodged it again. This is unusual diplomatic practice, but I wanted him not to underestimate the extent of the concern of the Canadian Government.

We also expect medical treatment to be made available immediately and adequately.

With regard to the question relating to the extradition treaty, it is at this stage hypothetical. But certainly one of the matters on which the extradition treaty is based is an understanding that both sides will respect the application of their law against people affected by that treaty.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—DEADLINE FOR SIGNING

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the Prime Minister keeps insisting that the only people who are concerned about this economic union package between Canada and the United States are the people of Oshawa. Obviously, he pays no attention to the farmers of Quebec, or to the members of the Atlantic Provinces Chamber of Commerce who yesterday refused to endorse this package.

We have had Mr. Reisman saying, "This economic union package is being renegotiated"; we have had Mr. Murphy saying, "Hopefully we can come up with a decent deal, however it is difficult to make a determination". We have had Mr. Yeutter in his attempt to clarify matters, I am sure at the request of the Office of the Prime Minister, saying, "Hopefully we will still have a deal".

Why does the Prime Minister insist on sticking to the January 2 deadline for signing this deal when, in fact, that January 2 deadline is being used and can be used by the Americans to hammer the Prime Minister and his Government into capitulating once again when there are differences of

interpretation in negotiating the final text of this economic union package? Why does the Prime Minister do that?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first I think it should be made very clear that there is no economic union. This is a trade deal. That is an absolutely false statement that the Hon. Member is making to the House.

Second, we got a terrific trade agreement on October 4. We got a tremendous agreement. It is great for Canada, and it will be great for Newfoundland, and the Hon. Member knows that.

The lawyers are still meeting; the negotiators are consulting their principals at the present time. As Clayton Yeutter said very clearly this morning about Peter Murphy, "His instructions are to try to put the agreement of October 3 into the necessary language". That is what is going on right now.

REGIONAL DEVELOPMENT PROGRAMS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, it is apparent that the only thing that is going on right now is that Canada's negotiator, Mr. Reisman, who told us the truth two days ago, has been gagged, and that the United States negotiator, Mr. Murphy, who told us the truth last night, has been gagged this morning by Mr. Yeutter. The people of Canada are not interested in gag actions, they are interested in the truth.

If the Parliamentary Secretary and the Prime Minister are so sure that this package is as good as they say it is, I will repeat my question of two days ago to the Prime Minister, a question he refused to answer.

Can he give this House an assurance today that when the detailed language is released, presumably next week, or at least that was the case yesterday, there will be words contained in that language that will clearly and unambiguously exempt regional development programs from U.S. trade law as part of this economic union agreement? It is a simple question, and I would like a simple answer. Yes or no?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): The Hon. Member will have to wait until the final agreement comes out to see what is in that final agreement.

Mr. Tobin: You don't know.

Mr. McDermid: The Hon. Member likes to quote people chapter and verse.

Mr. Tobin: Answer the question.

Mr. McDermid: Let me quote a former Minister in the Liberal Government by the name of the Hon. Gerald Regan who stated, "When I was Minister of Trade—in Mr. Trudeau's Government . . . I recognized the importance of obtaining better guarantees of access to the vital American market to which Canada sends the lion's share of our exports. I sought to move in that direction by initiating free trade talks with the U.S. on a sector by sector basis. The defeat of the Liberals ended that effort—but I have come to the conclusion that the present free trade project is a more meaningful—courageous—and important undertaking than our more limited negotiations".

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

[*Translation*]

CANADA-UNITED STATES AGREEMENT—PROTECTION OF CERTAIN AGRICULTURAL SECTORS—GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Prime Minister of Canada. Yesterday, in Quebec City, some Quebec farmers accused the Minister of State (Agriculture) of being a liar. They said that he had lied concerning the free trade agreement between Canada and the United States. My question is this:

In view of this situation in Quebec, could the Prime Minister certify to Quebecers and other Canadians that no farm subsidy will be affected by this agreement and that our marketing boards will keep their existing powers? Finally, Mr. Speaker, can he certify that poultry farmers will be protected in spite of the Canada-United States Agreement?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the marketing boards are in place. As a matter of fact, one of the interesting things about this agreement is that we can create new marketing boards, if the producers so desire, because the underpinnings are there.

I felt very badly about the attack on the Minister of State for Agriculture yesterday in Quebec. He was quoted as saying that he can take the abuse but he did not appreciate being called a liar because he is not one. I think anyone who knows that Minister would agree with that.

• (1450)

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Nystrom: Not only the farmers in Quebec, Mr. Speaker, but those in Saskatchewan, Ontario and the other Canadian provinces are also against this agreement.

As our Whip has reported, Mr. Speaker, in Saskatchewan they voted last week against this deal by a vote of 75 to 64!

REQUEST FOR DETAILS OF IMPORT QUOTAS TO PROTECT CANADIAN ICE CREAM AND YOGURT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I have a supplementary question. The Minister of State also said that he had asked the Minister for International Trade to use import quotas to protect Canadian ice cream and yogurt

against American imports. Could the Prime Minister indicate now whether his Government has adopted its Minister's suggestion? After Quebec farmers gave yesterday the Minister a piece of their mind, does the Government now believe that this is a fair deal, giving the United States a horse in exchange for a rabbit?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, one is very tempted, after listening to a question like that, to refer to a certain part of the horse. However, I will resist that.

I can say that there are options available within the free trade agreement to add products to the import control list which would require quotas. That still exists, but the Hon. Member is saying we should do it right now when an agreement has not yet been signed and the agreement would not come into effect until January 1, 1989. The Hon. Member may find out, and I think he will, that our agricultural industry will do very well under this agreement.

* * *

CHILD CARE

TAX EXEMPTIONS QUERY

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance who stated in his White Paper of June 18, 1987, that the conversion of tax exemptions to credits was a key element in achieving a fairer income tax system and that "converting exemptions to credits would direct more resources to those in need and reduce the after-tax value of benefits to higher-income Canadians". Would the Minister tell the House how he reconciles that stated goal with the fact that today's release on child care showed the bulk of the assistance going to middle-class families by way of tax exemptions and only tiny increases in tax credits for low-income families?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in both the tax reform paper and the policy that was released today, I have said throughout that we had to give parental choice. That was a hallmark of the program. We as a Government and, I think, as a society do not want to dictate to people the manner in which their children should receive care.

The Hon. Member will be aware the Minister of Finance increased the child tax credit which is now approximately $480 per year maximum to $525, I believe, next calendar year. Additionally, in calendar 1988, $100 will be added to the child care tax credit and it will go to $200 per year thereafter.

The Hon. Member has asked a valid question on the deductions. She is a serious Member of the House. Perhaps the Hon. Member would look at what would have happened to middle-income women in the workplace if the only option they had was to put their children in child care centres or to give external child care and if they had lost their deductions they would have been worse off than they are under this program. That is why we came up with that choice and configuration.

GOVERNMENT POLICY ON TAX CREDITS

Miss Aideen Nicholson (Trinity): Mr. Speaker, I agree that the $4,000 in tax exemptions will be helpful to middle-class parents. However, I repeat my question. What happened to the commitment to assist low-income people? That commitment was supposed to have been a key objective in the review of social transfers and related tax provisions that was launched in the February, 1986, Budget. I repeat, has the Government changed its policy? Is it no longer proceeding with the move to increase the move toward tax credits?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, no, the Government has not changed its policy. I do not want to be repetitive. I would ask the Hon. Member to examine the need to maintain an expense deduction in order that women in the workforce may have care for their children. As well, what is so important to the program is the subsidized spaces, and I wish to emphasize that.

There are only 100,000 subsidized spaces today. The new program will give us another 200,000 subsidized spaces over a seven-year period. Those subsidized spaces will give families in the lower and lower middle-income levels access along with the increase in the child tax credit. It was for that reason, to try to meet all those needs, because obviously families are not alike today, that those changes were brought about, and that is the explanation.

* * *

[*Translation*]

SHIPBUILDING

DIVISION OF CONTRACTS BETWEEN ST. LAWRENCE AND ATLANTIC SHIPYARDS—GOVERNMENT POSITION

Mr. John Parry (Kenoray—Rainy River): Mr. Speaker, my question is directed to the Minister of National Defence.

Considering the Government's inability to formulate a genuine merchant shipping policy, the frigate contract is synonymous with survival for Canadian shipyards. Could the Minister give Canadians the assurance that the Government will let fairness prevail by announcing that contracts will be equitably divided among St. Lawrence and Atlantic shipyards?

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I have on two previous occasions answered that question in the House. I have told Hon. Members that the Government will take into consideration the defence based industries across Canada. When a decision has been made on whether further frigate building will be announced, we will announce it.

[*Translation*]

QUERY WHETHER JOBS RESULTING FROM CONTRACTS WILL REMAIN IN CANADA

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have a supplementary.

Considering that the Government failed to use the trade agreement as an opportunity to table a Canadian shipping policy, could the Government give Canadians the assurance that the jobs involved in these contracts will remain in Canada?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member ought to know, and we have said this many times, that most of the present activity in our shipyards in the result of contracts awarded by the federal Government. These contracts have been awarded across the country, from British Columbia to the Atlantic. All our shipyard workers have been able to benefit, and the Government has no intention of changing its policy or having its ships or equipment built outside our shipyards here in Canada.

* * *

SHIPYARDS

REQUEST FOR DETAILS ON FRIGATE CONSTRUCTION CONTRACT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Prime Minister, to the Minister of National Defence or to the Minister for Small Businesses.

Yesterday, as the House will recall, Quebec Minister Daniel Johnson asked that his province be allowed two frigates as its share of the frigate contracts.

This morning, the frigate committee, 450 employees from the shipyards at Lauzon near Quebec City, came here to demand work and a fair share of the contracts, in other words, two frigates for the shipyards in Quebec.

Understandably, the people in Saint John, New Brunswick, want all the frigates to be built there. The Minister of Employment and Immigration said to let Saint John do it all and to give nothing to Quebec. It was too expensive!

My question is quite straightforward, and the people of Quebec and New Brunswick want to know the truth. Does the Government intend to split construction of the six frigates, in whatever way? Is there going to be a split, yes or no?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, to be perfectly honest, this is just putting words into the mouth of the Minister of Immigration. They say they are so frank and honest, Mr. Speaker. Hon. Members opposite are full of their own honesty. They act like they have a monopoly on truth, and then they put words into the mouth of the Minister of Employment and Immigration. He never said that.

At the present time, the Minister of Supply and Services is meeting with these workers to inform them of the Government's position. As we have said so many times, first of all, the Government will have to decide whether it intends to proceed with construction on the other frigates. The Government will then decide where they will be built. As soon as those decisions have been made, there will be an official announcement.

DISTRIBUTION OF WORK BETWEEN SHIPYARDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my supplementary is for the same Minister, belated though his decisions may be. The Minister of State (Transport) has already announced last July that the main frigate contract would be awarded to St. John's. It may be that the Minister of State (Transport)—now leaving the House—lied to Minister Daniel Johnson, but I take her word for it.

Second, the Minister has just said that officials are meeting with the workers to tell them our decision.

Can you be honest, frank and sincere? With respect to frigate building work-sharing, will the six frigates be built at the New Brunswick shipyards? If so, what shipbuilding contracts will be awarded to Quebec shipyards? What will the Government decide?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development): Mr. Speaker, I should think that if the whole thing boils down to a question of honesty, one is honest when one is ready to make and announce a decision. We will not make an announcement—

Mr. Malépart: When?

Mr. Valcourt: When the Government is ready, Sir!

* * *

• (1500)

[*English*]

INDIAN AFFAIRS

NATIVE PEOPLE'S LAND CLAIMS IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Prime Minister. I am sure he is aware that British Columbia is a signatory to the 1982 Constitution Act and to the Meech Lake Accord. Could he advise the House and the native people of British Columbia what steps he has taken, either directly with Premier Vander Zalm or with the Government of B.C., to get comprehensive claims moving in British

Columbia, particularly those of the Nishga tribal council in the Nass Valley.

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the comprehensive claims policy of the Government which was announced gives ample opportunity for a conclusion, hopefully a successful conclusion, of the comprehensive claims. We are having discussions, as the Hon. Member knows, in which he has been involved, with the Nishga people. A negotiator has been put forward by the Government of Canada and hopefully the claims process will proceed.

The Member is right that there is a responsibility on behalf of two levels of government to enter into these discussions. We hope that will come to fruition as we continue the negotiations. The negotiations have not stopped, Mr. Speaker. They are ongoing.

SOUTH MORESBY—SETTLEMENT OF TITLE ISSUES

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is for the Prime Minister. Could he advise whether he and his Cabinet colleagues have arrived at a position where they can state publicly now that negotiations will take place in regard to the outstanding title issues in South Moresby with the council of the Haida Nations? It is something that Miles Richardson has discussed with the Prime Minister and his staff and also with the Minister of Indian Affairs and the Minister of the Environment.

Is the Prime Minister determined to move forward so that South Moresby can, in fact, become the reality he had started moving it toward?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, we all recognize the importance of South Moresby. The steps taken by my colleague, by the Deputy Prime Minister and the Prime Minister, in the negotiations which led to the creation of the national park reserve on South Moresby, the steps taken by the Government of Canada and the Government of British Columbia to provide for economic development with the South Moresby National Park Reserve, are well known to the Hon. Member.

The Hon. Member is also fully aware of the comprehensive claim policy which establishes that only six claims can be under negotiation at one time. Hopefully we will have successful claims negotiations where we have a mandate, and then new claims that are recognized by the Government of Canada will come forward.

Mr. Speaker: This will be the last question. The Hon. Member for Saint-Léonard—Anjou.

[*Translation*]

CANADA POST CORPORATION

INEQUALITY OF SERVICES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. I think he just left, so in that case, my question is directed to the Prime Minister. By closing rural post offices and installing superboxes in new developments, Canada Post is creating second-class citizens. How can the Minister authorize postal rate increases of up to 42 per cent, when he is denying thousands of Canadians home mail delivery and rural post offices? Does he believe Canadians are entitled to equal service for equal rates?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, nobody is happy with postal rate increases but inflation makes that a fact of life. The fact that the rate increase of 1 cent a letter is less than inflation is a tribute to the management of the Post Office.

Incidentally, to do what the Hon. Member is requesting and to have door to door delivery to every home in Canada, would require a stamp price of 60 cents a letter. Is it the position of the Liberal Party that it wants stamp rates to go up to 60 cents a letter in order to reach the goals about which the Hon. Member spoke?

Mr. Blackburn (Brant): Provide more service and you wouldn't have to raise it.

COST OF STRIKES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, could the Minister tell this House and Canadians if the proposed increase going up to 42 per cent will be used to pay the strike-breakers in the last two strikes as well as the cost of the advertising campaign during the strikes? Will the Minister deposit in this House the cost of the two last strikes?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the cost of operating the Post Office is available from its annual report which every Member receives.

The Member will know that increased costs have been met, in part, by a rate increase of, I think, about 40 per cent, in part by productivity increases of about 30 per cent, and in part by increased business of the Post Office. The Post Office has been operating in an efficient and effective fashion and I think we ought to congratulate it on that.

Mr. Speaker: The Minister of State (Mr. Lewis) is rising on a point of order.

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties. I think you will find that there is unanimous consent to revert to Tabling of Documents to allow the Deputy

Prime Minister (Mr. Mazankowski) to table the Parker Commission report.

Mr. Speaker: The House has heard the proposal of the Hon. Minister of State (Mr. Lewis). Is there unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

TABLING OF PARKER COMMISSION REPORT

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I wish to table in both official languages the report of the Parker Commission of Inquiry.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask the customary question that we ask on Thursdays as to what business the Government has to call for the coming week.

At the particular request of the Hon. Member for Davenport (Mr. Caccia) I again want to ask when the Government might be bringing into the House Bill C-30 and, at the particular request of the Hon. Member for Ottawa—Vanier (Mr. Gauthier), we would like to know when the Government will bring in Bill C-33 on public service pensions.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would like to advise the House that we are working to complete Bill C-87 at report stage and third reading. We hope that Bill C-87 and perhaps Bill C-54 at second reading might be completed by tomorrow.

We have discussed a package of Bills at both second reading stage, report stage and third reading with the opposition House Leaders with a view to completing a reasonable package by the Christmas recess. We will continue those discussions with the opposition House Leaders and try to arrange a timetable which is of most convenience to all Parties, including the critics, and also to provide as much notice as possible.

With respect to the two specific questions, I would advise the House that we have made considerable progress, thanks to co-operation from all Parties, throughout the fall. We have reached a point, however, where there are some 13 Bills at committee involving some nine different areas of jurisdiction. We also have the external affairs committee travelling on the free trade question and, therefore, I have tried to organize the debate in the House so as not to load up committees presently considering Bills.

With specific reference to Bill C-30, my hon. friend will find that we presently have Bill C-74, which is an environmental Bill, before the appropriate legislative committee. Since many members on that committee are considering that Bill, we have not pushed to get Bill C-30 through.

Mr. Caccia: Come on.

Mr. Lewis: What is the point of having two environmental Bills at committee?

I welcome the support of my hon. friend from Ottawa—Vanier on Bill C-33. We are considering that and I believe that we will be bringing it forward in the very near future.

• (1510)

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want it to be clear that I never gave my support to Bill C-33. It is a bad Bill, but I want to know what the Government is going to do with it because Members have been raising the matter in the House in Question Period. If the Government thinks it is a great Bill, when is it going to act on it?

Mr. Lewis: Sorry, I thought my hon. friend was definitely interested in pushing the Bill forward. I misread his keenness. We are trying to fit the menu to the situation and we will be bringing it forward as soon as possible.

Mr. Rod Murphy (Churchill): Mr. Speaker, I must have missed something. I heard the Liberal House Leader ask what the Business of the House would be next week. We heard a very long answer from the Minister, but he did not deal with the business of the House for next week. What is the business of the House next week?

Mr. Lewis: Mr. Speaker, I am not in a position to negotiate with other House Leaders on the floor of the House. We have had discussions with the Hon. Member for Kamloops—Shuswap (Mr. Riis) with a view to trying to co-ordinate the Bills in which we and others, including him, have an interest, and meet the convenience of the critics.

My hon. friend will know that I, on behalf of the Government, am going to give consent to motions in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy) being moved by someone else in his Party. We are doing that in an effort to co-operate because he has another engagement and we understand that. We are trying to do the same thing with the Business of the House for next week.

Mr. Benjamin: That was a lot of help.

Mr. Gauthier: On a point of order, Mr. Speaker, and maybe a question of privilege. You will remember that this morning I tried to get a copy of the child care document when it was

tabled in this House. It took some time, but with your intervention we got one.

The report of the Parker Commission was tabled a few minutes ago in this House. I asked for a copy of that report but I could not get one because, I was told, it had been delivered to my office. I happen to be in the House of Commons. The document was tabled in the House of Commons. I ask that you intervene and get the document for all Members of this House.

Mr. Speaker: It is true that the Hon. Member asked me this morning if I could produce a document, and within a minute it was in fact produced.

Mr. Frith: He is trying it again.

Mr. Speaker: However, to do it twice in one day may be more difficult.

I have listened carefully to the Hon. Member. I also have asked for a copy of the report. I know there are people busily trying to accommodate not only the Chair but other Members, and I shall pursue it with diligence.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee; and Motions Nos. 4 and 12 (Mr. Cassidy, p. 11449).

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa—Vanier (Mr. Gauthier) had the floor for three minutes, but since he is not here, is the House ready for the question?

Some Hon. Members: No.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, we are now dealing with the third grouping of proposed amendments to Bill C-87, which we were discussing earlier today. The point at issue in these amendments is that of time, and the role the Parliament of Canada should be playing with respect to changes to customs and tariffs agreements made between our country and others.

While dealing with previous groupings of amendments this morning, we discussed why it is so important, indeed vital, that the House of Commons be involved in the decisions made by the Prime Minister (Mr. Mulroney) and his Cabinet concerning tariffs. I pointed out that this Bill covers some $2 billion worth of tariffs. I will not go over the implications of that again, but the two clauses to which we propose amendments today refer to the government proposal that those decisions it might make on an interim or *ad hoc* basis must come before this House within 180 days of their being made. To some people that may sound reasonable enough. It appears to be only about six months. That would give plenty of time, one would think, for the House to debate it, think about it, and deal with it properly.

However, I remind you and the House in general, Mr. Speaker, that when we talk about 180 days in Parliament, we are talking about 180 sitting days. This House seldom sits much over 180 days per year, so in this legislation we are granting authority to the Government to decide either to impose or to drop tariffs for virtually a year before this House will have a chance to look at it and decide whether or not it acceptable.

That runs completely counter to the principle that the House of Commons is the Chamber that makes decisions on whether or not people should be taxed, corporations should be taxed, or importers should be taxed on their goods sold in this country. This takes away the decision-making role of Parliament. It sets it aside for virtually one year, making it all but useless. Our amendment, which would change that 180 days to 60 days, is again being offered to both Clause 32 and Clause 61.

There are a couple of things I wish to say about Clause 61, but first I want to point out that there is a provision in Clause 32 which makes it clear that there will be times during the 60 days proposed that the House will not be able to sit because of an election and perhaps the Senate would be sitting during that time. I do not know why, but perhaps there will be some reason for the Senate to be sitting after the House has closed down before an election, and the sittings of that House are to be considered equally with our own in computing the 60 days we are proposing. Clause 32 says, among other things, that if something like that occurs and there is an election in progress, or the House cannot sit for some other reason, within 15 days after the resumption of that new Parliament a Bill would have to be presented and dealt with by the House of Commons. In that way the will of the people will be known on this particular item dealing with revenue and taxation.

Clause 61 has a slightly different slant to it. It deals with a period of time when the Governor in Council, which is the Cabinet, on a report of the Minister of Finance (Mr. Wilson) that Canada's external financial position and its balance of payments are such as to require special measures respecting Canadian imports, may, by Order, subject any goods that originate in any country or any class of those goods to a surcharge over and above the customs duties imposed pursuant to this Act. We are talking about a special circumstance, a near financial emergency, in which the Minister of Finance would suggest to the Cabinet that a special surcharge on the

import of a particular good or class of goods would be imposed.

• (1520)

It is my opinion that if the emergency is of that extent, it only makes sense for the House to be apprised of it and have dealt with it within 60 sitting days after the so-called emergency is brought forward. It is very critical for the role of the House of Commons that it be the place where decisions to impose extra charges are made. As I have pointed out, this has been fought for almost 800 years.

It is very difficult for us to know for how long we should continue to fight on this issue. Due to the grouping of motions and the decision to delay votes until all motions have been dealt with, we have had no response from government Members on where they stand on these particular proposals. We can, therefore, only continue to put the argument forward on each amendment because we have no idea whether our words are having any effect and whether the amendments will be accepted by the government side. As a consequence, I somewhat regret having to take this time to reiterate the point since we have not yet had a clear indication of what the backbenchers who are currently resident on the government side think about this issue.

All Members come to the House of Commons to represent their constituents and to be their voice in taxation matters. This particular Bill deals with the raising of revenue by way of import taxes, levies and duties. The proposal before us today would, in effect, do away with as much as $2 billion of revenues. That is an extremely significant amount if the Government intends eventually to balance the budget. Deficits have been running in the neighbourhood of $30 billion to $35 billion per annum. Therefore, we cannot easily throw away $2 billion without thorough consideration. This issue deserves the immediate response of the House of Commons.

We do not think that 60 sitting days puts undue pressure on the government of the day, whatever the era in which it may affect the Government. It is consistent with the principle of the report of the Member for Peace River (Mr. Cooper) who earlier recommended the swift passage of government financial Bills in order that back-benchers can have a proper and clear role to play in this Chamber. We therefore recommend to government Members these amendments in which we are proposing the reduction from 180 days to 60 sitting days of the House of Commons.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we are presently debating Bill C-87, an Act respecting a harmonized tariff system and, in particular, Motions Nos. 4 and 12. Our concern with this Act is much greater under the circumstances surrounding the Mulroney-Reagan trade agreement than it would ordinarily have been. Ordinarily this type of Bill, which is fairly technical and routine, would be dealt with in a superficial manner in that it suggests that we are getting ourselves into line with all the other countries of the world in the harmonized coding system for trade. However, the Bill becomes much more important under the Mulroney-Reagan trade deal because it will have a much greater impact than it would under ordinary circumstances. It therefore requires much closer scrutiny than would ordinarily have been given it.

As a result of the trade agreement certain tariffs will be put into effect almost immediately upon the signing of the agreement. Things which were routine in the past must now be questioned as a result of that agreement. Motions Nos. 4 and 12 are aimed at greater accountability of the Cabinet to Parliament. At present the Government can impose a tariff and ask for ratification of it by Parliament 180 days later. The barons faced King John because they wanted to go before the King more than once every two or three years to hear how much money he needed and what he needed it for.

The Government can now impose a tax on the people of Canada and need only ask Parliament for permission to do so more than a year later. The recommended changes in Clauses 32 and 61 would increase the responsibility of Cabinet to Parliament. Rather than being able to impose taxes and collect them for a year before having them ratified by Parliament, these amendments suggest that we reduce that time period to 60 days.

The Mulroney-Reagan trade agreement has brought the need for the accountability of the Cabinet to Parliament to the forefront. At present such an agreement can be signed by the Prime Minister, and the Government can bring forward a Ways and Means motion to impose or remove tariffs. That decision to impose or remove such tariffs will remain in effect for an entire year and, quite often, more than a year.

• (1530)

Our present year is 177 days. This Bill, at present, allows 180 days to be used up before the Government must come back to Parliament and have it ratified. Therefore, more than a year, at least 15 days into the next year, will be required before it is necessary to pass it. It seems wrong, in the view of democrats all over the world, to have a treaty signed by the Prime Minister (Mr. Mulroney) and the President of the United States, to be put in place and negotiated by people who are not Members of Parliament, nor representatives of the people, a treaty which will abrogate the laws not only of the Parliament of Canada, because those tariffs were put in place by the Parliament of Canada, but also the laws of the legislatures of the provinces.

This treaty about which we are talking, or any kind of treaty or any Ways and Means motion which changes taxes, customs and excise taxes, does so without compunction and can do so, leaving those changes in place for a whole year before they have to come to Parliament for ratification. A treaty does not have to be accountable to Parliament. It can take off a tariff

which was put in place by Parliament, and it can be established technically as the law of the land just by the Government presenting the House with a motion which says that this is the action it intends to take.

Sometimes this motion is not even in the form of a Ways and Means motion, but in the form of a little line in a statement by the Minister of Finance (Mr. Wilson) as to what he is going to do in the next year in his Budget. However, it has the effect of law before it is brought before the House and ratified.

The 180 days really means that the will of Parliament has been sidelined. If we establish that tariff in Parliament, it is the will of Parliament that it be there. If it is eliminated, it is eliminated for a whole year without the will of Parliament. The will of Parliament has been sidelined for a whole year. I suppose some people will say that is part of the sloppiness of Parliaments because they are democratic and take a long time, but the point we are attempting to make in this particular motion is that we do not think it is necessary to sideline these issues for 180 days. In fact, I have often wondered why Ways and Means motions were presented and then no action taken for such a long time. Perhaps it is the sloppiness of doing business in Parliaments, but it is not good democracy.

It makes one wonder if perhaps we should not take a good hard look at the process by which we make treaties part of the fibre of the country. A treaty is signed by the Prime Minister and it becomes part of the fibre of the country. It does not have to come before Parliament, as the Canada-U.S. free trade agreement does not have to come before Parliament, to be accepted. All that is required is for the Prime Minister to have it approved by his Cabinet, but Cabinet does not represent the will of the people. It might think it does because three years ago approximately 50 per cent of the people voted for this Government, but just before the Government was elected the Prime Minister said in a statement that he would never touch free trade. Perhaps we have to look at the structure under which treaties are carried into law by this Government.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is going to be very short. I think it is important to speak to Motion No. 4, tabled by the New Democratic Party, which would shorten the 180-day period we have now to sixty days. Mr. Speaker, I would like to stress that first of all, this goes against all legislation now in effect. The system has operated for many years under the 180-day period, and it works very well. The same applies to Motion No. 12, Mr. Speaker, especially this motion which concerns our balance of payments and any surcharges it may require. Reducing the period from 180 to sixty days could have a very negative impact on our economy.

Mr. Speaker, a while ago I heard Opposition Members wondering how Conservative Members would vote on these motions. I can assure them we will vote against the motions because, as I said in my comments on the initial motions and on the two I just mentioned, if they want to improve the Bill, I find it astonishing that this debate should be about anything but the motions in question. In any case, if Bill C-87 is not passed, the present legislation remains in effect. This would mean we did not deal with the problem of harmonization. So bearing this in mind, Mr. Speaker, I think it would be wise to stick to the subject of this debate and refrain from trying to widen the circle to include trade relations with the United States, among other issues.

[*English*]

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in this debate on Bill C-87. I might be quite prepared to do what the Parliamentary Secretary has just suggested and stick to the issue here and not express the concern about the Canada-U.S. trade deal that so many of us feel. However, let me leave that item and turn to Motions Nos. 4 and 12.

We are dealing with a Bill to provide for the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, and so on. We are debating a measure which will make changes in the way in which we operate our customs tariff system. We are proposing a change in the time limits with respect to two of these clauses, namely, that the time limit in both Clause 32 and Clause 61 should not be 180 days, as it is, but should be reduced to 60 days.

I listened with great interest to the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) and the Hon. Member for Prince Albert (Mr. Hovdebo). The argument my colleagues and I have been making is that this is a principle of parliamentary accountability. These motions address the importance of having Parliament, the ultimate court of this land, the representatives of the people gathered together to make the law of the land, presented with these changes, which have been negotiated by the executive of Government with other countries at a much earlier point than the Bill would allow. That argument is one that can be addressed from various perspectives. Some of my colleagues have argued from the perspective of our current concern about negotiations between Canada and the United States. One can equally make that argument in national, political, and historical terms and, for that matter, not just national historical terms but in terms of the history of Parliament of England, the Parliament of the Commonwealth and of the British Empire Dominions in times past.

My friend, the Hon. Member for Prince Albert, alluded to King John and that famous encounter with the Barons. He was a monarch whose fault may in fact have been efficiency, a desire to increase his power, even more than it was a matter of his tyranny. He was greeted by the Barons who demanded that his Government not be solely a Government of the executive, of the King and his advisers doing what they thought made sense, but to respect the powers of the people. Of course, given the status-ridden society that prevailed in England and other countries of feudal Europe at that time, the Barons saw

themselves as the people who counted. They wanted the King to respect their position rather than act in an autocratic or arbitrary way.

• (1540)

The principle they were enunciating for King John at that time has come to be recognized by historians as a very important development in the history of Parliament. The principle that began in the time of King John stands today. The parliamentary Government in which we take pride is one which is government in the name of the Crown which must act here in Parliament.

It is completely inaccurate, indeed inadequate, for politicians who are sworn in as Ministers of the Crown to believe that what they initiate with their Departments and officials is inevitably right because it makes sense to them. There can be absolutely no doubt in the history of parliamentary Government in Canada that the executive brings its decisions here to ask for parliamentary approval.

Proposals in the form of Bills do not become the law of the land until they have been debated through several stages, considered in committee, and given the kind of detailed examination as we are involved in with Bill C-87 at the moment. It is simply a reflection of the traditions of Parliament to suggest that the decisions of the executive should be closely examined by Parliament long before 180 days, in the case of these tariff changes.

Many senior members of the Government are exactly those persons who made these arguments when they were in opposition. They are very familiar with the traditions of Parliament. Tragically, when they become Ministers, they forget those traditions and their back-benchers simply parrot the same line. They leave us with the impression that what makes sense to them is God-given insight on which one must act. It is nothing of the sort. Those decisions must be brought here and approved by Parliament.

Of course, given the political reality of their majority, they know that if they choose to press ahead with their policies, they can bull them through. However, they should have regard for history, tradition, and the nature of our Constitution to recognize the wisdom of having parliamentary consideration of these matters as early as possible.

If Members opposite are going to object to these two motions, as the Parliamentary Secretary just suggested, it is to their shame that I remind them of a long-serving Liberal Prime Minister of this country who is known to have uttered the phrase "Parliament if necessary, but not necessarily Parliament". He was known to believe he could proceed on his own and, if he could avoid debate on foreign affairs and policy relating to other countries, he would do so. There was a lack of debate on these matters for a number of years.

In that respect, let me allude to yesterday's statement by the Secretary of State for External Affairs (Mr. Clark) who presented a report on his journey to Central America last week. Our critic, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie), in responding to that statement, thanked the Minister for having made this report and giving us an opportunity for some consideration in the House of this very important aspect of External Affairs in this area of the new world of the Western Hemisphere, particularly Central America, where the United States has been involved for many years. Such a gesture only underscores the importance of Parliament.

I express intense regret at the Parliamentary Secretary's suggestion that the Government plans to oppose these motions. It is not true to the traditions about which they spoke eloquently and vehemently, and with profound conviction and passion when in opposition. Unfortunately, when the Government receives such a large majority, all that is forgotten and it simply uses the weight of numbers to do what it believes makes sense. That is regrettable, and Canadians who watch this debate will join with me in expressing regret that a Government would become arrogant even in its first term and not bother with Parliament.

It believes that a period of 180 days, half a year or more, is a sensible proposition. We are suggesting that 60 days is a reasonable period for a motion to be presented and debated. We could deal with these Ways and Means motions with the sense of importance they actually have in the affairs of Canada and our relations with other countries.

I strongly support Motions Nos. 4 and 8 and call upon members of the Government to join with us in passing these amendments.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Before I put the question, may I just say that Motions Nos. 4 and 12 were debated together, with the vote on Motion No. 4 applying to Motion No. 12.

The question is on Motion No. 4 standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Motions Nos. 8, 11A, 12A, and 13A cause the Chair some procedural difficulty. I would refer Hon. Members to Beauchesne's Fifth Edition, Citation 523. However, because some doubt exists in these instances, I am prepared to allow the Hon. Member the benefit of the doubt. Therefore, Motions Nos. 8, 11A, 12A, and 13A will be grouped for debate. A vote on Motion No. 8 will apply to Motions Nos. 11A, 12A and 13A.

Motions Nos. 13, 14, 15, and 16 will be debated and voted on separately.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 8

That Bill C-87, be amended in Clause 59 by adding, immediately after line 4 at page 19, the following:

"(7) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Motion No. 11A

That Bill C-87, be amended in Clause 60 by adding, immediately after line 27 at page 21, the following:

"(9) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament.

Motion No. 12A

That Bill C-87, be amended in Clause 61 by adding, immediately after line 14 at page 22, the following:

"(6) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Motion No. 13A

That Bill C-87, be amended in Clause 62 by adding, immediately after line 28 at page 22, the following:

"(2) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

• (1550)

He said: Mr. Speaker, this set of amendments gets to the core of the problem we see in the sections of the Customs Act which have been brought into this new Bill relative to the harmonized system of tariffs.

Through you, Mr. Speaker, I thank the official Mr. Speaker for his flexibility in giving me the benefit of the doubt in this particular case. There are four amendments and each of them indicate that the power conferred in the relevant clause should not be abrogated by any treaty between the Government of Canada and the Government of another country except by an Act of Parliament.

I recognize the Speaker's concern about that amendment. However, the essence of the position that is being put forward here is quite simply that by treaty we should not have a situation where Canada abrogates or loses the power to take trade action through retaliation under Clauses 59, 60, and 61, which provide for a form of retaliation, for a surtax, or for a surcharge. We should not be in a position where that type of power is taken away by a treaty. Obviously I am not thinking of a treaty between Canada and Upper Volta. I am thinking of the treaty which is currently in negotiations, no matter what the Prime Minister (Mr. Mulroney) says, between Canada and the United States on a freer trade arrangement.

If I had to rewrite the amendments in Clause 62, I perhaps may have changed them a little, but but the essence there is that we should not see a situation where Canada basically takes action to cut tariffs with the United States without reference to Parliament by means of an Act of Parliament. This is because the particular treaty which is currently being negotiated is of such fundamental importance to our two countries.

I wish to draw your attention, Mr. Speaker, to the extraordinary powers that now exist in Clause 62 of the Bill, powers which have existed in the past under the Customs Tariff. It reads:

62. The Governor in Council may, on the recommendation of the Minister of Finance, by order,

(a) reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted by that country or any other country, subject to such conditions as may be specified in the order; and

(b) extend the benefit of any order made pursuant to paragraph (a) to any country as may be required by Canada's international obligations, subject to such conditions as may be specified in the order.

Subsequent to this debate there was another amendment which stated that Clause 62 may not be used in reference to Canadian duties against the United States, in other words, to prohibit the Governor in Council from exercising this power.

In this particular case, the amendment is that the power shall not be abrogated by means of a treaty which Canada signs. People say that that is very hypothetical, and they have never heard of it happening. The fact is that Canada is now embarked on a trade negotiation in which major elements of our sovereignty and our ability to make future arrangements to protect, enhance, or develop our industries in our economy are being taken away by means of treaty. In other words, we will not be able to act independently in the future.

While this does not bear directly on Clause 62, for example, I cite the granting of national treatment to American service industries which we understand is a part of the free trade agreement. In future, how the devil can the Parliament of Canada act to develop the services industries, which account for 70 per cent of our economy, if we have signed away our right to do so by a solemn commitment between Canada and another nation and if in fact this country has essentially told the Americans that we will not legislate in that area except that we first abrogate the agreement? After many years, the

agreement will become increasingly solidified and increasingly hard to shake away, and it will increasingly dictate the way our industrial structure is created.

This is why we are looking for a change here to recognize that the Government has moved us into a new type of situation, a situation where in a major way treaties can affect Canadian powers. Treaties did so in the past, but on a multilateral basis and in a minor, phased and graduated way. I would contend they did so in a way which was generally acceptable to Canadians who welcomed a freer trading environment which has been created on a multilateral international basis between Canada and other great trading nations over the 30 years or 40 years since the war.

However, if we get into trade disputes with the United States in future, disputes where in the past we had the power to impose increases in duties, surtaxes, or surcharges under Clauses 59, 60, or 61, we will be in a situation where the right of Canada to retaliate will have been signed away. Instead, that right will adhere in this new disputes resolution process and nowhere else.

How we will use that is something that I am not sure about. It seems to me that we will lack the weapons, because we will have tied our hands behind our backs. I would contend that we are dealing with a country that is grossly and gravely irresponsible in its use of trade actions as a weapon to hit at other countries that are smaller or economically weaker than it.

Unfortunately, despite the long-standing friendship between Americans and Canadians, and between our two great countries which has gone on for 150 years, it is nonetheless true that American industry has learned in a very fine way how to harass imports from other countries, including imports from Canada, and that the American Government either condones or encourages those types of situations.

The behaviour of the Americans since October 3 and over the course of the free trade negotiations does not give me a great deal of optimism that they have changed their tune and manners in this particular regard.

What has happened is that the Americans have continued to do such things as selling subsidized wheat into major markets that were traditionally Canadian, and imposing countervailing duties, for example, the 85 per cent on the potash industry, and generally trying to make life difficult for Canadians who were doing business in the United States. The Americans seem to have a rule in these things which is, "heads we win, and tails you lose".

In a situation where Canada has a natural advantage, for example with a particular natural resource, the Americans turn around and say, "The Canadian Government is not charging enough economic rent in order to counteract the natural advantage Canada has in the North American market, therefore those industries are being subsidized", which is what happened in softwood lumber, and, "We will put a countervailing duty against Canada". That was the type of position the Americans took in that particular case.

The United States has natural comparative advantages in terms of trade with Canada in many different areas. For example, in the worst months of our winter there is more sunshine and warmth in Florida than there is right across Canada, except perhaps in Victoria where I come from, Mr. Speaker, and where you and I may meet after we retire. You may go there first though, Mr. Speaker; I expect to be around here for a while.

The Americans have advantages in terms of the economies of scale for certain industries, such as main frame computers, large scale machine tools, and certain other high-tech equipment. We will never overcome that advantage completely because our industries are smaller than theirs. Our niche is to find ways to do smaller, custom-made production runs efficiently using automation and computerization. These are our potentials.

• (1600)

The Americans take the view that their natural advantages, be it climate or economy of scale, should be allowed but that our natural advantages should be ignored. They have been using harassment techniques against Canadian goods in a very consistent way.

I suggest that the reason for these amendments is that Canada should not have its hands tied. If we find that the Americans are acting in bad faith after we have been dragged into a trade deal by the Prime Minister and his Government, we should not be unable to fight back if the Americans keep a loaded gun under the table. That is why we feel that these motions should be supported.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, these four motions which actually contain one amendment applying to four different clauses would allow the Parliament of Canada to have some power over treaties signed between the Government of Canada and the Government of any other country. These amendments follow directly upon the amendments we have suggested to Clause 59.

The amendments provide that the powers conferred by the relevant sections may not be abrogated by any treaty between the Government of Canada and the Government of another country except by an Act of Parliament. That gives the Parliament of Canada, and consequently the people of Canada, a bit more security.

The Government of Canada has negotiated such treaties in the past. For example, about seven or eight years ago, Canada negotiated a treaty with the United States on the Grand Banks fisheries. When the treaty was signed and approved by Cabinet, it became law in Canada. However, the process it followed in the United States was somewhat different. The American administration signed it but when it got to Congress,

Congress turned it down. Consequently, the agreement which we had signed in good faith and thought was settled turned out not to be so.

There is no process in Canada allowing the Parliament of Canada to approve a treaty. If this were to be done on a blanket basis, it may to some extent require a constitutional change. However, in these four motions, we are suggesting that Parliament will have the power the U.S. Congress has as a matter of course in these particular areas. Consequently, these motions are worded almost identically and will amend Clauses 59, 60, 61, and 62 to provide the Parliament of Canada the power to decide whether or not a particular treaty signed by Cabinet affecting a particular product or tariff should be accepted.

This power becomes more important in light of the scenario established under the Mulroney-Reagan trade agreement. We must be concerned about how such treaties are put in place. There is now not only a great disparity between how Canada approves a treaty and how the United States approves a treaty but added to that is something which greatly affects the powers of treaties. In the free trade agreement, there is a dispute-settlement mechanism which allows U.S. law to be applied to Canadian products.

In the process of accepting this treaty or any future treaty, we will, because of the Mulroney-Reagan trade agreement—

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member who has been here for a number of years realizes that he is not to use the Prime Minister's name. I have heard this phrase a number of times today. There is no such thing as a Mulroney-Reagan treaty; it is the Prime Minister (Mr. Mulroney) and Mr. Reagan.

Mr. Hovdebo: I accept your admonition, Mr. Speaker.

The trade agreement puts in place a dispute settlement mechanism which allows U.S. law to apply to Canadian products that go to the United States. Trade disputes on countervail and anti-dumping that have been initiated by American companies against Canadian exporters are decided under U.S. law, and the decision then affects Canadian exporters.

There has already been a good example of this in the exports of softwood to the United States. The Americans put a countervailing duty on softwood and we reacted by putting a tax on the softwood that was to be exported from Canada. Consequently, the citizens of both nations are now paying more to build their houses. This has occurred because U.S. law was applied to this trade question.

With these motions, we are attempting to ensure that Canada, through Parliament, can have a say when it finds that it is being wronged by U.S. law under the treaties signed by the executive branch of the United States and the Cabinet of Canada. The motions provide that we have some recourse, the recourse being that the decisions made under U.S. law cannot affect Canadian decisions without passing through Parliament.

The motions would also give Parliament more of a democratic grasp on the establishment of the kind of country in which we want to live and the kind of relationships we want to have with other Governments. If the Government of Canada through a treaty gives up its power to establish tariffs—that is what happened in the past—then we have to have some way in which to limit that power. These amendments will attempt to do that.

• (1610)

Maybe what we need is to take a good look at the process of treaty establishment in Canada. Maybe we need to change the tradition and make all treaties referable to Parliament instead of the way it is now. When a decision is made for a treaty it is accepted as being complete when signed by the Prime Minister (Mr. Mulroney) and approved by Cabinet. If these amendments are put in place, we will at least have some of the treaties sent to Parliament or approved by Parliament at some stage before they become the law of Canada.

The trade agreement between the United States and Canada has been based on, or at least the rhetoric which the agreement is based on, the requirement for a level playing field. I suggest that a level playing field requires the same kind of approach to the ratifying of a treaty as we have for organizations and the law to be applied on both sides of the border. That has not been done.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. I gave him an extra couple of minutes because I thought maybe I had taken the time away from him. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse).

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to support the amendments of these five different motions that appear in different parts of the Bill which are trying to establish the same principle throughout the Bill. We have here as important a proposition as that in the Lord's decision to approach King John and force him to permit the Parliament of the day to approve any changes to the taxing and spending power of the Government. What we have here is an attempt in a constitutional monarchy to change the way that our Government conducts itself in international affairs with regard to the signing of international agreements and treaties.

What it says is very straightforward. The amendments we are proposing in the five places in the Bill where it is appropriate to move them very clearly say: "The powers conferred by this section may not be abrogated between the Government of Canada and the Government of another country". This would make Parliament supreme in the functions of any Government, regardless of what stripe that Government might be. The Government would have to take changes to the treaty—in this case an abrogation of the treaty—back to the House of

Commons, the Parliament of Canada, before the Government could change or abandon the treaty.

This would be of interest to Members on the government side. Knowing past history they will realize that they will not be on the government side forever. If the Government changes, which the current status in the polls indicates as a foregone conclusion, one or the other of the opposition Parties will form the new Government. If we can believe the leaders of each of those Parties, they have every intention of abrogating this Canada-U.S. accord we have been discussing this afternoon.

Government Members would, I am sure, were they on our side of the House, be quite concerned that they have some say in a decision about the treaty. I presume they think the matter should be brought to the House of Commons by way of an Act of Parliament before any changes or a complete abrogation of the treaty were made. I presume we would get full support of government Members, particularly those who have been attempting to change the role of the back-bencher in the House of Commons. I see the Hon. Member for Peace River (Mr. Cooper) is in his place. I presume that he will be supporting this amendment because it increases and clarifies the role of the House of Commons and gives it a role in the finalization of treaty obligations that any Government may make on behalf of the country. This is extremely important. We have followed 800 years of British parliamentary practice, namely, whoever is the Government represents a majority of the people and, therefore, speaks for them. Because of that majority, it has every right to sign an international treaty.

However, we are at the point right at the moment, if I can divert from the Bill itself just to make an example, where the Government is proposing an international treaty with the United States, a Government that no longer has the backing of the majority of Canadians. In fact, if we can believe the opinion polls, about one Canadian voter in four supports the Government. The henchmen of the agreement, the Premiers, allegedly behind the Prime Minister's attempt to go forward with this agreement, are in similar disarray. The Premier of my province, Grant Devine, is reported to be running 25 points behind the NDP's Roy Romanow, but Grant Devine is one of the leading advocates of this particular agreement. He does not have a majority of support in his own province yet he is attempting to speak for the whole of the country, which is his right under our system. But he is not speaking for a majority and he is not representing a majority. In fact, his Government got 2,000 votes less than the Official Opposition. The Premier of British Columbia is currently running 11 points behind the NDP in that province and even that rock of Conservative solidarity in your own province, Mr. Speaker, of Alberta, is seeing Premier Don Getty falling in the polls as his support for this agreement is recognized.

Mr. McMillan: What are the polls in Manitoba? Where does Howard Pawley stand?

Mr. Althouse: He is not doing that particularly well.

Some Hon. Members: Oh, oh!

Mr. Althouse: He is at least equal to the Conservatives in his province. The rural areas in Manitoba, I might point out, in the last poll were up 6 per cent over the previous one. But there is some concern about what the Government is proposing to do with this country. I raise that point to reinforce the argument I am trying to make, namely, that it is important to refer back to Parliament before we rely wholly on the executive branch of any Government.

I do not care whether it is a Government our Party would form or one of the other Parties might form. The principle should be changed so that Parliament has the right to deal with international agreements of this nature. Whether it is an agreement to harmonize tariff rates, or to form an economic union with another country, Parliament should be consulted. It should be considered as a new principle of democratic Government that such agreements have to have the approval of Parliament before they come into place.

• (1620)

This is necessary because opinions change and the direction of Governments change. There is no clearer example of that than the current Government. During the leadership campaign of the government Party, we were told by the man who eventually became Leader that free trade with the U.S. was something he would hear no more of, that it could lead to a loss of sovereignty and so on. We also know that in November, 1984, shortly after becoming Prime Minister, that same gentleman said: "We have only been in power for two months but I can tell you this: Give us 20 years, and it is coming, and you will not recognize this country." A few years later, on October 22, 1987, just after the deal was signed with the Americans, Clayton Yeutter, U.S. trade representative, said: "The Canadians don't understand what they have signed. In 20 years they will be sucked into the U.S. economy." I wonder if the Prime Minister is not keeping one of his promises, the one he made on September 7, about giving him 20 years and we would not recognize this country.

That is one of the reasons I think Parliament has to have an opportunity to review trade agreements, international accords, and changes to tariff rates such as we have before us today. It is extremely vital to the continuation and modernization of the democratic process that these amendments be made.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will not say it is encouraging to hear Opposition Members but at least it is an education. Perhaps I may take this opportunity to educate them as well. In Quebec, they say that ideas are like socks. If you never change them, they start to smell. Mr. Speaker, I think there is a lesson here we should apply from time to time.

Motion No. 8 infers that the provisions of a treaty might abrogate the provisions of existing legislation. That is more or less what the motion appears to say. Mr. Speaker, you know as

well as I do this could never happen anyway. No provisions of any treaty can change or abrogate existing legislation. I think that even if there is some discussion on the other side of the House, it shouldn't take long. The motion should be rejected. We don't need the amendment because the situation is purely hypothetical.

[*English*]

The Acting Speaker (Mr. Paproski): Debate. Is the House ready for the question?

Some Hon. Members: No.

Mr. Iain Angus (Thunder Bay—Atikokan): Nice try, Mr. Speaker.

The Acting Speaker (Mr. Paproski): If the Hon. Member does not rise, I am not going to be able to recognize him. Now that he has, I will.

Mr. Althouse: He just does not get that much taller when he stands.

Mr. Angus: I thank my colleague. See if we move any more of your grain.

It is one of those days, Mr. Speaker, but I am rising to speak particularly to Motion No. 8 put forward by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy). It reads:

> "(7) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

This motion should be accepted, and I encourage the Government to do so. It is very similar to provincial planning laws and municipal zoning laws which establish a set of rules with respect to how a community is to be developed. If one wants to change those rules, one has to go through a public process. One just cannot sit in a community room or cabinet room or council room and redraw the lines and it is done. One has to go through a public process. What we are saying in this motion is that if this and other amendments are put in place, the Government would have to bring in a specific piece of legislation for a specific commodity or component in order for the tariff to be changed. What we are trying to do is maintain that opportunity in the public forum.

In general we are concerned that this Bill, and that clause in particular, will open the door for implementation of the trade agreement reached between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States. We want to prevent that. We want to put this clause in so that the normal ability of a Prime Minister to sign a treaty is taken away from him. If he wanted to do something like that, he would have to come back and change this particular Bill based on that agreement. We think it is very appropriate to put that kind of power in the legislation and ensure that the people of Canada, through their elected representatives, have the fullest opportunity to debate the impact of changes.

Yesterday I had the opportunity, along with my caucus colleagues, to meet with two individuals who were very concerned about one of the industries to be directly affected by the trade agreement. They were representatives of the Ontario Grape Growers Marketing Board. They explained to us the implications for grape producers in Ontario. Even though they did not represent them, the same holds true for grape growers in British Columbia. This would have a devastating impact on the business, their families, and their employees. They said the impact was not going to occur in 1989; it was going to be in 1988 because of the growing season in that industry. They will have to begin now to remove from production those vines that will be producing in 1989. Already they will have to down size their production.

They pointed out that whereas Canada was giving up its industry, particularly the wine industry which uses these grapes, they were not getting guaranteed access to the U.S. Americans can sell their wine and juices in Canada without any financial impediment. However, Canadian producers do not have the same access to the United States markets primarily due to the concentration of ownership in the distribution system. In most of the United States the distribution system is controlled by one of the biggest wine producers in the country. I believe that more than three-quarters of the States are controlled by that one company.

• (1630)

It is clear that Canadian wine producers have not had a fair shake. They have not had access to the market equal to that which American producers have been given in Canada. That is assuming that the provinces, particularly Ontario, will go along with the deal. Unfortunately it seems that the Province of Ontario, in spite of the strong show during the last provincial election about vetoing this deal if it is bad for Ontario, will not live up to its word. I think that in time the people of Ontario will realize that they were sold a bill of goods by the Liberal Party of Ontario.

The trade agreement is an extremely important matter for Canadians as well as for Americans. The Canadians to whom I have spoken, Canadians of all political stripes, have expressed real concern about what they perceive to be the implications of this agreement which allows our very large neighbour to the south to come in at will, with no protection for Canadians, to sell their products. In some cases we can sell our products in their market, but they do not see the balance.

Some people think it will be great to be able to go to the United States and pick up a VCR or a television set for $99.99. They do not realize that those things are not made in the United States. They are made elsewhere and would not be included in the agreement.

Granted, there will be a reduction in the price of some items which people will be able to purchase in the United States because they will be able to bring them back to Canada duty-free. However, they will still have to pay provincial and federal

sales tax. They also forget that the merchants in their communities will no longer have the same volume of sales and will have to charge more per unit, in order to maintain their standard of living and ensure that the return on their investment is appropriate.

There are two implications of that. Thunder Bay is 190 miles from its major neighbours in the United States; Duluth, Minnesota, and Superior, Wisconsin. People will not be able to go there every week. But enough people will go there to cause a serious decline in the revenues of retailers in Thunder Bay. The times they are not able to go to the United States they will have to pay more at home. The people who do not have the ability to travel to Duluth or Grande Marais, which is a smaller community closer to Thunder Bay, will not benefit by that and will have to pay more. In addition, fewer small businesses will be able to survive in an already fragile situation.

Although the idea of free trade sounds great, as though we will be getting something for nothing, there is no such thing as something for nothing. When we study the details of the agreement we begin to understand that it is not such a great deal. That is why we have been demanding the right to see the details. We want to examine the nuts and bolts in order to determine what it means to commodity *x*, *y*, and *z*, what it means to British Columbia, Atlantic Canada, and northern Ontario. As a result of the softwood lumber deal northern Ontario was hit hardest. For that reason we believe that Motion No. 8 in particular should be accepted by the Government in order that it cannot automatically implement the trade deal.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to lend my support to the amendments proposed by my colleague. I do so because we believe in the principle that Parliament, through the majority of its Members, should have the right and ability to make decisions which are of importance to Canadians and will have very serious effects on them. That is why we moved this amendment.

In our view the Government, which has a large majority in this Parliament, did not get a mandate to negotiate a free trade deal with the United States. As I indicated in debate earlier today, and as my colleagues and others have frequently made clear, the Prime Minister (Mr. Mulroney) never at any time told the people of Canada that he believed that a free trade agreement with the United States would be beneficial to the people of Canada.

Indeed, in 1983 and 1984, before the election, the Prime Minister made very clear his rejection of the idea of free trade describing the relationship between Canada and the United States in very clear and very correct terms. He classified the United States as an elephant and Canada as a rabbit. I have to agree with him in terms of the relative strength of Canada and the United States as he described it then. During the election campaign he never dealt with the question of free trade at all.

We have estimated that the Prime Minister and his colleagues made over 200 promises during the course of that campaign. One would have thought that they had covered every possible aspect of Canadian life, but there was not one mention of free trade during the entire election campaign. Suddenly, as I said earlier, because of the low standing of the Conservative Party in the polls, the low standing which has continued for 16 to 18 months, the Government, looking for an issue which might gain it the support of the Canadian people, seized on this. One can accept the attraction of free trade, if there was a genuine agreement for free trade between these two countries. One could understand, although I happen to disagree with the recommendations of the Macdonald Commission of a free trade agreement between the United States and Canada. There is a world of difference between what the Macdonald Commission was recommending as a free trade agreement between Canada and the United States and what we have now, or at least what we know about what we have now, which is very little. It is like comparing night and day.

• (1640)

What we have here is an agreement which gives the advantages to the United States and all the drawbacks and disadvantages to Canada. We know from watching Mr. Reisman and the United States negotiator, Mr. Murphy, that the Americans are not satisfied with the fact that in the October agreement they took us to the cleaners. They now want another kick at the cat.

Mr. McDermid: It is the other way around.

Mr. Orlikow: The Parliamentary Secretary is again interjecting, saying' "It is the other way around". I would be very happy to sit down right now if the Parliamentary Secretary would rise and tell us how it is the other way around. We understand, and the Parliamentary Secretary can correct me if I am wrong—

Mr. McDermid: I will correct you when you are wrong.

Mr. Orlikow: I wish the Parliamentary Secretary would keep his cool and wait until I am finished.

Mr. McDermid: You are always saying wrong things.

Mr. Orlikow: I would then be prepared to listen to him. I will not interrupt him, and his interruptions do not bother me. We understand that the American negotiators are now saying they want the agreement to spell out the fact that the very restrictive legislation the American Congress has passed, and which the President has permitted to be enacted, the Jones Act with respect to shipping—

Mr. McDermid: It is 200 years old.

Mr. Orlikow: Well, 200 years old, or whenever it was passed. The fact is that the Jones Act gives rights to American owned and registered shipping which no other country,

including Canada, has, and they want that to continue. We understand that the Americans are insisting on changes to the Auto Pact Agreement. We understand that there are a number of other issues on which they are insisting on changes.

I say it is pretty obvious that the Americans, not satisfied with the tremendous advantages they have received as a result of signing the agreement in October, are now back demanding more. We can see how desperate the Government is to get an agreement regardless of the price. I remind Members that just a few days before the agreement was signed in October, our negotiator, Mr. Reisman, picked up his hat, coat, and briefcase and walked out, saying no way was he going to agree to the demands the Americans were making. A few days later he was back and he did agree on behalf of the Government of Canada. Why did he agree? Because he received his marching orders from the Prime Minister.

Mr. Reisman is an able, experienced negotiator.

An Hon. Member: That is his job.

Mr. Orlikow: Of course, that is his job. That is how the democratic system works. Part of the democratic system that is not working in this present debate is that the people of Canada, Members of Parliament, and the provincial Governments are being asked to buy a pig in a poke. We are being asked to accept that the federal Conservative Government, which never talked about free trade, should now be able to sign an agreement, the final text of which will run into several thousand pages, without the agreement of Members of Parliament, the Premiers of the provinces, or various economic and cultural groups which have a vital interest in what the agreement will contain because they will be so enormously affected either for good or for evil. No one knows what is in the final agreement. No one knows what is involved in the 2 per cent over which they are still haggling and discussing.

The Acting Speaker (Mr. Paproski): Order.

Mr. Les Benjamin (Regina West): Mr. Speaker, I take it we are on Motions Nos. 8, 11A, 12A, and 13A. I want to speak in support of those motions.

It has always been my view, if you do not mind, Sir, that the ratification of treaties and international agreements must in the present context, be carried on by the Government of the day—not just by the Prime Minister, Cabinet, or a combination of both—and ratified by the House of Commons and only the House of Commons.

Our amendments say that any treaty or portion thereof cannot abrogate any section of this Bill without the consent of Parliament. I admit right away that that may be a back door way of going about it. However, we are left with no other choice. What we are faced with is that in our parliamentary democracy we are permitting a foreign administration to tell a supine, money hungry Government of Canada what kind of laws we must have. We are dealing with a law that calls for the harmonization of tariffs and duties and so forth.

As I said the other day on an earlier amendment, the Government wants us all to get into harmony, and the name of the tune will be the *Star Spangled Banner*. Obviously our amendments to this Bill—and we have done the same on other occasions on other Bills, some of them long past—indicate that my Party would bring to Parliament any international agreement or treaty for debate, discussion, and ratification whether or not it required a constitutional amendment. I think it should be a requirement. If the House of Commons chose not to approve or ratify a treaty, be it a trade agreement or any other kind of international treaty, the Government of the day, particularly if it was a Government of my Party, would have to go back to the negotiating table of the country or countries concerned.

My friends opposite continue to suffer the delusion that the United States administration or Congress, or the individual 50 states, will hold still for Canada obtaining a larger share of any market in any commodity than we presently have. In my own part of Canada many suffer from the same delusion, specifically the Cattlemen's Association and some hog producers.

• (1650)

We have learned enough lessons from free trade arrangements in the past, when they closed down the border, countervailed, established duties or tariffs in spite of a non-tariff arrangement. As I read the agreement, there is nothing that prevents the United States from doing the exact same thing again.

While I will not say it is a sell-out, the Government is prepared to go to almost any length in a desperate effort to obtain a treaty. I received information this morning from a senior federal bureaucrat that the Americans have in fact thrown new flies in the ointment, and the negotiations on matters which we were assured by the Prime Minister (Mr. Mulroney) were completed are still going on.

We find it necessary to move these kinds of amendments because the Americans have thrown new wrinkles into the present discussions. We are in the dark about negotiations at the moment, and we have no other choice but to put forward these amendments which say these powers cannot be abrogated by any treaty or portion thereof.

This morning in the transport committee I tried to raise questions concerning the transportation annex. If and when the Government brings in legislation amending some of our transportation laws, it will have to answer some questions about the present agreement. Section 4 of the transportation annex speaks of the making of amendments to existing measures or future measures taken pursuant to existing measures, subject to the test of unfair subsidy. It was impossible to get an explanation from senior officials in the Department of Transport about what constitutes an unfair subsidy.

It states that new measures in areas not addressed by existing measures are subject to the test of an unfair subsidy.

How will an unfair subsidy on a transport rate or program be defined? They were unable or unwilling to tell us.

Is a government payment a necessary condition to define a subsidy? What if a transportation operation cross subsidizes among its traffic? Will an unfair subsidy be based on variable cost, short-run and long-run, constant cost, or fixed cost?

More important, if we were to index fully the western grain freight subsidy against inflation, would that be subject to the test of an unfair subsidy under the transportation annex to the free trade agreement? No one in the Government, including the Prime Minister, will respond to that question. That is another reason for these amendments.

Let us assume, for the benefit of my friends from Atlantic Canada, that we want to change the percentage of rate of subsidy on goods shipped out of the Atlantic region. Would the new subsidy be subject to the test of an unfair subsidy as laid down in the free trade agreement and the transportation annex? Could the rates consequently be affected?

Would the subsidized construction of a new rail line or air cargo terminal be subject to the test of an unfair subsidy? Could the rates be affected? These concerns are another reason for these amendments. Anything in this Bill could not be abrogated by the treaty the Government is presently negotiating, without coming to Parliament. Surely the Government would accept such a proposal if the deal is so good.

The U.S. Jones Act restricts domestic cargo to American vessels. Will there be an amendment to the trade deal to give us the same right, should we ever decide to use it?

Mr. Binns: Yes.

Mr. Benjamin: I invite my hon. friend to show me what is in the agreement or the transportation annex that allows him to say, "Yes". If he knows what he is talking about, I expect him to get up and tell us.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that his time has more than expired. I will recognize the Hon. Member for Kenora—Rainy River (Mr. Parry) as the next speaker.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill S-14, an Act to authorize Cooperants, Mutual Life Insurance Society to be continued as a corporation under the laws of the Province of Quebec, to which the concurrence of this House is desired.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

RESUMPTION AND CONTINUATION OF POSTAL SERVICES ACT

MEASURE TO ENACT

On the order: Private Members' Business:

October 7, 1987—Second reading and reference to a legislative committee of Bill C-269, an Act to provide for the resumption and the continuation of postal services.

The Acting Speaker (Mr. Paproski): The Private Members' Business scheduled for today was to be the motion for second reading and reference to a legislative committee of Bill C-269, an Act to provide for the resumption and the continuation of postal services, standing in the name of the Hon. Member for London East (Mr. Jepson).

However, earlier this day, the Hon. Member was granted unanimous consent of the House to have the Order for second reading discharged and the Bill withdrawn.

Therefore, there being no business for the House at this time, the House stands adjourned until tomorrow at ten o'clock, pursuant to Standing Order 3(1).

The House adjourned at 5 p.m.

HOUSE OF COMMONS

Friday, December 4, 1987

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Thursday, December 3, consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding system, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee; and the following motions of Mr. Cassidy:

Motion No. 8.

That Bill C-87, be amended in Clause 59 by adding, immediately after line 4 at page 19, the following:

"(7) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Motion No. 11A.

That Bill C-87, be amended in Clause 60 by adding, immediately after line 27 at page 21, the following:

"(9) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Motion No. 12A.

That Bill C-87, be amended in Clause 61 by adding, immediately after line 14 at page 22, the following:

"(6) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Motion No. 13A.

That Bill C-87, be amended in Clause 62 by adding, immediately after line 28 at page 22, the following:

"(2) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Mr. Nystrom: Mr. Speaker, we have had some talks with the Government House Leader. I understand that someone else can move these amendments on behalf of the Hon. Member for Ottawa Centre (Mr. Cassidy). He could not be here today because he has other commitments. I just want to make that clear.

Mr. Lewis: Yes, Mr. Speaker, I am pleased to respond. We appreciate that people have other commitments and we have agreed to allow these motions to be moved by another person.

We also have an informal understanding that we will have full and complete debate on these motions but that the debate at report stage on Bill C-87 will wind up today.

Mr. Gauthier: Mr. Speaker, on the same point of order, I take it we are pursuing debate on the motions before the House, specifically Motion No. 8. That motion has not been disposed of as far as I know, so debate is continuing on that motion. After that there is the agreement that, the Hon. Member for Ottawa Centre (Mr. Cassidy) not being here, his motions can be moved by someone else, with the undertaking that the Bill will go through complete report stage today.

Mr. Deputy Speaker: Resuming debate.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to make a few comments on this motion, because I think it is important. We are talking about a proposal to reduce or abrogate certain powers conferred by the clause in question. The main thrust of the motion was that in the case of a treaty between the Government of Canada and a foreign administration or government, Parliament should be involved in the process of accountability. As we know, Canada is now engaged in trade negotiations, in which major aspects of our sovereignty and our ability to take steps to protect ourselves are at stake, and these negotiations are about to be finalized. I am referring more specifically to the Mulroney-Reagan Agreement on so-called free trade, and we have a number of problems with this.

Mr. Speaker, we all know that agreements between Canada and the United States cover over 80 per cent of our trade in goods and services, providing for duty-free entry. This leaves 20 per cent of our trade that is subject to tariffs and levies, on both sides, to protect the service and manufacturing sectors.

Although this is a relatively small area, Canadians should realize that we must try and retain our control over these tariffs to the greatest possible extent. And I think the motion presented by the Hon. Member for Ottawa Centre (Mr.

Cassidy) would give the House of Commons and the Parliament of Canada a chance to take a really close look at such matters. I think it is a very sensible motion.

Mr. Speaker, Motion No. 8—and this applies to the various amendments in the group—would amend Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, and so forth. The proposal is therefore:

That Bill C-87, be amended in Clause 59 by adding, immediately after line 4 at page 19, the following:

"(7) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

Mr. Speaker, what is being proposed here is that whenever tariffs are imposed by the Canadian Government, an Act of Parliament will be required to implement the measure. For the time being, on the basis of what we know about the free trade agreement—which is not much because the final document is not yet available—the purpose would be to reduce tariffs to a bare minimum.

In other words, the present Government has confronted us with a new situation. The purpose is to eliminate tariff barriers and to open the door to so-called free trade. There are of course a number of exceptions in the proposed agreement, but it is not yet clear what goods are affected, how this agreement is structured and what the powers will be of the mechanism for settling disputes. There are so many documents going around that I think it would be a good idea to have a debate on this question before the agreement is signed, so that we can take a closer look and understand the exact extent of the commitments the Government would have us undertake.

Mr. Speaker, the motion is quite simple. It means that when a Customs tariff is applied or proposed, a Bill would be tabled in the House and Members could consider the question. That is basically what the amendment is about, and I think we will support it.

• (1010)

[*English*]

Mr. Deputy Speaker: Is the House ready for the question on Motion No. 8?

Some Hon. Members: Question.

Mr. Deputy Speaker: As the Speaker had ruled, Motions Nos. 8, 11A, 12A, and 13A have been grouped for debate, and a vote on Motion No. 8 will be applied to Motions Nos. 11A, 12A, and 13A.

The question is on Motion No. 8 standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

Motion No. 13 will be debated and voted on separately.

Mr. Lorne Nystrom (for Mr. Cassidy) moved:

Motion No. 13

That Bill C-87, be amended in Clause 62

(a) by striking out line 19 at page 22 and substituting the following therefor:

"goods imported from any country other than the United States of America by way";

(b) by striking out line 26 at page 22 and substituting the following therefor:

"other than the United States of America as may be required by Canada's internal-".

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I am pleased to lead off the debate on the motion originally placed by my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), who is unable to be here today.

We see this clause as a key one in the legislation. We also see this amendment that we have put forward as crucial to ensure that the Government of Canada is not in a position to implement a trade deal with the United States through the back door. By that I mean that if this House is not in a position to pass the resolution on the deal itself, or in some subsequent enabling legislation, the Government of Canada could use the existing Clause 62 as a means of implementing that trade deal without resorting to approval by Parliament.

Clause 62 allows the Government, on the recommendation of the Minister of Finance (Mr. Wilson), to reduce or remove customs duties on goods imported from any country without reference to Parliament.

Clause 62(a) indicates that such a reduction has to be by way of compensation for concessions granted by that country or any other country. This clause allows Canada to negotiate at the GATT and to agree to multilateral tariff cuts without having to take them before Parliament, although I am told that the practice has generally been that they do come before Parliament. This clause also allows the Government of Canada to agree to and put into force tariff cuts to the U.S. without reference to Parliament.

We believe that this clause means that it will allow the Government which was stalled in Parliament to implement

free trade with the U.S. without bothering to ask for permission.

The amendment that we have before us would restrict the ability of the Minister of Finance and the Governor in Council from going ahead with any tariff reductions with the United States. If this amendment passes, then the Government would be required to come before Parliament to have debated a particular piece of legislation that would implement any reduction in those tariffs between Canada and the United States.

Because this trade agreement, that perhaps is still being negotiated, is so important to Canada and our ability to control our destiny, we feel that it is extremely important that Cabinet, which really is the Governor in Council, not be given the power to implement automatically tariff reductions with the United States. We feel it is of prime importance that the duly elected representatives of the people of Canada, this Parliament and the House, have the opportunity to review publicly and debate publicly the merits of any such tariff reductions. As we have seen, anything that this Government has negotiated has not lived up to the initial image that was created by the Government. It has not ended up being the panacea that we were led to believe. We think Parliament has the responsibility to debate these issues to ensure, whether it is softwood lumber, shakes and shingles, or energy, that the Government be forced to come before Parliament to get permission.

As I stated yesterday, this procedure that we are trying to put in place is very similar to the procedures at the local planning level which establish rules for how a community shall look, and if anyone wants to change those rules, they have to go through a public process. So it is a trigger mechanism, instead of what exists in Clause 62 where the Governor in Council, on the recommendation of the Minister of Finance, can say, "We have this deal, and let us implement it", without any of us having the opportunity to go through the ramifications of it, and finding out after the fact what has happened.

In a nutshell, those are basically the concerns that we have. I know that some of my other colleagues wish to make some comments on this Bill, so I will leave it at that.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I urge my colleagues to vote against this motion. The proposed amendment is unacceptable since it is an obvious attempt to discriminate and make representations against the United States. This particular motion is basically the same as Section 11 of the present Customs Tariff. There is no valid reason for including provisions that would discriminate against a specific country and would probably be unacceptable to GATT. Furthermore, Mr. Speaker, we are here to pass laws that are not only fair but fair to everyone.

• (1020)

[*English*]

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, one of the reasons this motion has been put forward is not perhaps as clearly altruistic as the previous motions we have moved which, as you will recall, attempted to bring more control back to Parliament. This motion does that, but it is also clearly and unabashedly aimed at forcing a debate on issues which we may not, as a House of Commons, get to debate concerning the proposed Canada-U.S. trade deal.

This particular motion, if adopted, would force that deal to come before the House, something that current practice does not do. We do not have a clear opportunity to discuss and debate this deal except by way of opposition motions. Apparently the Government has the intention of putting a motion before the House to discuss the principles of the deal, but we will not be able to debate the proposals clause by clause and see the dotting of the i's and the crossing of the t's. This is just an attempt to demonstrate to the Government that there is another way of going about this.

If we are going to be harmonizing all of our practices with other countries, we should be looking at the practices of some of those other countries to see whether they adopt the practice that we are proposing of sending back national agreements on duty, customs and tariffs as well as larger trade deals to their particular national assemblies, Congress or whatever. If we are going to participate fully and completely in a harmonization process, we think that the process should include harmonization of procedures in the home country, and this amendment would attempt to do that. It would provide the Canadian Parliament with a similar oversight and review provision to what the U.S. Congress has. It would mean that the Prime Minister (Mr. Mulroney) would have to present these proposals, which do affect revenue and taxation to the House because they are in the legitimate purview of the House and of Parliament. Our amendment would encourage that process being adopted in Canada.

I think I have said it so many times that I do not want to repeat it, but this process is one that was put in train by the McGrath review of the role of the back-bencher, carried on by our friend, the Hon. Member for Peace River (Mr. Cooper), who looked at the methods Parliament uses for controlling the budgetary and taxation process. We have attempted to move amendments throughout the Bill to put some of those ideas into place. This particular amendment goes somewhat toward that as well.

I admit that this amendment is aimed quite directly at the United States with the specific purpose of drawing attention to the fact that we have a very large trade arrangement being proposed between Canada and the United States, an arrangement which the Prime Minister has very modestly referred to as the greatest trade deal in the history of Canada. It is, therefore, likely to have quite an impact on the future history of Canada, so much so that I pointed out to the House

yesterday—some Members may not have been here at the time—the assessment of Clayton Yeutter who felt that in 20 years Canada would not look at all like it is now because it would be much more integrated with American society.

Members of this House were elected to be given an opportunity to review that kind of revolutionary change. This amendment is one effort to allow it an opportunity for debate on the merits of the initiative. We are proposing that the House have an opportunity to look at such initiatives. Previous amendments we have proposed, if they are adopted, will mean that the House will have, after 60 sitting days, to decide yea or nay whether or not the initiatives are acceptable. It is not a great imposition on any Government. Governments in our system have to operate from the basis of majority. A Government would simply use its majority to push the proposal through, but the House would be carrying on its traditional, long established role of having a full opportunity to review taxing and revenue measures, something which our current practice does not give us.

Mr. Deputy Speaker: Is the House ready for the question on Motion No. 13?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 13 standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11) the recorded division on the proposed motion stands deferred.

Motion No. 14 will be debated and voted on separately.

Mr. Lorne Nystrom (for Mr. Cassidy) moved:

Motion No. 14

That Bill C-87, be amended in Clause 101 by adding, immediately after line 37 at page 41, the following:

"(4) No remission of duties of a value of more than twenty-five dollars may be made unless it is approved by resolution of both Houses of Parliament."

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, Motion No. 14 is in the name of my colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), but moved on his behalf by the Hon. Member for Yorkton—Melville (Mr. Nystrom).

Basically, Clause 101 allows the Government to remit duties which, at times, is done for routine purposes but can also be done as a back-door way of cutting tariffs if a Government is blocked in Parliament. The purpose of the amendment is, therefore, to allow for routine remission of duties to go forward but to require, when remission is of a value greater than $25 million, that there must be action by Parliament.

We believe that there is a potential loss of revenue for Canada as a result of the trade deal. The value of Canadian tariffs on U.S. imports is about $2 billion a year. The Government insists that consumers will benefit under free trade through lower prices because that $2 billion in tariffs will no longer have to be paid. The question then arises, who will pay it? Will this loss be met by cuts in welfare spending? Will it be met by increased taxes on corporations? Or will it be met by the same average Canadians who were meant to benefit from lower prices?

• (1030)

In line with the principle of parliamentary accountability, we are taking the view that if the Government wants to spend more than $25 million, it should require the approval of Parliament and not by Order implement a major reduction in federal government revenues of which Canadians would be almost unaware.

I think the motion clearly speaks for itself. Once again, we are trying to ensure that the actions the Government takes are taken through the House of Commons and not taken in the cabinet rooms. When decisions are made in the cabinet rooms, we do not have access to the documentation or the justification for the decisions. Here in the House we can sometimes get that kind of information.

At this point I will sit down and allow my colleagues to add their comments should they wish to do so.

Mr. Althouse: Mr. Speaker, I rise on a point of order. I think there has been a slight error in the printing of this motion in the Order Paper of December 2. It describes the motion as saying that no remission of duties of a value of more than $25 may be made unless it is approved by resolution of both Houses of Parliament. The intention was that that be $25 million. There is some difference.

With the approval of the House, I would ask that the motion be posed as it had originally been intended.

Mr. Deputy Speaker: Very well, it is $25 million, not $25.

The motion reads:

Motion No. 14

That Bill C-87 be amended in Clause 101 by adding, immediately after line 37 at page 41, the following:

"(4) No remission of duties of a value of more than twenty-five million dollars may be made unless it is approved by resolution of both Houses of Parliament."

Amendment (Mr. Althouse) agreed to.

Miss Aideen Nicholson (Trinity): Mr. Speaker, in view of that correction, I am now happy to support the motion. I must say that when I looked at it, I had visions of both Houses being tied up examining items worth $25 each.

The first reason I have for supporting this motion is that under normal circumstances, many powers are given to the Government of the day through Order in Council, but the circumstances now are not normal. This Bill which affects tariffs will itself be affected by the Canada-U.S. trade agreement, the contents of which we still do not know because they are under negotiation at the present time. That being the case, I think it is incumbent on us to require that as far as possible, all decisions made under this Bill are brought back to the House for ratification.

There is a further problem with the use of remission orders. While the Financial Administration Act requires that remission orders be published at year end in the Public Accounts of Canada, the costs should also be published. This has not been happening. The Department of Finance has frequently said that for one reason or another, it has been unable to assess the costs accurately and it does not wish to estimate a figure. Therefore, one finds remission orders appearing in the Public Accounts of Canada without any figures attached to them, even though that breaches the Financial Administration Act.

This is something that the Public Accounts Committee has made recommendations on and we are awaiting a government response. We have recommended that rather than publish no figure, the Department of Finance produce its best estimate and clearly identify it as an estimate rather than a firm cost. The problem continues. Members of Parliament are being kept in the dark, both at the time the remission order is made and even up to a year afterwards, since costs are not published in the Public Accounts of Canada. Therefore, I think remission orders should be used as sparingly as possible.

I will therefore support this amendment which provides that any remission order which involves costs of $25 million to the Treasury must be brought before the House and not simply dealt with by Order in Council.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the proposed amendment would ensure that all remission orders recommended by the Minister of Finance or the Minister of National Revenue are tabled in Parliament for approval.

In fact, this was already possible in nearly every case where paying duty would be unfair or a major financial burden for manufacturers, and also to correct anomalies in the Customs Tariff.

Last but not least, the proposed amendment would affect a large number of orders annually and needlessly burden Parliament with this administrative task.

[*English*]

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I too wish to say a few words on this motion before the House, Motion No. 14. We have unanimously accepted a very sensible amendment to this motion put by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) and it is also very interesting that—

[*Translation*]

—in the French version, about the $25 million, it says and I translate: "No customs duties refund exceeding twenty-five million dollars shall be allowed without prior ratification by a resolution of both Houses of Parliament."

[*English*]

I am not really wed to the figure of $25 million, though the figure is probably appropriate. When dealing with that amount of money, there should be a resolution of both Houses of Parliament. We do believe that at a certain point, there should be some parliamentary approval of and accountability for what is happening.

I am sure you would agree, Mr. Speaker, that in many ways this little motion before the House is a great Conservative motion. I have been a Member of the House for a number of years and, time and time again, I have seen the Conservative Opposition, led by that great Finance Minister, talk about accountability. They said that those terrible Liberal Ministers of Finance were not accountable to Parliament and that we needed accountability. They said that if elected, the Conservative Party would be accountable.

The same is true of conflict of interest guidelines. I recall that Ged Baldwin, one of the most thoughtful Members ever elected in the history of Canada, campaigned for years on effective conflict of interest guidelines. Those guidelines were accepted by the present Secretary of State for External Affairs (Mr. Clark) when he was Prime Minister, but now the boy from Baie Comeau is the Prime Minister and he has breached all the past history, rhetoric and traditions of the Conservative Party on that issue.

When the present Minister of Finance (Mr. Wilson) was in opposition, he made many speeches about accountability. He said that Parliament must be accountable to the taxpayers for their money and that we could not trust the bureaucrats and Cabinet to pass Orders in Council. It is really quite irksome for me to have to defend a traditional Conservative position because the Minister of Finance no longer has the ability to do it himself. I can refer to speech after speech in which he said what I am saying now.

I could go on to talk about how power changes people. The Minister of Finance is a prime example of that. Now that he is a government Member, he is acting like a traditional Liberal

bureaucrat. He has to hide things from the public, from Members of Parliament and from his own back-benchers. That is one reason why this Government is so unpopular. The Minister of Finance has undergone many changes, a bit like a chameleon. He is one of those great guys who helped us in Saskatchewan nationalize the potash industry.

• (1040)

Mr. Wilson (Etobicoke Centre): No, Sir.

Mr. Nystrom: That was when he was in private life. So you can see he has undergone many changes.

Seriously, I want to recommend to the House that we accept this motion. It would mean that when there is to be a remission of more than $25 million, the Government must come back to this House. Members of Parliament, representing the taxpayer, must vote to approve or not to approve such remission. That is democracy. That is accountability. I am sure all members of the Conservative Party will, in the tradition of Sir John A. Macdonald, John Diefenbaker and Joe Clark, agree with me.

It is very sad that they have to defend a Minister of Finance who does not want to be as accountable or democratic as he was when in opposition. In the tradition of parliamentary reform, how about a little rebellion on the back benches? How about these Conservatives standing up for some of the traditional values they used to spout in opposition? I know the Minister of Finance would like to make this speech, but he is afraid of losing his job. I hope some back-benchers will stand up and tell us how they really feel with respect to defending traditional Conservative values.

[*Translation*]

I see one of my colleagues from Quebec. He ran as a Progressive Conservative candidate, because he believed in the Party. He believed that the Progressive Conservative Party supported Member participation and a democratic Parliament, and that it was against the Cabinet principle.

[*English*]

—where you have all kinds of secrecy and control exercised by a few people. They should get up and support this amendment. It does not mean the Government is going to be defeated, but it would have to be a little more sensitive to the wishes of ordinary Members of Parliament, let alone ordinary Canadians.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I must say I was provoked to rise at this point to—

Mr. Nystrom: You are all wet.

Mr. Wilson (Etobicoke Centre): The Hon. Member for Yorkton—Melville (Mr. Nystrom) should be very careful about where he throws his water. It landed on the desk of his Leader.

The Hon. Member said I have changed colours, that I am a chameleon. He knows that when this Government took office, we were bound and determined to develop the most open form of Government imaginable. That is what happened, and let me just comment specifically on tax reform and the process we have been going through in that respect.

I am meeting in about one hour's time with the Canadian Federation of Agriculture. I have been meeting with all sorts of organizations, a social policy group yesterday, business organizations the day before, labour organizations next week. This is part of the open Government we brought in and to which we are very much committed. It is one of the reasons that the record of this Government is as good as it is. I can repeat the same process on trade, indeed the whole range of policy we initiated.

The Hon. Member said I will not stand up and make a speech today because I am afraid I might lose my job. On the day that unemployment has come down to 8.2 per cent, and on the day we announced 1,035,000 jobs have been created since we took office and instituted our economic program, why would the Hon. Member say I would be afraid I might lose my job if I make a speech? I walk along Sparks Street here and people are slapping me on the back saying, "It is great to see you. It is going up from a million jobs. This is the best open and effective Government we have had". That is why this motion on the Table today is totally specious. It is not grounded in fact whatsoever.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to speak after the Hon. Minister of Finance (Mr. Wilson) who says he is not a chameleon and does not change his thoughts or direction. Yet he has been defending a bilateral trade agreement with the U.S. At least I presume he has. He did not particularly do it in his most recent intervention. However, I go back and look at some of the things said by that same Hon. Minister when he was a candidate for the leadership of his Party. To quote from *Maclean's* magazine of June 13, 1983, on the subject of bilateral trade, he said:

> Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally.

Those are the words of the Hon. Minister who does not change his spots or direction.

Mr. McKenzie: Tell us about Pawley's position.

Mr. Althouse: We are now listening to a Government which has decided to approve a bilateral trade agreement with the U.S. which the Minister said was simplistic, naive and would not serve this country well.

It is reassuring to hear that the unemployment figures are down slightly to 8.2 per cent. I wonder if the Minister still believes his initial assessment, which is the same as ours, that the proposed deal will diminish our ability to compete internationally. I wonder what he will be able to report to the House after January 1, 1989, when our economy begins to change to fit in to that new pattern.

It sometimes helps to listen to the advice of the poet Burns who said that the Lord should give us the power to see ourselves as others see us. When we look at the way others see us on this trade deal, we see President Reagan said:

> If past is prologue, we know what the results will be. Almost two hundred years ago, trade barriers vanished in the United States' part of this continent after the new constitution took effect. Almost immediately a stagnant economy began to boom. The U.S.-Canada free trade agreement is a New Economic Constitution for North America. It will, I believe, inaugurate a similar continent-wide economic expansion.

He does not say who will benefit from the expansion, but he is quite certain there will be one. *The New York Times*, in its headline of October 6, 1987, summed it up about as well as it can be summed up from the American point of view. It read:

> Today Canada: Tomorrow the World

We have as well another assessment by William Randolph Hearst Jr., Editor-in-Chief of The Hearst Newspaper Syndicate. On October 11, 1987, he said:

> The momentous move towards uniting the two countries economically is very gratifying to me. For more than a decade my Pop urged in his newspapers that Canada become part of the U.S.

Very briefly, that is what the U.S. saw and sees in this deal. Quite frankly, that is how we see it as well. That is why we propose to make some changes to this particular initiative dealing with the harmonization of trade. We propose in this amendment that any trade-related initiative taken by the Government with respect to duty remission or tariff changes which will have an over-all impact on the income of the Government of Canada beyond $25 million be referred to this House for study and debate within 60 sitting days as proposed in previous amendments. We think this only makes sense. It provides an opportunity for the House to be part of decisions which affect the revenue-generating capacity of the country and tax initiatives which the House of Commons is supposed to hold sacred. We therefore urge Members to consider a $25 million level for such initiatives.

• (1050)

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise to speak in support of this amendment because I think it is an important amendment. As we have heard this morning, the Government talked many times about accountability in the House of Commons. Although we are not wed to the figure of $25 million, we think that tariff remissions of a substantive amount should be brought before the House of Commons.

In debating the free trade agreement we have not taken into account that there will be about $2 billion less national revenues collected. When revenues are not collected, they become an expenditure. We ask that such an expenditure be brought before the House of Commons. We are not asking the Government to take a giant step. We are only asking it to implement the values it said it stood for.

It is ironic that New Democratic Members are putting themselves in the position of the Conservative Government in that we are quoting that which the Conservative opposition said so often. The House of Commons should have the ability to decide where a $25 million tariff remission will be taken from. Will it be taken from social services, child care programs or even nuclear submarines? I do not know what the priorities of the Government are because it has never been very clear on that.

If such initiatives are not brought to the House of Commons the Government will be following the old traditions which allow the Prime Minister (Mr. Mulroney) or the Minister of Finance (Mr. Wilson) the authority to spend that amount of the money of the Canadian people. Under the American-Canadian free trade agreement remissions can be allowed with a simple signature and there is less and less accountability. I do not think that is what Canadian people are looking for. The Government, which campaigned on accountability and openness, should realize that the Canadian people are getting pretty fed up with the constant turn-arounds on all its programs. A simple amendment such as this does not destroy the Bill. It only implements the kind of value system about which the Conservatives talked so often.

We have heard nothing about how the billions of dollars in revenues which will not be collected will be replaced. In response to questions asked in the House we are told that there will be less spending for consumers as prices will be lower. However, no one talks about how the Canadian Government is going to operate with less revenue. I believe that a government which keeps talking about fiscal responsibility should be accountable. It should be able to tell the House of Commons that when a tariff is remitted, *x*, *y*, and *z* methods will be implemented to replace the revenues. There is nothing in this legislation which says that.

Through this amendment we are asking that any substantive remission be brought before the House of Commons. Our intention is not to obstruct the business of the country. If smaller amounts need to be remitted, we have no problem with that. However, we believe that when it gets to a certain level, the House of Commons should be able to examine it and find out which programs are being cut back or cut out because revenues are not available due to the tariff remission.

I do not think that is too big a step to ask the Government to take. Ordinary Canadians have asked for that kind of accountability for a long time. As I said before, the Government campaigned on that kind of accountability. I do not understand why they object to this now. I believe that it would facilitate the operation of the Government of the day. It would enable Canadians to know exactly what is happening under international agreements. Huge amounts of tariffs would not be remitted without the people of Canada, through the House of Commons, being aware of it.

I, therefore, urge the Members of the House to support this amendment because I believe it will help the operation of the Government of Canada.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 14 standing in the name of the Hon. Member for Yorkton—Melville (Mr. Nystrom). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Motion No. 14 (Mr. Nystrom) negatived.

Mr. Deputy Speaker: Is there unanimous consent that I call it eleven o'clock and we proceed to Statements by Members?

Some Hon. Members: Agreed.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

PESTICIDES

PEST CONTROL PRODUCTS ACT—CALL FOR AMENDMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Law Reform Commission has released a study entitled "Pesticides in Canada: An Examination of Federal Law and Policy". From it one learns that Canadians are changing their attitude toward the use of chemicals and pesticides.

The study recommends that the Pest Control Products Act be amended to: one, require consideration of groundwater contamination potential when pesticides are proposed for registration; two, provide for public access to health and safety tests relied on in support of a registration application, a 60 or 90-day comment period, and a right to require a hearing before a board review; three, set up a system of priorization for pesticide re-evaluation reviews and to screen registered pesticides to identify those registrations which are based on old or incomplete safety data and for which new evidence suggests they may endanger human health or the environment; four, increase fines under the Pest Control Products Act substantially; five, require that a substantial share of the pest control research budget is spent on research into non-chemical alternatives to pest control.

These are some of the recommendations found in the report entitled "Pesticides in Canada". The Minister of Agriculture (Mr. Wise) should launch a public review of the Act using this report as a foundation.

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FERRIES

IMPROVED SERVICE BETWEEN PRINCE EDWARD ISLAND AND NOVA SCOTIA

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, the level of ferry service between Wood Islands, Prince Edward Island, and Pictou, Nova Scotia, will increase substantially next year. I am pleased to advise the House that the Minister of Transport, the Hon. Member for St. John's West (Mr. Crosbie), has approved 400 additional round trip crossings for the spring and fall months of 1988.

This is great news, not only for the trucking industry but for all people travelling between the Provinces of P.E.I. and Nova Scotia. The people in my riding are particularly pleased because they depend upon this ferry crossing to move goods and services throughout the spring, summer, and fall months.

With a total of some 6,600 round trips expected next year we will see additional employment created at Northumberland Ferries Ltd. and, of course, more goods and services will move between the Provinces of P.E.I. and Nova Scotia.

• (1100)

That will assist our economy greatly and demonstrates the Government's commitment to upgrade and improve this ferry service. As well, Cabinet is considering the provision of new vessels for the Northumberland ferry service.

I expect that we will soon have a positive decision in that regard. I can tell the House that it is great news for Prince Edward Island.

* * *

MINES AND MINING

QUINTETTE COAL MINE IN NORTHEASTERN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, the Government of Canada and the Government of British Columbia better wake up fast to the reality facing Quintette Coal in northeastern B.C.

The 10 Japanese steel mills that purchase this coal are predictably playing hardball over price. Quintette was originally paid $102 a tonne and over the past four years has shipped 17 million tonnes, for a total of $1.62 billion, through Prince Rupert. Now the steel mills are paying $95 a tonne and are demanding that the price be lowered to $57.85 a tonne. In

fact, southeastern B.C. producers are now receiving only $56 a tonne.

Reports from B.C. indicate that shipments to Japan are now 300,000 tonnes behind schedule, threatening closure of the mine because Quintette has run out of room to stockpile coal.

The difference between the price being paid Quintette and the world price for coal has reached $180 million a year. The Japanese have asked for arbitration to determine whether or not the buyers have the right to terminate the coal purchase contract.

The taxpayers of Canada have put up hundreds of millions of dollars to float this project. Someone in the Government had best wake up to the fact that the Japanese are trying to torpedo it.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

DEVELOPMENT OF MONTREAL—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, earlier this week the Minister responsible for the development of the Montreal region made a statement pertaining to the Picard report which was tabled in this House over a year ago. As if a reminder is necessary, it so happens that this Government has been in office for three years already. Before the election the Prime Minister (Mr. Mulroney) had said that he would do everything possible so that Montreal might regain its role as Canada's great metropolitan region. Well, the first move right after the election was to transfer the air transport investigation office from Montreal to Ottawa. First loss of responsibility for the city of Montreal.

Since then the Picard committee was set up and its report included a series of 70 recommendations. The Government took a whole year to act on it, and here is a newspaper article published after the Minister's statement: "Federal commitments in principle were Mr. de Cotret's general response to the recommendations of the Picard report. There was some confusion about which specific aspects of the report had been taken under consideration, so much so that after the Minister's briefing spokesmen for the city of Montreal and the Chamber of Commerce asked for a written summary of commitments made. In a number of cases it is just a matter of continuing studies and consultations about carrying out such or such project. Mr. de Cotret did not make any financial commitment."

This situation is totally unacceptable and, as my colleague from Montreal—Sainte-Marie (Mr. Malépart) put it, the Conservative Government took a whole year to produce an utterly meaningless document: nothing but pious wishes, nothing concrete for Montreal East, nothing specific to create jobs in the city of Montreal.

S. O. 21

[*English*]

MINES AND MINING

ASSOCIATION'S SUPPORT FOR CANADA-UNITED STATES TRADE AGREEMENT AND TAX REFORM

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I was delighted to learn during a recent briefing by the Canadian Mining Association that the Canadian mining industry has been operating financially in the black for the last two quarters and that global metal consumption is at near record highs. This follows six years of depressed global metal prices.

More important, I want to report to the House that the Mining Association of Canada completely supports the enhanced trading relationship with the United States. The background of this is that this industry vital to Canada was facing major import restrictions on potash, uranium and steel products, together with trade barriers being threatened for the base metal industry. The health of these industries is vitally dependent on trade relationships across the North American markets.

Furthermore, the Mining Association supports the White Paper on Tax Reform and, in fact, urges the federal Government to move as quickly as possible to Phase II of tax reform at an early date.

It is reassuring to know that the Canadian mining industry, which is so important to Canada, is returning to economic viability and supports the economic policies of the Government.

* * *

AIR TRANSPORT

UNITED STATES-JAPAN AGREEMENT ON PLUTONIUM AIR SHIPMENTS—HAZARD TO CANADIAN NORTH

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the United States and Japan signed an agreement on November 4, 1987, which proposes to have plutonium flown over Canada. The Government has consistently said not to worry about this cancer causing substance being flown over our North because the transport route has yet to be selected.

Yet in a letter dated April 30, 1987, Secretary of State George Schultz said: "On the question of routing, it requires only that the aircraft returning plutonium from Europe to Japan must take a polar route or another route that avoids civil disorder and natural disasters." Given this information, the only possible route is across our North.

I will put money on it that if attempts were made to fly the plutonium powder across the 48 lower States, civil disorder would definitely be provoked.

The Government also said that it would be premature to take action to block these flights because no official request to

permit such overflights has been received. If anyone cares to read the agreement, they will see that it is contingent upon air transport of plutonium. In other words, the agreement specifically requires air transport.

Another very important concern is that the Government keeps saying it will only agree to the shipments if safe casks are to be used.

What is the Government's definition of safe? Currently, Canada officially adheres to the International Civil Aviation Organization guidelines. For the air transport of radioactive material, ICAO in turn defers to the International Atomic Energy Agency guidelines which require a cask capable of withstanding a 50 kilometres per hour impact test. We are concerned with air transport, not automobile transport. The Government must say no to plutonium overflights now.

* * *

[*Translation*]

THE ADMINISTRATION

GOVERNMENT PERFORMANCE

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, this morning Statistics Canada released the new unemployment figures in Canada. Unemployment is down to 8,2 per cent, the lowest level in six years.

Mr. Speaker, this clearly shows that the efforts made by our Government have brought concrete results, even if Opposition Parties have constantly and fiercely attacked our policies; they are using exactly the same approach with the Free Trade Agreement with the United States.

Again, Mr. Speaker, I am convinced that the months and years to come will do justice to this Government and its great Prime Minister. Deals such as the Meech Lake Accord and the Free Trade Agreement with the United States are historic and extremely profitable for Canadian men and women in general.

* * *

AEROSPACE INDUSTRY

LOCATION OF PROPOSED SPACE AGENCY—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Last Fall, Mr. Speaker, the Government announced substantial cuts in the budget of the National Research Council as well as major capital expenditures in a new space agency in Canada. In an atmosphere of total confusion which we are getting accustomed to after three years, the Government announced that the space agency would become a major research instrument. At the same time, it was announced that Canada would not participate in the greatest space research program, namely, the United States' Strategic Defense Initiative.

Since then, nothing! We do not know when or where the new space agency will be established; the promised research resources have not materialized; in short, utter "Mulronian" uncertainty and confusion prevail.

Will the new agency be based in Ottawa? Will it be based in Montreal? Will it be based partly in Ottawa and partly in Montreal? Nobody knows! As a matter of fact, the Minister himself has recognized to the media that the Prime Minister is the only one who knows. He has informed us that he has detailed information, and that it would be a political decision on the part of the Prime Minister.

What really concerns me, Mr. Speaker, is the admission by the Minister responsible for Science and Technology that this will be essentially a political decision of the Prime Minister. We do not need a political decision, but a decision based on good sense applying effectiveness and productivity criteria.

Unfortunately, since coming to power, this Government has not come up with many rational decisions. Mr. Speaker, in my opinion this space agency should be established in the National Capital region.

* * *

• (1110)

[*English*]

CHILD CARE

NATIONAL STRATEGY WELCOMED—TAX DEDUCTIONS AND CREDITS

Mrs. Mary Collins (Capilano): Yesterday, I, like millions of Canadian parents, was delighted by the announcement of the Minister of National Health and Welfare (Mr. Epp) with respect to a new national strategy on child care.

The $5.4 billion program over the next seven years will not only double the number of child care spaces in Canada, but will provide a much more realistic tax break for families with young children. Increasing the tax deduction to $4,000 per child for receipted child care expenses for children six years of age and under, will really be a boon to millions of middle-income families across Canada. The $200 a year refundable tax credit recognizes the role of parents who stay at home with their children or use informal baby sitting arrangements.

Most important, this new policy reinforces the rights of parents and provinces to choose the child care arrangement most suitable to their needs. The 75 per cent assistance for non-profit day care centres will certainly expand their activities and their spaces. The new arrangements with the provinces for cost sharing will help the provinces shape programs most suitable to the regions.

For the first time after years and years of discussion and debate, it is this Government that has taken real action on child care needs. As a woman, I know that this will ensure that women across the country finally have a chance to reach the goal of economic equality. As a parent, I know that parents as well will now, for the first time, have realistic choices and opportunities to meet their child care needs.

* * *

SPORTS

WORLD CUP SKI JUMPING COMPETITION AT THUNDER BAY

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the eyes of Canada and the world will be on Thunder Bay this weekend. Big Thunder, the home of the National Sports Training Centre, will be host to 93 competitors, representing 17 countries, at the Molson World Cup of Ski Jumping, the kick off event for this year's international ski jumping circuit.

Canadians will be watching our own team, Horst Bulau, Colin Capel, Tod Gillman, Ian McGrath, Ron Rautio and Ron Richards as they take on the world. We will also be watching young Steve Collins, our Ojibway jumper, as he returns to the World Cup circuit. We all want to wish them good luck.

Thanks go as well to the hundreds of volunteers and the staff of Big Thunder for making this event possible. But the Government of Canada can make it even better. It can announce before this weekend that it has agreed to support Thunder Bay's bid for the 1991 or 1993 World Nordic Games. That would be the cap on an excellent weekend ahead.

I encourage all Canadians to tune into the World Cup this weekend to watch Thunder Bay host the world.

* * *

LABOUR CONDITIONS

REDUCTION IN RATE OF UNEMPLOYMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the accomplishments of the Conservative Government of Canada are legion. The record shines with promises fulfilled and an ever improving national economy.

Unemployment, which had continuously increased under the Liberals, in line with their high interest rate policies and constraints on Canadian enterprise, is now being brought under control. Under our new enlightened Government, Canada has seen the creation of over one million new jobs. Today the unemployment rate stands at only 8.2 per cent, the lowest since 1981. In many regions of the country it is virtually zero, and even in hard-core areas people are finding more jobs are available.

The success of Conservative economic policy is evident to the hundreds of thousands of Canadians who were thrown out of work by the Liberal-Socialist coalition but who are now gainfully employed and making good money under the Conservative Government.

* * *

HEALTH

TOXIN TAINTED MUSSELS—PUBLIC ANNOUNCEMENT TIMEFRAME

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this morning I received a telephone call from a woman whose father is in intensive care in the Montreal General Hospital. Much to my surprise, I also received a press release from the Minister of National Health and Welfare (Mr. Epp) which shows that his Government hid the information about the tainted mussels for at least two days before releasing that information to the public.

It is possible that not only did the Government try to hide the information for two days, but we have information that the mussel tainting may have been hidden for up to seven days, a situation which has put the industry at risk and, more importantly, has put Canadians at risk. This particular woman's father ate those mussels during the period when the Government, in making a public announcement about the situation, could have prevented more Canadians from being hospitalized.

I call upon the Minister of National Health and Welfare, who issued a statement which clearly showed that for at least two days he did not make a public announcement when he knew about the tainted mussels, to come clean with the public and, in particular, to report to this House why he did not tell Canadians that eating mussels could possibly put them at risk.

* * *

BANKS AND BANKING

CHARTERED BANKS—HIGH INTEREST RATES AND CHARGES

Mr. Jack Scowen (Mackenzie): Mr. Speaker, the high interest rate charged by Canadian banks is a serious contributor to the cause of our national debt, our farm and small business debt crisis, and the slow growth in our national economy. Not only do chartered banks pay very little income tax but their high interest rates are the reason many self-employed people do not have to pay income tax themselves.

Banks are also ripping off the public by charges to an account, from taking money out of one's own account to depositing money into one's own account, plus many, many more charges. I was glad to hear the Minister of Consumer and Corporate Affairs (Mr. Andre) say that those charges are going to be investigated.

There is now a 6 per cent spread between some interest paid to customers and interest charged to a borrower.

Banks must be made responsible to the public and must share some fiscal payment to reduce the deficit of the federal Government. Banks should not be looked on as loan sharks but rather as respectable businesses in our society. This can only be attained if they change their ways.

* * *

THE ADMINISTRATION

CONFLICT OF INTEREST CODE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I know it is extremely unfair to quote the Prime Minister (Mr. Mulroney) using his own words but I will do so anyway. On September 9, 1985, the Prime Minister sent a letter to Members of Parliament in which he said about conflict of interests:

> We have taken great pains to ensure that the new Code leaves no doubt that the ultimate responsibility for the ethical standards of the federal Government rests with the Cabinet and, more particularly, with me.

He said further:

> In carrying out that responsibility the Government is directly accountable to Parliament and through Parliament to the people of Canada. You will find no quasi independent agencies in this Code that will allow the Government to shirk its responsibility by saying that the problem belongs to someone else. Nor will you find anything which will relieve me and my colleagues of the necessity of exercising judgment.

Very clearly, Mr. Speaker, the Prime Minister has failed to exercise judgment when he has maintained in the past that there was no conflict of interest in relation to the issue involving the Member of Parliament for York Peel (Mr. Stevens). Very clearly the Prime Minister has misled the people of Canada—inadvertently probably, of course.

Mr. Speaker: The Hon. Member just saved himself, I guess, by saying it was inadvertent misleading. But whether that "inadvertent" came out as the Speaker rose, I will never know.

Some Hon. Members: Oh, oh!

* * *

CHILD CARE

NATIONAL STRATEGY—INCREASED TAX CREDITS AND EXEMPTIONS

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, yesterday in this House the Minister of National Health and Welfare (Mr. Epp) tabled the federal response to the report of the Special Committee on Child Care, of which I was a member. I would like to compliment the Minister on his announcement. The strategy acknowledges that Canadian parents should have the choice of child care for their own children. Tax assistance initiatives will respect their choice.

Many low and middle-income families who care for their children at home, or who have a friend or relative care for their children, will be eligible for a new supplement to the refundable child tax credit. This will be increased by $200 a year for a child six years and under. This increase will be phased in over the 1988 and 1989 tax years.

The existing deduction for receipted child care expenses will increase to $4,000 for a child aged six and under, or a child with special needs.

This strategy in no way usurps the provinces' authority but is done in concert and to augment the provincial Governments' child care policies. The National Strategy on Child Care recognizes that parental choice is paramount by offering to families a policy which will help all Canadians.

ORAL QUESTION PERIOD

[*English*]

THE ADMINISTRATION

PARKER COMMISSION REPORT—CONFLICT OF INTEREST CODE

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. On April 30, 1986, I asked the then Deputy Prime Minister about the conduct of the Hon. Member for York—Peel. The Deputy Prime Minister in that Question Period made the following statement:

• (1120)

> —the responsibility of the Prime Minister to the House and to the country is to ensure that there has been full compliance with the code of conduct which has been established for the guidance of Ministers of the Crown. That responsibility has been discharged. The Prime Minister, the Government, and I are satisfied that there has been full compliance with the code of conduct by the Minister.

That was in April, 1986. I think it is important, on the day following the close of a sorry episode in the life of this Government, the expenditure of over $3 million, the disgrace of a Minister, that we find out here what the Government and the Prime Minister have learned from it all. Does the Prime Minister acknowledge his own responsibility, that his assurance to the House was false that the Hon. Member for York—Peel had done nothing wrong—

Mr. Speaker: The House will understand the difficulty that the Chair can be in with respect to this particular subject.

Hon. Members have every right, of course, to ask questions concerning the general issue. However, I wish to make it very clear that the Chair will not allow questions or preambles to amount to a charge of any type against any Member in this place.

If it is the desire, or if there is some reason why any charge should be made against anybody, whether they are members of the Cabinet or outside the Cabinet, then there is a proper way to lay that charge, and it is not in Question Period by way of a preamble.

The Hon. Member for York Centre is a very experienced parliamentarian who has occupied positions of high importance and trust in the country, and he knows the rules as well as the rest of us do.

I am not stopping him from asking questions about conflict of interest guidelines, or what the Government may or may not have known at the time, but I will not permit Hon. Members to use preambles to make charges against people. If that is what they feel they must do, there is another way to do it.

The Hon. Member will continue his question and keep in mind the Chair's admonishment.

Mr. Kaplan: I will do so, Mr. Speaker.

Does the Prime Minister acknowledge that the guidelines that I referred to, and that he has introduced, were not respected, that the guidelines were not policed at all, and that the Prime Minister had no basis whatsoever for claiming that that Member would be back in Cabinet?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the assurance that I and the Deputy Prime Minister gave to the House was complete and forthcoming, was based on all of the information that we had at that time, and was secured in a proper and appropriate way. That information was shared with the House.

Clearly, when the article first came out, there were meetings between the Deputy Prime Minister and the Assistant Deputy Registrar General, there were meetings between the Deputy Prime Minister and the Minister, and there were meetings between myself and the Minister in respect of each and every one of those allegations.

Based on the assurances that we received, the Deputy Prime Minister and I spoke to the House in the manner in which we did. I take back not a word of what I said, because that was based upon information imparted to me and to the Deputy Prime Minister.

Clearly, the Parker Royal Commission, having interrogated and examined this matter very carefully for some 18 months, has adduced new evidence which is before the country. I acknowledge that we accept that version, and will be acting upon it.

ENFORCEMENT OF GUIDELINES

Hon. Bob Kaplan (York Centre): The Prime Minister says that he takes nothing back; the Member for York—Peel says that he takes nothing back and did nothing wrong. I began by asking what had been learned from this experience.

I wish to ask the Prime Minister, in light of all that has happened, has he changed? Are the guidelines going to be enforced? For example, in light of everything that has happened has the Prime Minister taken any steps to assure that those guidelines are now being respected by his Ministers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to be very clear, and I know that my hon. friend would want this not to be subject to any misinterpretation.

When I stated that I take nothing back with regard to what I said, that dealt with the information that I supplied to the House pursuant to an examination of the material and discussions and questions submitted to the Minister by me, by the ADRG, by the Deputy Prime Minister, and conveyed to the House that same day. It is in regard to that that I ask my hon. friend to understand my use of the phrase.

In regard to the conflict of interest guidelines and problems, I appointed an impartial Royal Commission, and a Chief Justice of impeccable character to conduct this investigation fully, which he did. As evidence unfolded before the commission, which only came out in the course of using the instruments available to a Royal Commission and not available to an ordinary Member of the House or even to the Prime Minister, in light of this I instructed the Associate Secretary of the Cabinet, Mr. J. L. Manion, to review personally with each Minister his or her situation under the code very carefully, and advise me in regard to that interrogation.

I received the advice from the Associate Secretary of the Cabinet that, in his opinion, all the principles and the procedures were being complied with in all cases of members of the Cabinet. I share that information with my hon. friend.

PRIME MINISTER'S TELEPHONE CALL TO FORMER MINISTER

Hon. Bob Kaplan (York Centre): The Prime Minister was reported by the Member for York—Peel yesterday as having made what was characterized as a "call of encouragement". In the light of the revelations today, it is interesting that the Prime Minister had discussions or exchanges with the Hon. Member for York—Peel, and in spite of that he was prepared to give him a call of encouragement.

In light of the press release and statement put out yesterday, what was the tenor of that encouragement? Given that the Member for York—Peel does not accept the judgment, he indicates that he is considering appeal, I want to ask whether the encouragement of the Prime Minister—

Mr. Speaker: The difficulty here is strictly procedural, and that is whether or not that question pertains to the administration of the Government. I do not want in any way not to give the Hon. Member the appropriate opportunity to ask questions, but I have some considerable doubt as to whether the private conversation between the Prime Minister and the Member of Parliament relates to the administration of the Government.

I am wondering if the Hon. Member for York Centre might find another way to place his question.

Mr. Kaplan: Mr. Speaker, let me come directly to the public policy aspect. Does the Prime Minister's encouragement include an intention that the taxpayers of Canada should pay for any legal actions now that the Member for York—Peel might take?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the telephone call to which my hon. friend refers took place after the tabling of the report in the House of Commons.

It was a call on behalf of my wife and myself to another human being, to express the sadness that any Member of Parliament would feel at the plight in which he found himself.

It in no way detracted from the statement that I issued wherein we accepted fully the recommendations and the judgments issued yesterday by Chief Justice Parker.

As a human being I would feel the same sadness for any Member of the House irrespective of the Party that he represented.

PRIME MINISTER'S DISCHARGE OF DUTY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is also directed to the Prime Minister on the same topic.

On September 9, 1985, the Prime Minister appointed no less a person than himself to ensure that Ministers complied with the conflict of interest guidelines. Judge Parker concludes in his report that the Minister broke the rules no less than 14 times in his tenure as Minister of the Crown and demonstrated what has been referred to as complete disregard for the rule of conflict of interest.

• (1130)

Will the Prime Minister now admit that he has failed in the discharge of his duty of administering the conflict of interest guidelines in the way he said he would himself? What will he do to ensure that he and his Cabinet colleagues follow the rules now and from here on in?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on September 9, 1985, I took the guidelines that had been set out by Mr. Trudeau, we typed them up, improved upon them, we believed, and conveyed them to all Members of the House. Clearly as I have acknowledged, and as anyone would know, the guidelines are not perfect. They were good in type but clearly imperfect and the judge has referred to that in his Royal Commission Report and we accept that judgment.

I draw the Member's attention to an important statement by the judge at page 361 of his report where he says this:

> It is important to remember that no conflict of interest system can, by itself, guarantee ethics in government or prevent dishonourable conduct on the part of cabinet ministers or other public office holders. Ultimately, public trust and confidence in the integrity of government depends upon the integrity of individual public office holders and their individual sense of honour.

That is the responsibility upon all of us. While we can and shall act further to improve the Code of Conduct and tighten up even further, as the judge suggests; in respect to conflict of interest, ultimately in the end it is our responsibility as individuals to the House of Commons and to the country.

Mr. Boudria: Mr. Speaker, I agree with the last comment of the Prime Minister. Improving guidelines is one thing but changing the attitude of Governments and members of a Government is another.

Mr. Clark (Yellowhead): And of the House.

[*Translation*]

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, considering the fact that the Prime Minister has failed in his task to administer the conflict of interest guidelines, as pointed out by Judge Parker, is the Prime Minister prepared to ask a more competent person to administer these guidelines? Is he prepared to legislate these guidelines and is he also prepared to include penalties, since obviously a code of ethics was not sufficient as far as this Government was concerned?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no question of anyone failing in his task to administer conflict of interest guidelines or the like. As Judge Parker pointed out in his sizeable report, it is ultimately the Member's responsibility to behave in accordance with the guidelines at all times. The most fool-proof system in the world is useless unless the Member decides to abide by it. There is the basic issue of human nature. As far as we are concerned, we have carefully read the judge's recommendations, and we will make further improvements and provide even stricter criteria for the guidelines that will be submitted very shortly.

[*English*]

PRIME MINISTER'S POSITION IN APRIL, 1986

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. On the morning of April 29, 1986, knowledge of Mrs. Stevens' loan from someone dealing directly with her husband's Department became publicly available. From that moment on, in the words of Judge Parker, surely there was what he described in the following words:

> The mingling of private and public business—that clearly involves a conflict of interest and is wrong by any measure.

Is the Prime Minister saying today that he still believes he was carrying out his responsibilities at that time in not asking then, promptly and immediately, for the resignation of the Member for York—Peel?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Member asks me whether I was carrying out my responsibilities. This is the article that appeared that morning

in *The Globe and Mail*, the morning of the twenty-ninth. When it appeared—and this is on the record—I immediately instructed the Deputy Prime Minister to meet with the Assistant Deputy Registrar General to examine this matter. I instructed the Deputy Prime Minister to meet with the then Minister. I met with the then Minister myself. I fully reported to the House in that regard.

On the basis of information and responses provided to us, the decisions we took at the time were appropriate. Clearly in the light and with the benefit of an 18 month royal commission, the evidence adduced during the life of that commission is different from the information imparted to us and of which we had knowledge that morning.

The article appeared when we arrived at the office and at two o'clock we were providing this House with the information that we did. The information that we provided the House with was all of the information that I think any reasonable person could have been expected to acquire in those time frames and with the instruments available to us.

Obviously there has been a change in the perception of a conflict of interest. I do not disagree with the assessment of the judge, given the benefit of his power of inquiry and the opportunity that he had to reflect upon this evidence, to bring down a value judgment in the course of an 18-month inquiry. But I am satisfied that I acted promptly and properly in advising the House as I did at that time.

MINGLING OF PUBLIC AND PRIVATE BUSINESS—TIMING OF REPORT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I deeply regret the Prime Minister's answer. I am not referring to information that Judge Parker brought out in the course of his inquiry. I am not referring to any facts that came out after the twenty-ninth. I am talking about facts that became publicly available, particularly in this instance, that Mrs. Stevens had stated she had made this loan with someone with direct business dealings with her husband's Department. The Minister then admitted that he was aware of that loan on that day.

Given Judge Parker's very concise and, I think, accurate description of what a conflict of interest consists of and his talking about a co-mingling of private and public concerns, surely at that moment when it became public knowledge that that loan had been made to the wife of the Minister, the Prime Minister ought to have understood in the most basic sense that a conflict of interest existed from then on, and he ought to have demanded the resignation of the Minister. Why did he not demand that resignation then?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member should not get exercised. The question deserves an appropriate response. He asks why. The answer is that the public official charged with ensuring compliance of the conflict of interest guidelines, the ADRG, provided the Deputy Prime Minister that very morning with the assurance that the Minister in question was in full compliance with the guidelines.

Subsequent to that, in regard to other allegations in the story, there was a meeting between the Deputy Prime Minister and others and the then Minister for a careful examination, as there was with me, prior to coming to the House. I conveyed to the House all of the information imparted to me and to my colleagues, and the view of the ADRG.

I acknowledge, with the benefit of this Royal Commission's 18-months work, I can tell my hon. friend without reluctance that if I had had this kind of information available to me, or any semblance thereof, clearly I could have come to a different conclusion. On the basis of the evidence provided to us that day when I spoke to the House, prior to my departure the next day for the Far East, I gave my hon. friend and colleagues in the House all of the information that was made available to us, together with the value judgment expressed by the ADRG that the then Minister was in full compliance with the conflict of interest guidelines.

JUDGE'S FINDINGS—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, for whatever reason the Prime Minister is simply missing the point. I am talking not about what Judge Parker revealed. Judge Parker was well aware that he had no mandate to pass judgment on the Prime Minister in terms of his exercising his responsibility. Some of us wanted that included in the terms of reference, and the Prime Minister knows it was not included, but I want to give the Prime Minister Judge Parker's comments and ask him now if he thinks it was pertinent to the public knowledge that he had at the time? Judge Parker says:

> The mingling of private and public business . . . that clearly involves a conflict of interest and is wrong by any measure.

• (1140)

Since the Prime Minister knew on the morning of April 29, 1986, that Mrs. Stevens had in fact obtained this interest-free loan from a person doing direct business with her husband's Department, does the Prime Minister not agree that Judge Parker's precise description of a conflict of interest applied then and there to the Member for York—Peel? If the Prime Minister does agree with that, why did he not demand his resignation then?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member says that I knew something, presuming that I knew for certain that that was the truth. I did not know. What I did know was that there was an allegation made in a newspaper, and in political life there are many of these. It is incumbent that while we act thoroughly, we act with prudence, and that people at least be given the benefit of some degree of the presumption of innocence.

The newspaper allegation appeared the first thing in the morning. I immediately instructed the Deputy Prime Minister to meet with the ADRG who is responsible for ensuring

compliance with the conflict of interest guidelines and received the assurance that there was full compliance. I went further and instructed the Deputy Prime Minister to meet specifically with the then Minister and received further assurances. I met with him myself and received the assurances that I conveyed to Members of the House of Commons.

My hon. friend says in his prefatory remarks that he wanted a certain question included in the terms of reference. I beg to differ with my hon. friend. My recollection is that opposition Parties did not want an impartial Royal Commission at all; they wanted some kind of a parliamentary group. We are the ones who established an impartial Royal Commission to get all the truth out because we had absolutely nothing to hide and we wanted Canadians to have all the truth via an impartial Royal Commission.

RESPONSIBILITY FOR ETHICAL STANDARDS OF GOVERNMENT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Canadians want honesty and morality to be the practice of the Government of Canada. Morality can begin to be restored if Mr. Justice Parker's recommendations on conflict of interest are followed. I believe that honesty can begin to be restored if the Prime Minister accepts today his personal responsibility for the failure of the conflict of interest guidelines authored by the Prime Minister.

In that regard I would ask the Prime Minister if he stands by his words of September 9, 1985, in a letter to all Members of Parliament, in which he said that the ultimate responsibility for the ethical standards of the federal Government rested with the Cabinet and more particularly with him.

If the Prime Minister stands by those words, is he prepared to acknowledge today in light of the findings of the Parker Commission Report that in fact the Prime Minister did not take all the action necessary to enforce his conflict of interest guidelines?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question is do I accept responsibility for what happens to members of my Government and the answer is yes. That is the responsibility of the Leader, the Prime Minister, and I say that without any hesitation.

If my hon. friend wants to be fair in a sensitive matter that applies to all Members of the House, I would refer him to what the Chief Justice said. He said:

> It is important to remember that no conflict of interest system can, by itself, guarantee ethics in government or prevent dishonourable conduct on the part of cabinet ministers or other public office holders. Ultimately, public trust and confidence in the integrity of government depends upon the integrity of individual public office holders and their individual sense of honour.

Having said that, I will say that I think we had what many people would consider to be a good set of conflict of interest guidelines. The judge thinks that they are less than adequate and he has made some recommendations for full disclosure and other matters that I have accepted, and we will be acting upon them quickly.

I think, in the circumstances, the appropriateness of appointing an independent royal commission to examine fully the conduct of the Minister represented a substantial departure from past practice in regard to allegations made in this House. I think it was helpful to the political process in Canada and provided the beneficial rule changes that have been suggested which the Government will be dealing with very quickly.

PRIME MINISTER'S ACCEPTANCE OF RESPONSIBILITY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I thank the Prime Minister for his answer but I believe, with respect, that he missed the point. There have been many occasions when the Prime Minister rose in the House with respect to allegations that had been made, either outside the House or inside the House, and gave the House his personal assurance upon his personal investigation that there had been no problem, no conflict of interest or no wrongdoing.

The Prime Minister is telling us today that in the case of the Member for York—Peel he was wrong in retrospect. That calls into question the process that was followed on the many other occasions the Prime Minister had given similar assurances in the House.

My question is simple. The process of restoring the public's confidence in the morality and honesty of Parliament and the Government of Canada can only begin if the Prime Minister rises in his place today and accepts his personal responsibility for failing to impose a set of conflict of interest guidelines authored by the Prime Minister himself because adequate measures were not taken to investigate and ensure those guidelines were being followed. Will the Prime Minister admit that today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I have already indicated, I accept at all times the responsibility for what happens to my Government and my Party and their members. That is a fact of political leadership. One ought never to shirk that responsibility and I am not seeking to, under any circumstances.

My hon. friend is asking whether the conflict of interest guidelines were appropriate. I believed they were when I brought them in. I think many Members on both sides of the House thought they were demanding and exacting when compared with those of other jurisdictions, but clearly that is not a view that is shared by Chief Justice Parker who, having examined this matter, recommends full disclosure and the enactment of legislation in regard to conflict of interest.

Conflict of interest is an extremely complex and difficult human problem. As the judge has pointed out, and I am not trying to hide behind anything the judge has said, the best system in the world will never function unless all Members of Parliament want to live by the spirit and the letter of that law.

The best system in the world cannot exist unless human beings agree to be bound by it and to honour it at all times.

I thought we had made major improvements in past conflict of interest guidelines. I think there is general agreement that we had. Clearly the judge feels that we can improve further on them. In light of the comprehensive review he has made and the seriousness of his recommendations, and indeed the requirement for greater disclosure, I have commended the judge for the thoroughness of his inquiry and the seriousness of his recommendations, and I have indicated publicly the intention of the Government to act quickly in regard to them.

ACTION TAKEN BY PRIME MINISTER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also directed to the Prime Minister. During today's Question Period the Prime Minister is making it appear that if he had the report of the Parker inquiry on April 29, things might have been different. I think Members of the House view the situation somewhat differently.

This is not just a matter of available information. What we do know is that the Member for York—Peel admitted to the knowledge of the interest-free loan on April 29 and Judge Parker has said that from April 29 on there was a conflict of interest by any measure, not just by the measure of the guidelines that were in effect then.

Was it only political pressure that brought the Prime Minister to take action, because the action was not taken on the basis of information alone?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the action I took was the appointment of the independent Royal Commission with full and complete access, something which is most unusual pursuant to actions in this House of Commons.

The reason I took this action was because I felt it was right and appropriate and in the interests of Canada and the Public Service of Canada and those of us who seek to serve the public that this be done. I appointed a royal commissioner and we gave him complete freedom to select as counsel whomever he wished, and to conduct his inquiry in the manner in which he wanted to, and he did a professional job. He brought in a major series of recommendations for improvements. That is why it was done, because it was in the national interest that it be done, and that is what motivated it.

• (1150)

STATEMENT ATTRIBUTED TO PRIME MINISTER

Mr. Jim Fulton (Skeena): Mr. Speaker, I think many of us in Canada felt, as we listened to the Hon. Member for York—Peel yesterday, that we were having a replay of Richard Nixon.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): Come on, Jim.

Mr. Speaker: I wonder if the Hon. Member, especially on this subject, would stay away from argument in the preamble, set the facts and ask the question.

Mr. Fulton: Mr. Speaker, I think all fair-minded Canadians now know that two people failed in understanding the trust of public office.

After knowledge of the interest-free loan became public on April 29, 1986, the Hon. Member for York—Peel knew and the Prime Minister knew. As he left for his trip to the Orient, the Prime Minister said: "Don't worry about it. We are leaving the country. In a few days nobody will be talking about it." Why did he say that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is not at all either the spirit or the approach that motivated me as my hon. friend can see from my appointment of the independent commissioner. The day after this allegation appeared, I left for Vancouver en route to Tokyo for the Economic Summit and an official visit to Japan. From there I went on to China and an official visit to Korea, and then back home. The day after this appeared I was effectively out of the country for some two or three weeks representing Canada at the Economic Summit and on these official visits.

During the course of that trip, information was provided to me as it arose from time to time. On the basis of new information, I felt that the appointment of a completely independent commissioner was appropriate. It was for that reason that I acted in a manner which I think was clearly in the national interest.

PAYMENT OF FORMER MINISTER'S LEGAL FEES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is also directed to the Prime Minister. He failed to answer a question from the Hon. Member for York Centre in this respect. Agreeing that the Prime Minister said he accepts the findings of the Parker Commission, we saw the spectacle of the former Minister thumbing his nose yesterday at the commission, thumbing his nose at Members of Parliament thumbing his nose at the media, aided and abetted by his lawyer who challenged the credibility of the Royal Commission.

Was Mr. Sopinka, in his capacity as legal counsel at the press conference for Mr. Sinclair Stevens, paid by the Government of Canada? In addition, will the Government continue to underwrite the cost of this incredible claim by the Minister that he has absolutely nothing to hide and he is going to appeal this decision? The Prime Minister cannot say he agrees with the findings of the inquiry and continue to pay the legal bills of the person who claims those findings are false.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, first let me say that I am sure the Hon. Member is not suggesting that, notwithstanding the fact there has been a finding by the Royal Commission, the Hon. Member for York—Peel is not able to state his legal

position and pursue that position which he thinks is appropriate? That right is respected by all Canadians and should be respected by the Hon. Member.

With respect to the payment of legal fees, that was announced some time ago and is in accordance with precedent.

Finally, while it is a rather hypothetical question because I do not know the intentions of the Hon. Member for York—Peel, there is no intention to pay any further legal costs. Our commitment was with respect to the Royal Commission.

Ms. Copps: Mr. Speaker, I accept the commitment by the Minister of Justice that no further legal bills will be paid in the former Minister's attempt to cloud this issue.

STATEMENT ATTRIBUTED TO FORMER MINISTER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to ask the Prime Minister whether he will repudiate Mr. Stevens' statement, quoted in this morning's *Globe and Mail*, in which he said he was a victim of an atmosphere of hysteria whipped up by the news media and Hamilton Liberal MP Sheila Copps?

Some Hon. Members: Oh, oh!

Ms. Copps: Will the Prime Minister repudiate that statement by his former Minister?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I think that question is totally inappropriate and has nothing to do with the very important issue we are dealing with here today at great length.

INTEREST-FREE LOAN QUERY

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The House knew and the former Minister admitted on April 29, 1986, that there was an interest-free loan. Since the Prime Minister knew about it then, why did he not act at that time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have responded fully and completely to all matters relating to that question.

ENFORCEMENT OF GUIDELINES IN FUTURE

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, if he has responded fully to all matters relating to that question, what confidence can the people of Canada have, when there is another situation like this in the future, that the Prime Minister will carry on a proper and full investigation and enforce the conflict of interest guidelines? What confidence can we have that this will not happen again?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the confidence my hon. friend seeks should be restored by the fact that he is looking at a Royal Commission report. He is a veteran Member of this House. Perhaps he can tell us how often Prime Ministers in the past, when confronted with allegations of conflict of interest, have appointed a Royal Commission to investigate the matter fully? I think he will find they were few and far between. This report indicates we have absolutely nothing to hide and we did exactly the right thing on behalf of all Canadians.

Some Hon. Members: Hear, hear!

* * *

CHILD CARE

NATIONAL STRATEGY—CREATION OF DAY CARE SPACES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In view of the fact that day care spaces have been growing at the rate of 19 per cent per year, and if that rate continued for the next seven years there would be almost one million day care spaces in Canada, why does the Minister's plan aim at only 400,000 spaces by 1994?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, we have 220,000 day care spaces now, approximately half of which are subsidized. There is a legitimate point of view that we need more subsidized day care spaces accessible to low-income families. The plan we put forward, keeping in mind the plans of provinces like Ontario and Quebec just to name two, was for a 200 per cent increase in subsidized spaces over seven years.

I am not saying for a minute that the Hon. Member is trying to play with the figures, and the percentage she uses is correct. However, that was outside the Canada Assistance Plan. She has to keep in mind that we are talking about subsidized spaces for low-income families. I believe very sincerely that, with the subsidies now available as the provinces decide, for profit spaces will grow possibly at the same percentage rate we have seen in the past. My obligation was to provide a mix, and to provide spaces for low-income families, because that was the requirement.

MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, even accepting the Minister's explanation there is still a shortfall of numbers. With two and a half million children in single-parent families or families where both parents work, 200,000 new spaces over the next seven years do not begin to meet the need. Can the Minister say if he is trying to limit the natural growth, or if he has another plan which has not yet been made clear?

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, I am not trying to limit growth at all. I am trying to build in another factor to increase the growth. What I was trying to explain to the Hon. Member and the House was that we were not seeing a sufficient growth on the subsidized side. The committee very clearly pointed that out.

So I am looking for a 200 per cent increase over seven years in that sector.

• (1200)

Additionally, the provinces have responsibility in this field. I listened to what they said, looked at their reports, and looked at the trend lines which they projected. We believe that with those trend lines and our money we can meet their requirements as well.

The Minister from Quebec said:

> My first reaction is I think it's a good program. It's very flexible and it respects the jurisdiction of the provinces. With the help that we are having from the federal Government, it will help Quebec to develop and also diversify the choices.

Mr. Sweeney from Ontario said:

> It seems the kind of things we wanted to see in our program in terms of who we wanted to fund and the dollars look to be appropriate.

With respect, I know that this is an emotional issue, but there has to be an understanding of both capacity and fairness. I have tried to be as fair as possible keeping in mind that I had a bottom line. I wanted to increase spaces, and I am not going to impose upon parents one system for taking care of their children.

FINANCING OF NATIONAL STRATEGY

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister's use of 40 per cent of the child care money through tax measures offers an insulting $17 a month to low-income women rather than licensed quality child care services, while by 1991 he will have grabbed one-third of their child care benefits through deindexation.

Will the Government be fair and honest with Canadians for once? Will it put child care dollars into child care?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am being honest and very straightforward. Through the Canada Assistance Plan we are putting $140 million per year into child care spaces and the subsidization of them. We will increase that on an annualized basis over a seven-year period to $600 million plus. By any measure that is a substantial increase and is in addition to what the provinces are putting in.

I ask the Hon. Member to be honest for once and to recognize what I have done.

AVAILABILITY OF CHOICE TO PARENTS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the Minister says that his program gives choices. I would like to know what kind of real choice a low-income person has who does not pay income tax and is now paying $800 a month for child care. She has absolutely no choice. Will the Minister tell her what choice she has?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am glad to answer that question. I have analyzed the NDP response to the Special Committee on Child Care. Our system will provide for 200,000 subsidized spaces. Dividing that by seven we arrive very quickly at a rate of growth of roughly 28,000 spaces a year. The Hon. Member and her Party were willing to put in 21,000 spaces a year.

Some Hon. Members: Oh, oh!

Mr. Speaker: I wish to advise Hon. Members that there will be a question from the Hon. Member for Richmond—Wolfe followed by a question from the Hon. Member for Mackenzie. That will close off Question Period.

* * *

[*Translation*]

TRADE

FREE TRADE AGREEMENT—EFFECT ON QUEBEC AGRICULTURE

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, my question is directed to the Prime Minister.

The UPA held a convention recently in Quebec City, where farm producers had an opportunity to express their profound concerns.

Also, Minister Pagé has said he is very concerned about the fact in the Agreement, Section 11 of the GATT is not mentioned or even referred to.

Could the Minister and the Prime Minister provide assurances that a specific reference to Section 11 will be included in the Free Trade Agreement and furthermore, could the Prime Minister give us the assurance that there will be no negative impact on Quebec agriculture as a result of this enterprise?

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I can give that assurance. I think the free trade agreement is excellent for all of agriculture, not only Quebec agriculture. The marketing boards are in place.

I saw that they were concerned about hatching eggs, for example. I met with farmers in the egg-hatching industry. Twenty-five per cent of hatching eggs now come across the border from the United States. There is a 3.5 cents a dozen tariff on them which will be reduced over a ten-year period. They admit that that has no effect on importation.

That is one of the concerns which was raised at the meeting and I could go on to list many more. It is still protected under the quota system. I believe that Quebec agriculture is treated very well in this agreement.

[*Translation*]

REQUEST FOR EXPLANATION CONCERNING SECTION II OF GATT

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, first of all, the Parliamentary Secretary did not answer the question. It is simply this: Will Section 11 of GATT be included in the Agreement or will there will be a reference to this Section?

Furthermore, Mr. Speaker, in recent weeks farmers have repeatedly accused this Government of not telling the truth. Instead of constantly making excuses, why doesn't the Government make an effort to prove it is telling the truth?

Mr. Speaker: the Hon. Member is of course asking a very serious question. I also think the Chair has allowed him a very substantial preamble. The Parliamentary Secretary.

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the accusation that the Government had not been telling the truth on this stems from the statement by the farmers' union that the Government said that agriculture would never be on the table. The Government never said that.

Right from the beginning there were some very important agricultural issues which had to be negotiated which have been very good for Canadian farmers. The Standing Committee has heard all kinds of testimony to that effect.

In response to the Member's other question, this agreement operates under the guidelines of the GATT. We negotiated the agreement under Section 24 of the GATT. GATT rules still apply. We are still a member of the GATT as is the United States.

* * *

CANADA PENSION PLAN

SITUATION OF SELF-EMPLOYED PERSONS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Self-employed people who pay into CPP do not make any money in some years and, therefore, cannot contribute to CPP in those years.

Would the Minister explain what happens to those individuals' accounts when this happens? Has the Department considered allowing these individuals to contribute in poor years?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there will obviously be an effect on the amount of pension benefits received at the time of retirement by Canadians who are contributing to the Canada Pension Plan whose earnings fluctuate from one year to the next, whether they take early retirement at age 60 to 65 or wait until the age of 70.

The plan provides that 15 per cent of the years of lowest contribution are dropped for purposes of calculation. This does help to remove some of the years of lowest earnings. It increases the pension benefits for those individuals.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION

TABLING OF REPORT OF COMMONWEALTH PARLIAMENTARY ASSOCIATION, CANADIAN BRANCH

Hon. Lloyd R. Crouse (South Shore): Mr. Speaker, pursuant to Standing Order 101 I have the honour to present to the House, in both official languages, a report of the delegation of the Commonwealth Parliamentary Association, Canadian Branch, which visited Jamaica from November 8 to November 15, 1987.

* * *

[*Translation*]

FINANCE AND ECONOMIC AFFAIRS

PRESENTATION OF THIRTEENTH REPORT OF STANDING COMMITTEE

Hon. Bob Layton (Lachine): Mr. Speaker, I have the honour of tabling, in both official languages, the Thirteenth Report of the Standing Committee on Finance and Economic Affairs relating to Bill C-64.

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

* * *

• (1210)

[*English*]

PETITIONS

TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour and duty to present petitions from residents of Yukon Territory who wish to express their deep concern about the proposed plutonium overflights over northern Canada. In view of both the environmental hazard and the risk of hijacking where this plutonium could fall into hands for military use, these petitioners ask Parliament to say no to the transport of plutonium over northern Canada.

[*Translation*]

OPPOSITION TO TAX ON FOOD

Hon. André. Ouellet (Papineau): Mr. Speaker, I have the honour of tabling petitions from my constituents in the riding of Papineau who have heard the Conservative Government is about to impose a special tax on food. Obviously, my constituents object to a measure that would have a very harmful impact on the elderly, large families, the unemployed and low- and middle-income Canadians who are already forced to spend a substantial part of their income on food. They are asking the Government not to go ahead with this proposal.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 217 will be answered today.

[*Text*]

CIPW STRIKE RELATED COSTS

Question No. 217—**Mr. Caccia:**

1. During the postal strike from September 30 to October 16, 1987 what were the costs incurred by Canada Post Corporation for (*a*) salaries paid to scab workers (*b*) helicopters (*c*) buses for transporting scab workers (*d*) purchase of food for scab workers who had to remain in plants longer than regular shifts for safety reasons?

2. What amount did Canada Post Corporation pay regular workers for overtime over the first seven days following the end of the strike?

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

The information requested is currently not available. Information relating to expenses incurred during the postal strike from September 30 to October 16, 1987 will be reflected in the Corporation's next Annual Report which will be released at the end of the 1987-88 fiscal year.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendment) from a legislative committee.

Mr. Lorne Nystrom (for Mr. Cassidy) moved:

Motion No. 15

That Bill C-87, be amended in Clause 39 by adding, immediately after line 6 at page 54, the following:

(3) Where a tariff and Schedule I is charged as a consequence of an order or regulation made under this section, no additional amount of tariff shall be levied on any good which is imported between the date of coming into force of this act and the date of the order or regulation made under this section.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the purpose of Motion No. 15 is to eliminate the retroactivity component in the Bill.

Because the harmonized system has been developed over a number of years and is complex by its nature and may well have some adverse and unforeseen effects on certain industries, the Government is giving itself the power, through Clause 139, to change the new tariffs in Schedules I and II for a period of 18 months on a retroactive basis until January 1, 1989.

Some importers continue to complain that this may mean that they could retroactively face a significant increase in tariffs after they have, in good faith, imported goods, paid the tariff that was in force at that time, and then sold those goods at a price which was based on the tariff that was in force at that time.

The purpose of this is simply to ensure that if a tariff is retroactively increased, then an importer who brought in goods in good faith is not unreasonably penalized.

I understand that the Government has established an interdepartmental review board with respect to tariffs that may need to be reviewed under Clause 139. The Government will probably argue that this is sufficient. However, our argument still is that where retroactive action increases a tariff, it would be unreasonable to penalize importers who had acted in good faith. The Government's response is useful but does not obviate the need for our amendment.

Most affected by this clause are small businesses that have not had the time or the money to seek out the new system as did multinationals.

I encourage the Government to give consideration to this amendment. We must ensure that the legislation does not

adversely affect smaller businesses or people who operate quite clearly in good faith.

One can think of many examples of how companies would not have the ability to recover those costs. For example, a company that imports a widget with a 10 per cent tariff would add that cost to the retailer who, in turn, would add his mark-up when selling it to the consumer. If the Government informs the company a year and a half later that it has increased the tariff to 25 per cent, the only source of that increased cost will be the operating capital of the company. Such a situation could put companies at risk.

I am certain the interdepartmental committee would take that into consideration, but I would rather see an error made on the side of caution in this matter and provide protection by eliminating the retroactivity.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to join my colleague, the Member for Thunder Bay—Atikokan (Mr. Angus), in support of this amendment. The decisions of the Government in regard to tariffs and the prospect of future changes to tariffs are so uncertain that my constituents have difficulty in taking orders for imported products which they sell. They have difficulty putting in orders because they do not know what rate of tariff they will have to pay, if any tariff at all. Since they are unable to quote a price to a prospective customer, they are in no position to make an order in the country from which they hope to import the product.

Let me deal for a few moments with some comments made earlier today by the Minister of Finance (Mr. Wilson). He talked very proudly about the fact that substantially more people have found jobs since the Government took office, and that the rate of unemployment is at its lowest in a number of years.

While that is true, it is reported in the *Ottawa Citizen* today that Ottawa, one of the most prosperous cities in the country, expects an increase of 9 per cent in the welfare rolls in the coming year. The same report has come from Toronto, probably the most prosperous city with one of the lowest rates of unemployment in the country, as well as from my City of Winnipeg.

Let us keep in mind what that means. According to the National Council on Welfare, in every city and province in this country, people on welfare are living substantially below the poverty line. In fact, it has been estimated that in 1986 people receiving social assistance lived from 20 per cent to 53 per cent below the generally accepted poverty line. In some cities such as Toronto, 70 per cent of the benefits they receive goes for payment of rent. That is not supposed to be the case, but the fact is that the price of rental accommodation in major cities such as Ottawa, Toronto, and Vancouver is substantially higher than the rent calculation in the monthly welfare cheque made by the provinces.

• (1220)

The Minister also boasted about, as he calls it, his plan to reform the tax system. I remind the Minister that the parliamentary committee that looked at his White Paper, a committee of nine members, seven of whom were fellow Conservatives, said that the federal Government's changes to the standard tax deduction for dependant children will slash benefits from middle income families and do nothing for the poor taxpayers. The proposed changes, coupled with other measures introduced by the Conservative Government since 1984, will cut real child benefits by half or more for upper and middle-income families by 1991. In other words, the people who will really gain from the Minister's proposed tax changes will be precisely those who—I see a Member opposite shaking his head, indicating that what I am saying is not correct. Let me put on the record some of the facts with respect to income distribution and who gets what. In 1981, the top 20 per cent of income earners enjoyed 45 per cent of the national income. The bottom 20 per cent enjoyed just 4 per cent of the national income. If we look at the wealthy, it is even worse. The top 20 per cent income earners enjoyed 68 per cent of the national wealth, while the bottom 20 per cent owned less than 1 per cent of the national wealth. Indeed, it is even worse than that because the top 10 per cent of income earners owned more than 50 per cent of the wealth.

Among the 20 western industrialized countries, Canada has the lowest over-all tax on wealth. Canada is the only industrialized country that permits large amounts of wealth to be accumulated and to be passed between generations without tax liability. I remind the Member who disagrees with me that it was the present Minister of Finance who proposed a year or so ago that there be no tax on the first $500,000 of capital gains.

Canada does not have an annual net wealth tax as do countries such as Germany, Austria, Norway, Sweden, Belgium and Denmark. In 1985, one in six Canadians lived in poverty. In 1986, the top 1 per cent of high-income Canadians, 63,000 families, had average incomes of $212,000 a year. I also remind the Member that 258 Canadians with incomes over $100,000 paid no income tax at all.

Let us look at corporations and the way the corporation tax system operates. I remind Members that the last major tax change to benefit the wealthy, introduced by the then Liberal Government—

Mr. Hawkes: Mr. Speaker, I rise on a point of order. We are at report stage debate on a specific amendment. The facts presented by the Hon. Member may be interesting but in what way are they relevant to the specific amendment we are debating? I think that should be clear or he should not be allowed to continue.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North (Mr. Orlikow) has the floor and there are two minutes left in his time.

Mr. Orlikow: I would put to the Hon. Member, and to you, Mr. Speaker, that customs tariffs bring in revenue, several billion dollars worth of revenue, and when decreases are made, revenue is lost. I am discussing that kind of thing and comparing those changes with the kind of tax losses we have when Governments give away tax concessions to individuals or corporations. To illustrate, the former Liberal Government brought in the scientific and research tax credit system. It believed it would cost the tax system about $300 million. In fact, it cost the taxpayers of this country $3 billion. When the Conservative Government took office, there was plenty of evidence that this had developed into a tremendous boondoggle which would benefit the wealthy and those who legally, and sometimes contrary to the law, were able to rip off the system. But what did the Government do? It said it was going to stop it but, instead, it grandfathered it so that more than half of the $3 billion was lost while the Conservatives were in office.

Through key deductions, including the three year tax holiday for new mines and the incredibly generous write-off and depletion provisions, the tax rate for resource industries was 20 per cent versus the tax rate of 42 per cent for other corporations. Four mining companies alone saved $250 million because of the three year tax holiday, and these operations had assets of $11 billion. So I say that this amendment is more than necessary and I intend to support it.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, I will ask my colleagues on this side of the House—the best side—to vote against this amendment, because we have no intention of proposing tariff increases that will be retroactive to the effective date of the Bill. There is therefore no reason for amending Section 139 as requested by the Hon. Member.

In response to what he said earlier, at least about the issues before the House, he is using statistics to prove that there are people in the highest income bracket who do not pay taxes. He referred to a taxation system, to a position taken by the Economic Council of Canada, and I may remind the Hon. Member that the same Council said that Canada had shown the highest growth percentage in GNP. He did not mention that. He did not mention the present drop in the unemployment rate, as proven by this morning's statistics. In the Ottawa-Hull area it is 6.2 per cent and in Winnipeg, 7.1 per cent, not what other people were saying. These factors are also important for the development of our economy.

Some people would like a society where everybody earns the same salary and everybody pays the same price for goods. Not long ago, I was visiting countries where everybody earns the same salary and everybody pays the same price. You can't even buy stamps!

[*English*]

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I would therefore challenge the spokesperson for the Government at his word. He says the Government has no intention of using the retroactivity sections of this Act. Is it then prepared to simply delete Clause 139, which is very clear in its ability to tax retroactively? It reads very clearly:

> Any order or regulation made pursuant to this Act may, if it so provides, be retroactive and have effect with respect to any period before it is made but no such order or regulation may have effect from a day earlier than the day on which this Act comes into force.

• (1230)

Subclause (2) of Clause 139 states:

> (2) Subsection (1) ceases to have effect eighteen months after the day on which this Act comes into force.

Therefore, there are 18 months after the coming into force of Bill C-87 during which time the Government can go back to whatever is date of the coming into force of this Bill and impose additional tariffs.

The effect on small businesses, the chief importers of goods into this country, could be phenomenal. The assurance of the Hon. Member who spoke on behalf of the Minister of State for Finance (Mr. Hockin) that the Government has no intention of using this clause is not very reassuring. If it has no intention of using the clause, why is it in there? If it is going to be in there, we think it needs a third subclause, which is what our amendment is, stating that the retroactivity portion of this could not come into effect.

As Members of Parliament we constantly hear from importers who are generally small businesses complaining about retroactivity on tariffs. It means that they can face significant increases in tariff costs after they have, in good faith, imported the goods, paid the tariff in effect, and oftentimes resold the goods based on their cost including the tariff. The ability for the Government to come in with a retroactive tariff and impose it after the fact could very easily and effectively put many of those small importers out of business, if this rule were used improperly or without good recognition of the problem.

Retroactive taxation is not something that the House likes to indulge in. Retroactivity in regard to the imposition of tariffs and duties is something that makes it impossible for importers, who are often small businessmen, to continue to exist.

If the Government has no intention of using it, I say that it should withdraw Clause 139 in total. If not, it should accept the amendment that we have made which takes the teeth of retroactivity away from the Government.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am as astonished as my colleagues at the remarks of the Hon. Member from the government side who stated that the Government has no intention of using this clause.

We have proposed an amendment that would effectively stop or severely restrict the application of retroactive tariffs or duties. As a result of the statement made from the government side, it looks as though we do not need this amendment, but we need an amendment that states that Clause 139 should be

deleted. The Government has stated that it has no intention of using it. What the devil is it doing in there?

Mr. Turner (Ottawa—Carleton): Ask the bureaucrats.

Mr. Benjamin: It is suggested from the other side that we should ask the bureaucrats. That is their job on the other side, they are the Government, not us.

Mr. Turner (Ottawa—Carleton): We did.

Mr. Benjamin: You got an answer that said they had no intention of using it. I do not understand why any Government would put such a clause in the Bill.

As has been pointed out, often by the time a retroactive tariff or duty is put on, the importer has imported the goods into Canada, they have gone from the importer to the wholesaler, from the wholesaler to the retailer, and they have all charged prices related to their costs including whatever the duty was, if there was one, and then up to 18 months after this Bill comes into force the Government can institute a retroactive tax. Surely that flies in the face of natural justice.

If an importer, a wholesaler, or a retailer brought goods into Canada surreptitiously without paying a duty, then of course they would be subject to the laws of the land, would be taken to court, receive heavy fines, and perhaps even jail terms. The Government has that recourse against those who would try to smuggle goods into Canada without paying a prescribed tariff or duty.

Therefore, it is totally unfair and improper to have a clause allowing retroactivity. We have moved this amendment, and we hope that the Government will accept it in light of its own statement that it has no intention of using that clause.

Otherwise, Mr. Speaker, would you accept a subamendment that deleted all the words in Motion No. 15 and substituted therefor the words "That Clause 139 be deleted"? I would like to ask, Mr. Speaker, if that is permissible under the rules?

The Government has stated that it has no intention of implementing Clause 139, obviously the clause should be deleted. I do not know if it is a proper thing to do. We would need the advice of the Chair. I or perhaps a government Member would be willing to move such an amendment to Motion No. 15, and we can get it cleared out of the way and settled very quickly.

I would appreciate your advice on this matter, Mr. Speaker. Since the clause is so outrageously bad, unfair, and improper, no wonder the Government states that it has no intention of using it.

I would like to ask that you advise us, Mr. Speaker, as to what action we can take at this particular point at report stage. I also ask that the Government itself move the appropriate amendment, for which I think there would be unanimous consent, to delete Clause 139 and get it over with; or failing that, to accept the amendment that we have moved to Clause 139.

Mr. Deputy Speaker: If the Hon. Member wishes to move an amendment, would he move it in writing, give it to the Chair, and the Chair will make a ruling on it.

Mr. Benjamin: Could we allow Motion No. 15 to stand and proceed with Motion No. 16 to allow a couple of minutes to send a note up to the Chair, in the hope that it will prove acceptable to the Chair, and then acceptable to the Government? Would that be the proper way to proceed and let this stand for a few minutes?

Mr. Deputy Speaker: Is there consent to stand Motion No. 15 and to go on to Motion No. 16?

Some Hon. Members: No.

Mr. Deputy Speaker: There is no consent.

If the Hon. Member wishes to move an amendment, he would have to do it now. However, the Chair will give the Hon. Member time to write the amendment. The Chair must regretfully inform the Hon. Member that the proposed amendment is out of order as it is a substantive amendment which would have required prior notice.

• (1240)

Is the House ready for the question on Motion No. 15?

Some Hon. Members: Question.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11) the recorded division on the proposed motion stands deferred.

Mr. Lorne Nystrom (for Mr. Cassidy) moved:

Motion No. 16

That Bill C-87, be amended by deleting Clause 141.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, one of the bases for the total Bill is an international agreement. The Canadian companies were assured by Revenue Canada that Canada would move to the new harmonized system on the condition that our major trading partners, including the United States, move to the new system on January 1, 1988. In fact, I have a copy of what looks like a replica of an overhead slide which Revenue Canada used in some seminars with

brokers and importers throughout Canada in describing the new system. Let me quote from it:

> In early 1986, the Finance Minister confirmed the adoption of the new system for January 1, 1988 under the condition that our major trading partners, i.e. the U.S. and Japan, adopt harmonized system at the same time.

We understand that things are not moving as fast in the United States as they should. Feet are being dragged. As of December 2, the harmonized system legislation was still part of a large omnibus trade Bill that is moving slowing through Congress. According to the United States trade representative, Congressman Sam Gibbons will be introducing separate legislation governing a harmonized system next week. There is little assurance the Bill will be dealt with before the January 1 implementation date.

Officials in the U.S. trade division of External Affairs have confirmed that there remains a great deal of uncertainty about whether the Americans will move to the new system and when they will do so. In fact, at committee, the Minister of State for Finance (Mr. Hockin) conceded this.

We think implementation of the Bill itself should be delayed until such time as our major trading partner is in a position to implement its side of the bargain. For that reason we have moved to delete the implementation clause. I would suspect that if that motion passes, the Government of Canada would be required at a future point in time to bring in a one clause Bill that would provide for the implementation.

Given the fact that quite clearly people who are directly involved, the brokers and the importers, were told that it was conditional on our major partners being ready as of January 1, the Government should either accept our motion or bring forward its own to provide some flexibility. Certainly we should not be locked into the January 1, 1988, date. Clearly there will be an imbalance. If the American legislation is not through then, once again our people will be treated unfairly and be at a disadvantage. It makes a lot of sense to delete the coming in force clause so that we are not locked into it for January 1, 1988—which is not too far away. It is amazing how close Christmas and New Year's is, and I hope we are away from Ottawa at that time. I hope the Government will give consideration to the amendment so at least we can have some balance between Canada and the United States in the harmonized system.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to speak on this amendment. The amendment talks about the coming into force of the whole Bill or the denying of this Bill coming into force. I think, therefore, that I am at liberty to speak about the whole purpose of the Bill given the intent of the clause in question.

I sympathize with what the Hon. Member has just expressed to us. I would like to support the thrust of the amendment, but let me say that the amendment would probably have been more acceptable to the Government had it said something to the effect that the actual coming into force would be on proclamation. The House could have indicated to the Government that it wished not to proclaim this Bill until the Americans had done the same thing. Had this been so, the amendment would have stood a better chance at passing than it has in its present form because we have created a eunuch Bill which, with this amendment, will virtually have no power at all. I do sympathize with the mover of the amendment because the United States has not moved to harmonize its tariff in a similar manner to ours, but there could have been a better way to word that amendment.

Throughout the debate on this Bill, we have seen a number of amendments basically trying to curtail the possibility of the Government changing many of our customs duties without the consent or an Act of Parliament. I have concerns with going that way. I know that most of those amendments will not pass anyway, nevertheless, I have to express reservation about bogging the House down with passing minor Bills in the future because we did not give proper and sufficient power to the Minister by regulation to do what Ministers should be doing.

I will give an example, Mr. Speaker. I have a textile factory in my constituency—I have several actually—but the one I am thinking of is Texturon in Hawkesbury. The Associate Minister of Defence (Mr. Dick) knows about it. He was commenting about Texturon the other day in not such a complimentary way, but that is not what I want to talk about now, Mr. Speaker. This company which is located in my riding has applied to the Tariff Board to have the general preferential tariff on polyester textured yarn changed to the most-favoured-nation tariff. These products come in from a number of countries including Mexico, Brazil, Romania and Korea. Unfortunately, the company was not successful in its attempts at the Tariff Board, but I did write to the Minister asking the Minister to intervene in this case. I note that the Minister is actively studying the file.

• (1250)

This factory in my riding is now forced to compete against factories in Mexico and elsewhere. The imports of products similar to those manufactured by this factory have increased. Over-all imports of these products have increased from 482 tonnes in 1985 to 657.3 tonnes in 1986. In the specific case of Mexico, the import of such products has increased from 122 tonnes in 1985 to 623 tonnes in 1986. There has been a dramatic increase in import of polyester textured yarns. This is having a negative effect on an important industry in my constituency.

This one factory now employs 72 people. Of course, as the Associate Minister of National Defence will know, if free trade passes, it will not employ any people because it will have to shut down. The Minister says that it deserves to shut down, but I disagree with that. I do not think it deserves to shut down because of free trade or because of any other reason.

I have written to the Minister asking him to effect some of these tariff changes. I am sure Members of Parliament have

requested similar changes on a number of occasions, as have the industries themselves. The Government has been able to make such changes through regulation, notwithstanding the fact that Parliament must have authority to make decisions.

If too much of Parliament's time is taken up making minor decisions, it will not have time to deal with more substantive issues. I am concerned by the tone of some of the amendments which would in fact deny Parliament its right to deal with important issues for the reasons I have outlined previously.

[*Translation*]

Mr. Speaker, according to the example I gave a few minutes ago, if the preferential tariff had been removed, for instance in the case of Texturon, a company located in Hawkesbury, the price of imports would increase from 13 cents to 15 cents per kilogram, thus giving the industry in Hawkesbury and other companies like Ambertex in Brantford, Ontario, Celanese in Millhaven, Bermatex in Beaconsfield and probably many others, a chance to regain their previous prosperity.

I give this example to demonstrate that we should not, by adopting or proposing amendments to this legislation, make it impossible for the Minister to make future changes, which some of us may find desirable at some time or other when we are approached by our constituents. As I said earlier, it is important not to propose amendments that, on the face of it, would give more power to Parliament but might ultimately paralyze Government operations and prevent us, as parliamentarians, from making representations or even prevent industries from approaching the Government with requests for changes that may be necessary. I am thinking of a situation, for instance, where the Minister might wish to change a tariff and would have to wait until his Bill is adopted by Parliament. There might be a delay of several months, and meanwhile, jobs might be lost in several ridings.

I wanted to express my concerns about a number of amendments to this Bill, and I also would like to point out that although there is some good in the last amendment, Motion No. 16, it might have been better to word it a little differently, for instance, by suggesting that the Government have the Bill ratified as soon as the United States has harmonized its own tariff, otherwise there would be no justification for the Bill's existence and it would of course be useless.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, Revenue Canada and the Government of Canada have received promises or commitments from other nations, particularly the United States and Japan, that they will pass similar legislation at the same time as we pass this legislation. I am not sure what Japan is doing on this matter, if anything. Certainly the American trade representatives, while they knew of the commitment that the new system would only be adopted if our trading partners, including the United States and Japan, adopted the harmonized system at the same time, have bogged it down in an addendum to a major trade Bill which is before the U.S. Congress.

The U.S. Congress will be recessing very soon for its Christmas and New Year's break. I believe that break lasts until the end of January. The omnibus trade Bill is moving very slowly through the U.S. Congress. In fact, according to Congressman Sam Gibbons, he will be introducing separate legislation governing the harmonized system next week, but there is little likelihood that it will be dealt with before the January 1 implementation date.

How can it be that our Bill comes into force at a time when our largest trading partner has not lived up to its commitment? I do not understand the logic of the Government in its desire to proceed at this time.

The Government has no assurance or guarantee of which I am aware that the U.S. Congress will act on this matter before January 1 or that it will act on it at all. When one watches the goings on in the U.S. House of Representatives and Senate and sees the protectionist atmosphere that pervades every sector of the United States economy as well as the Congress, one can only have nothing but extreme doubt that the U.S. Senate will pass legislation like this very quickly if at all. That is why we want to delete the coming-into-force clause in this legislation.

I do not understand the Government's logic. It says that it will never use Clause 139, but it has refused to delete it. It received a commitment that the United States would pass the same kind of legislation at the same time as we do, but it did not. The Government insists on proceeding anyway. That also seems illogical.

It is about as logical as the Parliamentary Secretary to the Minister for International Trade (Mr. McDermid) who today claimed that the trade deal will be good for agriculture.

Mr. Malone: Hear, hear!

Mr. Benjamin: My hon. friend says: "Hear, hear". I want him to go and tell that to the grain producers of western Canada. Tell that to the 60,000 members of the Saskatchewan Wheat Pool who do not like losing the two-price wheat system which will cost producers $260 million.

• (1300)

Mr. Belsher: What about the consumers?

Mr. Benjamin: I do not understand the logic. The Government says it is a good deal for agriculture, but we are going to take $260 million from grain producers under the two-price system.

Mrs. Mailly: Wrong again.

Mr. Benjamin: That is what the deal calls for.

Mr. Malone: No, it does not.

Mr. Benjamin: Yes, it does.

Mr. Malone: You get the same amount of money.

Mr. Benjamin: The Government should tell the western grain producers about losing the benefits of the Western Grain Transportation Act on exports of rape-seed meal and grain screenings to the western U.S. Under the deal those grain companies will have to pay the commercial rate.

Mr. Deputy Speaker: The Chair is not convinced this matter is relevant to the clause in question.

Mr. Benjamin: Mr. Speaker, I was just pointing out how illogical the Government is when it tries to say that this is good for agriculture. Tell that to the agriculture producers of Quebec. Ask the Minister who was booed and heckled by those farmers the other day. They and the Government of Quebec have come forward with 10 demands which must be in the trade deal if the Government wants to keep the support of that province. Yet the Government says it is good for agriculture. Even though there is a clause in this Bill which the Government says it will never use, it will not delete it. The Government has a commitment that the U.S. will pass a Bill like this at the same time as we do, yet they are not doing so. I do not find any logic in any of those matters.

The commitments and assurances Canada has received, particularly those from the U.S., are not worth the paper they are written on by the Department of National Revenue. I would be surprised if the U.S. Congress follows through. Even if it did, it may not be for another year. In the meantime, Canada is committed to implementing the harmonization system next January 1. That leaves us out there by ourselves.

When you are dealing with the Yankee trader, as the saying used to go many years ago, you keep your back to the wall and your gun loose in your holster. The Government has failed to do that. I do not mean that literally, of course. You had to do it literally a hundred or more years ago, but at this point it is just figuratively speaking.

The Government is being had again for the umpteenth time, and we have a classic example contained in a statement from the Department of National Revenue itself. That is why there should be nothing in this Bill which specifies when it comes into force. It should only come into force if, as, and when our trading partners, particularly the U.S. and Japan, have passed the same kind of legislation. Then we can go ahead and bring ours into force.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the new tariff was proposed following a close public consultation which began several years ago. We were involved in an harmonization process. We shall deliver the goods.

The Canadian business community, including importers and exporters, is looking forward to this Bill and has taken many steps to ensure its implementation. This legislation will be extremely beneficial to businesses, because it will increase their effectiveness and reduce their costs. Both the Government and the private sector have devoted considerable time and effort putting this Bill together.

Mr. Speaker, I have here letters suggesting that it would be a disaster not to make these tariff changes, because everybody is now ready. Delaying their implementation would cost millions of dollars and we have the backing of such major organizations as the *Council of Forest Industries of British Columbia*, the *Canadian Chamber of Commerce*, the *Canadian Association of Customs Brokers*, the *Canadian Importers Association*, the *Canadian Manufacturers' Association*, the *Motor Vehicles Manufacturers Association (BIG 4)* and so on and so forth. This list also includes the *Canadian Textiles Institute*.

Moreover, effective January 1, our main trading partners will adopt the same Harmonized Commodity Description and Coding System and expect Canada to play its part in the area of international development, and that is what we are dealing with this afternoon.

I therefore urge my collegues in the House to vote against this motion.

[*English*]

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, the point in introducing this motion is that the Opposition does not have the right to propose a motion which says that an Act shall be proclaimed at the appropriate time. That impinges on the royal prerogative. The only option left to us is to make some complaints about this Bill having a clause which indicates that it will come into effect on January 1, 1988. That may not be an appropriate time given that our major trading partner has not yet shown any indication it will produce similar legislation of its own. The latest information we have is that Congressman Sam Gibbons may be introducing something next week. The harmonization system is still apparently a part of the large omnibus Bill, but it is moving very slowly through Congress. The Government and other sources tell us they are banking on Congressman Sam Gibbons initiating companion legislation on the other side of the border.

If that does not happen, this legislation puts our importers and brokers at somewhat of a disadvantage. We will have complied with the harmonization scheme, and our exporters will have to work under a different set of rules than the Americans. This will continue until both sides are willing and able to implement the agreement which they have been working on since 1981. We think it only makes sense for Canada to not implement its side of the bargain until the other side is ready as well.

Since this is the last clause of the Bill, we are making this point as part of the over-all argument we made in presenting improvements to this Bill. I remind the House that we have attempted, throughout the course of this debate, to give Parliament more rights and a faster overview of any trade

legislation affecting customs tariffs and imposition of duties so Parliament again regains its traditional role.

• (1310)

We believe that, until such time as the other countries which are supposed to be partners in this agreement are ready and able to meet the requirements of the Bill with regard to harmonization, this particular section should be withdrawn. We urge Members of Parliament to see the advantages to Canada, in keeping equitable and economic relationships with our trading partners, of not putting this harmonization program into effect until both sides are prepared to do so, until our largest trading partner is able to reciprocate with effective legislation permitting the harmonization of collective duties and tariffs. In that way, our exporters and their importers will benefit equally and equitably by the imposition of this system.

We believe that implementing our side of the bargain on January 1 while we await American action is neither an equitable nor effective way of conducting trade relations with a neighbour, whether a good neighbour or not. It is just not an effective way of doing business. We urge the Government to delay the implementation of this until both sides are able to do so.

Mr. Deputy Speaker: I gather the Hon. Member for Yorkton—Melville (Mr. Nystrom) seeks the floor on debate. The Member has moved the motion and is therefore deemed to have spoken. The only way for him to speak would be with unanimous consent.

Some Hon. Members: No.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I thought if the Hon. Member was not in the House another Hon. Member had to be named as moving the motion.

Mr. Nystrom: He used me.

Mr. Benjamin: Were you in the House?

Mr. Nystrom: Yes.

Mr. Deputy Speaker: The question is on Motion No. 16, standing in the name of the Hon. Member for Ottawa Centre (Mr. Cassidy). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: The recorded division on the proposed motion stands deferred.

Normally at this time the House would proceed to the taking of the deferred divisions at report stage of the Bill now before the House. However, pursuant to the provisions of Standing Order 13(5), the recorded divisions will stand deferred until six o'clock, Monday, December 7, 1987.

* * *

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Wednesday, December 2, consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee, and the amendment of Mr. Robinson (p. 11291).

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. David Orlikow (Winnipeg North): Mr. Speaker—

Miss Mailly: He doesn't even know what Bill it is.

Mr. Orlikow: Mr. Speaker, the Member says that I do not know what Bill it is. In fact, I was not certain that we had finished with the other Bill and I was just looking at my notes.

I want to speak on this Bill because it is a tremendously important issue. The Government is proposing legislation which has been criticized and condemned by a larger group of individuals and organizations than I have seen react to any other Bill brought forward by the Government.

I have always been of the view that in a democratic society we ought to permit the greatest possible range of freedom to speak, write, publish, and broadcast. I have always been very skeptical about any attempts by governments or individuals to restrict the rights of any individual, publication, or organization to express their views.

The reason for my position is very clear. We have seen many successful attempts in the past to restrict these rights. During my time in Parliament, the Supreme Court of Canada, by a very narrow margin of five to four, ruled that the book *Lady Chatterley's Lover*, written by an author considered to be one of the greatest writers in the English language of this century, D. H. Lawrence, was not pornographic. This book is now

considered by most people who are knowledgeable about literature to be a classic. I give that as an illustration of why I am a believer in the right of people and organizations to express their views on every subject with as little restriction as possible.

However, one must be realistic. I am a grandfather. I have two grandchildren, a granddaughter who is eleven and a grandson who is six. Albeit as a believer in free speech, I must admit that I am appalled at some of the material which is now available in print, on film, and through other media. I have faced reality and am now prepared to agree to some restrictions to which some years ago I probably would not have.

Mr. McDermid: Changed your mind, did you?

Mr. Orlikow: Like anyone who has any sense, which excludes the Parliamentary Secretary who just interjected, I try to face reality.

Mr. McDermid: Yet you criticize the Prime Minister (Mr. Mulroney) for changing his mind. Double standard.

Mr. Orlikow: I am very happy to support the resolution on pornography which was passed by the Federal Council of the New Democratic Party in 1983. It reads in part as follows:

> Therefore be it resolved that the Federal New Democratic Party:
>
> (1) defines as pornography material which condones violence, coercion, abuse and degradation in its depiction of human beings and condemns the production and distribution of such material whether in film, video, print, or any other form;
>
> (2) condemns the production and distribution of material which portrays or promotes the sexual exploitation of children and calls for severe penalties for offenders;
>
> (3) calls for a strengthening of Section 159 of the Criminal Code of Canada to reflect these concerns;—

It goes on to give some detailed suggestions for amending the Broadcasting Act and so on.

This proposal with which we are now dealing was first brought forward in a Bill by the then Minister of Justice, the Hon. Member for St. John's West (Mr. Crosbie), was criticized very severely. Calls were made by a large number of very responsible organizations for the Bill to be withdrawn.

• (1320)

Now we have the second version of the Bill that was brought forward by the present Minister of Justice (Mr. Hnatyshyn). The reaction of very responsible groups and individuals has been one of criticism. The Bill has been criticized by editorials in *The Globe and Mail*, *La Presse*, *Le Devoir*, *The Ottawa Citizen*, *The Toronto Star*, the Toronto *Sun* and *The Vancouver Sun*. I never thought I would live to see the day when *The Toronto Star* and the Toronto *Sun* would agree on anything, but both have criticized this Bill.

I am sure that this is by no means a complete list of the newspapers in Canada that have criticized this Bill and called for its withdrawal or major revisions.

Organizations which are opposed to the Bill include the National Action Committee on the Status of Women, the Canada Council, the Canadian Conference of the Arts, and ACTRA, which represents most actors, writers and film directors.

Let me put on record the views expressed by *The Globe and Mail* in an editorial on Tuesday, December 1. The title of the editorial is: "The Bluenose Bill". I will only read part of it:

> Ottawa's anti-pornography Bill is an unjustifiable intrusion into freedom of expression, sloppily drawn and meanly defended. It seeks to criminalize taste in the guise of defending morality and expresses a rigid intolerance of human sexuality and eroticism. It panders to prudery with reckless disregard for justice. It denies Canadians access to harmless and pleasurable materials. It demands a regression in time that will spark a revolt in practice. This is a gratuitous and clumsy piece of work that should be withdrawn and replaced with common sense.

Let me put on record the views expressed for the Canada Council by its chairman, Maureen Forrester, one of the best known Canadians who has sung with every major opera company in the world.

In a statement on November 27, the Canada Council indicated:

> The Canada Council has been on record, since January 1985, in opposing censorship of the arts. Since Bill C-54 received first reading in May 1987, the Council has made representations to the Prime Minister and the Minister of Justice to express its concern at the negative effect Bill C-54, if passed in its present form, would have on the legitimate creative activity of professional artists. The Council fears that Bill C-54 will result in an unreasonable limitation of the freedom of expression of Canada's artistic community, as guaranteed in the Charter of Rights and Freedoms.
>
> A large number of artists' organizations, representing a majority of the Council's clientele, have stated that they find Bill C-54 to be not acceptable as drafted. The Council agrees with this position and will communicate its concerns directly to the legislative committee in the strongest possible way.

Like other Members of Parliament, I have been receiving letters from people expressing their concerns about the large quantities of pornographic material which they say is available. They have been urging support for legislation, and I am not opposed to legislation. I have already indicated that I am not opposed to legislation which will limit material that is clearly pornographic, whether it be in print or on film.

This Bill does not do that. This Bill will put severe limitations on much more than pornography because, according to people like Maureen Forrester, Pierre Berton, and many other individuals who have expressed opposition to this Bill, it goes much further than simply dealing with what is clearly pornography.

This Bill would put restrictions on any erotic material, whether it is in books or films, on television or tapes.

Sex is a part of life. One cannot ignore it or legislate against it. One cannot prohibit it by law.

If this legislation is passed, the depiction of any form of sexual activity will become illegal. The only legal images will be those defined as erotica, or those determined by a judge to

have artistic merit or an educational, scientific, or medical purpose.

I recall sitting at home in Winnipeg watching a movie on television. This film had been shown at all first-run theatres across Canada. My wife and I found that the movie was rather dull and switched to another channel. About a half hour after we switched channels I received a telephone call from one of my constituents who expressed his shock at what he was watching, which turned out to be the film that I had turned off. He was protesting that there was a scene in that film being shown on television which showed a woman naked to the waist. He said that he had young children and did not think they should see such films. I told him that he has every right to choose what he wishes to watch and, if he believes that film is one that he or his children should not see, he could have changed the channel.

This film had been shown in movie theatres in every province of the country. Manitoba is the only province that does not have censorship, but simply a classification system. All other provinces which censor films screened this movie before it was shown.

• (1330)

I said to him: "Do you really think this film should not ever be shown in movie theatres in this country?" Some people really believe that, but but I do not believe the Parliament of Canada should be expected to pass a Bill which has been endorsed, promoted, and pushed by certain groups in society who have such restrictive views. Believing as I do in free speech and democracy, I agree they have every right to promote their views. However, to try to impose a set of morals on this country which would take us back to the Victorian or pre-Victorian days, I certainly cannot accept that.

As I indicated, the artistic community is particularly worried about the effects of both the definitions and the defences provided in this Bill. The onus has been clearly placed on the artist or writer to prove the material is not pornographic, thus creating legal obligations on them that they can ill afford. It seems that provision is completely contrary to the basic fundamental principles of our system of justice. Under our system of justice a person is considered to be innocent until proven guilty.

What this Bill says is that if there is a complaint that an artist has painted a picture which might be classified or considered to be pornographic, or if a writer has written a novel which someone considers to be pornographic, they can be charged. The usual procedure is that someone can make a complaint to the police. The police will look at it and, if they believe the complaint is justified, they take their evidence and views to the Crown prosecutor. The Crown prosecutor, as senior legal official in this kind of situation, decides whether that charge is justified. If the Crown prosecutor believes that the material alleged to be pornographic is in fact pornographic, then he or she proceeds to lay a charge, and the charge will eventually be heard in court before a judge or a judge and jury. The Crown prosecutor will give the evidence. Then the artist who has been charged, has the opportunity, together with his or her legal counsel, to enter a defence.

The provisions of the Bill turn that procedure on its head. The Bill says that if there is a claim that some material is pornographic, such as a novel, a film, or movie cassette, it is for the artist to prove it is not. I believe that kind of concept is so contrary to our whole system of law. By that provision alone, we are making a major change in the way in which our system of justice operates. I believe it would be a mistake which will lead to tragic consequences.

That kind of provision, along with many others, is completely unacceptable to me and to other individuals and groups, as well as writers, some of whom I have quoted. For that reason, and for many other reasons, a few of which I have tried to put on record, I and my colleagues intend to vote against this Bill.

[*Translation*]

Mr. Grisé: Mr. Speaker, I listened carefully to the comments made by the Hon. Member for Winnipeg North (Mr. Orlikow), and I realized that the Hon. Member was taken unawares at first and had a lot of trouble because he did not have enough information, and in fact that was obvious throughout his presentation. The Hon Member for Winnipeg North may not be aware, Mr. Speaker, that we are now considering the motion by his colleague from Burnaby (Mr. Robinson), the effect of which would be quite simply—

[*English*]

—to scrap the Bill. I would like to ask the Hon. Member for Winnipeg North (Mr. Orlikow) a question. Is the president of the Canada Council, Maureen Forrester, saying in her letter that we should simply ban the Bill, just as the Hon. Member for Burnaby (Mr. Robinson) is stating in his motion that "this House declines to give second reading to Bill C-54 because it fails to clearly define pornography as material that condones violence", and so on?

Does the Hon. Member believe that Maureen Forrester believes that we as Government should not address pornography in which children or young people engage in sexual conduct, extreme violence in a sexual context, sexually violent behaviour, degrading acts in a sexual context, bestiality, incest, or necrophilia?

Does he believe that we should not address those kinds of sexual conduct? Is it the intention of Miss Forrester to tell the New Democratic Party to scrap the Bill, or is she saying to pass the Bill on second reading and refer it to a legislative committee for amendment by Members of the House of Commons in line with parliamentary reform?

Where does the New Democratic Party stand on parliamentary reform? We present a Bill in the House on second reading, and those Hon. Members say, "Oh, no, we will not send it to a legislative committee. We want the Bill scrapped". What is the Hon. Member's response to this?

Mr. Orlikow: Mr. Speaker, I did not deal specifically with the amendment moved by my colleague, the Hon. Member for Burnaby (Mr. Robinson). Obviously, I support it.

The Parliamentary Secretary is suggesting that if we oppose this Bill and support the amendment, somehow we are accepting the freedom of individuals, groups, or organizations to promote the kind of material he listed. Nothing could be further from the truth. I thought I made it very clear in my remarks that I am prepared, as are my colleagues—and as the resolution passed by the Federal Council of the New Democratic Party made very clear—to vote for legislation which deals with the problem areas. However, the point is that editorials have been written in newspapers, some of which I have put on the record opposing this Bill, and organizations have opposed the Bill as it is drafted at the present time. Individuals such as Pierre Berton and a host of others also oppose this particular Bill.

Let me deal with the question with respect to the Canada Council and what Maureen Forrester said. I put on record in the course of my speech, the full text of the statement. I will read the relevant part which I think answers the question put to me by the Hon. Member. It states:

• (1340)

> A large number of artists' organizations, representing the majority of the Council's clientele, have stated that they find Bill C-54 to be not acceptable as drafted. The Council agrees with this position and will communicate its concerns directly to the legislative committee in the strongest possible way.

I have been here for quite a number of years, much longer than the Member who asked me the question. When we vote on Bill C-54, if the vote carries, which given the Government's majority I am sure that it will, the House of Commons is approving the provisions of this Bill in principle. The amendments that would be considered in committee, or back in the House at report stage, can only deal with a certain few of the clauses.

We are saying that this Bill as drafted is bad, wrong, and dangerous, and we want this Bill withdrawn. This is version number two. If we can go from version number one to version number two, there is no reason we cannot go to version number three. Therefore, if the Government withdraws this Bill and brings forward a Bill with provisions that deal with the question of pornography in a realistic manner, a Bill which would get the support of the newspapers which have opposed it, would get the support of the organizations which have opposed it and called for its withdrawal, and would get the support of the people who are knowledgeable in the area, then we in the New Democratic Party would be very happy to support it.

Mr. Kaplan: Mr. Speaker, I wish to make a point of agreeing with the Hon. Member for Chambly (Mr. Grisé) in his characterization of the NDP's position as identifying themselves with those who oppose any form of regulation of pornography.

I spoke on the Bill and indicated our grave reservations about this Bill which seriously encroaches upon freedom of speech. This Bill shows an insensitivity on the part of the Government and a characterization of all sex as dirty, something which is ridiculous in contemporary society and which is way out of tune with the feelings of the Canadian people as we in the Official Opposition understand them.

On the other hand, there is a lot wrong with the present pornography law. The former Government commissioned a royal commission which came out with very sensible recommendations which we would have liked to have seen implemented. I am afraid the position the NDP is taking, if it is accepted by the Government, will result in nothing happening. The Bill will disappear in the first round, which is what Members of the NDP state that they would like, and what will follow? Perhaps nothing.

Therefore, on behalf of my Party I have put forward a strategy which I would urge on the NDP of expressing our views on the repressive features of the Bill, but trying to do our work as parliamentarians to make it better.

I can understand why Maureen Forrester is very worried that this issue has been entrusted to a Government which has shown such a lack of understanding of human sexuality and of the right of free speech. She is correct about that. But they are the Government. I would urge that after a full debate on second reading, we allow this Bill to go to the committee. Let us be sure that we consider the sensible advice of Maureen Forrester, and the position taken by the NDP National Council, the position taken by my Party, and the position taken by public opinion polls which show a fair consistency across the country in approving sexuality in literature as long as it is not violent, degrading, capitalizing, and exploiting children. We do not want that. I urge the Hon. Member to change his opinion on the amendment, to let the Bill go forward, and see what we can do to make it into a sensible piece of legislation.

Mr. Orlikow: Mr. Speaker, the Hon. Member for York Centre (Mr. Kaplan) knows that even if we wanted to prevent this Bill from going forward, we cannot do so, because the Government has a huge majority.

The debate will end within a reasonable time; we will vote against it; the Liberals, who know how bad it is, will vote for it—

Mr. Kaplan: No, we are voting against it.

Mr. Orlikow: —to get to committee. When it gets to committee, our members on the committee will be making reasonable amendments, just as I had hoped the Hon. Member would.

I want to say to the Hon. Member that we would have been happy to support a Bill which would have been based on the recommendations made by the Badgley commission. The trouble with the Hon. Member for York Centre, not only on

this issue, is that he is afraid to take a stand. He wants to be able to say to people who are opposed to this Bill and other Bills that he is on their side, as well as being against them. He wants to be on both sides of the question on every question.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome this opportunity to take part in the debate this afternoon on a very important Bill, and I am of course referring to Bill C-54.

First of all, Mr. Speaker, I would like to express my disagreement with the amendment proposed by the NDP. This amendment says, and I quote:

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> "this House declines to give second reading to Bill C-54—

In other words, the New Democratic Party is offering us the alternative of not having the Bill exist at all. I suppose we are to assume that according to the NDP, Parliament should not pass legislation on pornography.

Mr. Speaker, I have to say I entirely disagree with a motion that one would not have us legislate at all in this area.

I have received several letters from my constituents urging me to support Bill C-54. I must say I also had some reservations about Bill C-54, and I want to say that I would not be able to support this Bill unless it is substantially amended. However, Mr. Speaker, there is a difference between wanting to amend an imperfect Bill and wanting to drop the Bill outright and thus presumably reject the proposal to legislate in this area.

Mr. Speaker, I want to read you a letter I received from one of my constituents, Mrs. Cécile Clément, of Embrun, Ontario, who writes: "As a parishioner of Embrun, I am committed to the fight against violence and child pornography which degrades women and children." Mrs. Clément asked me to support her campaign against pornograghy.

A priest, Father Paul-Yvon Ménard, of Embrun, also wrote to me on November 21, 1986, asking me to support a Bill that would either stop or control the pornography around us today.

I have another letter here from Mrs. Thérèse St-Amour of Embrun, also asking me to join the fight against pornography. Father Lucien Charbonneau sent a similar request on November 28, 1986. Mr. Speaker, I have many other letters from many communities in my riding, all asking me to adopt legislation on pornography.

I have before me another letter—

• (1350)

[*English*]

I have here another letter from a Mrs. Betty McDonald of Green Valley, Ontario. She writes:

> I am a concerned citizen and grandmother who has four grandchildren growing up in the '80s.
>
> I would urge you to encourage and support the necessary changes to the Criminal Code that will eradicate pornography in our society.

Very clearly there is a will and a desire on the part of the population that we legislate in this matter. Pretending that one can just move a motion to delete the Bill, or to have the Bill disappear from the Order Paper, is not what I consider to be a viable solution to this very important problem.

[*Translation*]

Mr. Speaker, the Minister tells us that his Bill is aimed at responding to public worry, to ever growing concern over the proliferation of violent and debasing pornography, and pornography in which children are involved. Hon. Members will recall that this is the Government's second attempt at enacting legislation in this field. Sure enough, the former Minister of Justice, the Hon. Member for St. John's, once tried to get a legislative measure through the House of Commons but it proved to be a major failure because his bill went too far and was unacceptable to a contemporary civilization. Victorian is the label which certain Canadians would put on Bill C-114, the first measure.

The Government has now introduced its new Bill, Bill C-54, and it is certainly not as Victorian, dated and unacceptable as Bill C-114, it is admittedly better but it still goes too far in certain fields and arbitrarily enforces the law. This is why my colleagues in the Liberal Party have no intention of unduly delaying the second reading of this Bill, although we will be voting against it in principle as a way to indicate that the Bill needs to be amended. Still, in my opinion, Mr. Speaker, if the Government is prepared to make the necessary amendments as soon as possible when the Bill gets to committee, I can assure you that I would be prepared to support this Bill on third reading, provided major amendments are made to it.

One of the aspects of the Bill which worry me, and I must tell you this, Mr. Speaker, is the fact that Bill C-54 makes it an offence applicable to pornographers, preventing any individual from importing, making, printing, publishing, selling or renting pornographic material. Sure though most of my constituents and I may be that distributing pornographic material has to be stopped, I think it would be important to make a real distinction with respect to sanctions meted out to those who make such material—a highly-paid profession, as some people have suggested—and, for example, a convenience store owner in my riding who rents videotapes and gets maybe 50 cents in commission on each such rental. The Bill does not seem to make any distinction between various categories of people who might break pornography laws. I think it must be said that these two individuals whom certain people might call pornographers ought to be treated differently under the law.

We know that Bill C-54 contains new provisions dealing specifically with pornography involving children.

Mr. Speaker, I am sure all Hon. Members are supportive of a Bill aimed at curbing child pornography.

Under the Bill, a person would commit an indictable offence and be liable to imprisonment for a term not exceeding ten years, or so I am told, when inducing, inciting or coercing a person who is or appears to be under age 18 to produce pornographic movies or material.

I think it is important to underscore the words "person who appears to be under age 18" because some people enjoy making pornographic material, perhaps in certain cases with individuals over 18, but they show or attempt to show that these individuals are much younger, they try to show them as being perhaps only 12 or 13 years of age.

I realize that in some cases it will be difficult to decide whether a person is shown as being younger than he or she actually is. But in certain cases, for example, how can one say that someone aged 19 is shown as being only 17? These are difficult cases. I am sure that those who will be responsible for dealing with these cases will use their judgment in such circumstances.

Still in most cases we see something really different. For instance, we see a young woman dressed and with her hair done to look as though she is 11 or 12, an attempt to show that she is much younger. In such cases I think the Bill should contain specific provisions to deal with these people, including indictable offences applicable to people who radically change their age or appearance in an attempt to appear much younger that they are.

Mr. Speaker, here is the position of our Party with respect to this Bill. First, in terms of principles, we agree that legislation is needed and that time has come for Parliament to take action in this field. It is no longer good enough to say that we reject any attempt to pass legislation, and this is why we want this Bill referred to a legislative committee as soon as possible.

Still it must be noted that we want to amend certain provisions, for example those which relate to erotica, for often there is confusion about what is erotic and what is pornographic.

We are also concerned about the great severity with respect to sexual relations which, in this Bill, are purely and simply forbidden. I would suggest that if there is no violence, and so on, showing a sexual relation in a film is not always necessarily pornographic.

Mr. Speaker, in the few moments I have left I should like to conclude by simply telling the House that I hope this Bill will be referred to the legislative committee as soon as possible so we can make the necessary amendments. I want the Bill to go ahead once the required amendments have been made.

[*English*]

Mr. Deputy Speaker: It being 2 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

The House resumed from Thursday, October 15, consideration of the motion of Mr. Reimer:

> That, in the opinion of this House, the *Constitution Act, 1982*, should be amended in order to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend Section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows:
>
> "7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."
>
> and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

Mr. Deputy Speaker: The last time this matter was debated, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) had the floor.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have an opportunity to speak. I have not had the occasion to participate in debate for such a long time.

The last time we discussed this motion, the Hon. Member for Kitchener (Mr. Reimer) had moved a motion suggesting that we consider amending our Constitution by adding the right to own property. I suppose that as a general principle, if I were to ask anyone for his or her initial comments on whether or not people should have the right to own property, the first answer would obviously be yes. However, looking at the issue a little further, one sees that the so-called right to own property does not in fact always exist. Perhaps there is good reason for this.

I bring to the attention of the House, for instance, the fact that a number of provincial government agencies have the right to expropriate property. That, of course, is necessary for the good functioning of Government in a civilized society.

There must be good and proper expropriation procedures to ensure that individuals are reimbursed in cases where expropriation is necessary. There must be evidence to suggest that such expropriation itself is necessary. Once those criteria have been met, expropriations can take place.

I recall that during my days as a Member of the Ontario Legislature this issue came up from time to time. Interestingly enough, one of the greatest opponents of property rights during the time I was there from 1981 to 1984 was in fact the Progressive Conservative Government of the Province of Ontario.

Sometimes people associate Tories with being great defenders of property rights. That, of course, is totally erroneous. Tories have no monopoly on virtue, as we all know,

nor should we compliment them for anything they are doing in this regard.

I could be partisan and say that we should not compliment Tories on anything at all, but far be it from me to raise an issue with that tone. I would never want to do that, even if I should.

Let us recall expropriations of the past. As far as I know, the biggest expropriation ever to take place in Canada was the expropriation of assets relating to the Crown Trust, Seaway Trust, and Greymac Trust companies by the Government of Ontario. That is interesting, considering the fact that a Conservative Member is proposing this property rights amendment, pretending that Tories are the great defenders of that issue.

Mr. Mitges: What about Mirabel?

Mr. Boudria: The Hon. Member across is talking about Mirabel. I am glad he is trying to draw a parallel between those whose property was purchased in an expropriation and those whose property was expropriated in the Crown, Greymac, and Seaway Trust matter and whose assets were never reimbursed. If that is a parallel, the Government across is even more frightening than I thought it was.

In that largest expropriation I have described, people's life savings were taken away. People who had invested their life savings in those corporations were left with nothing. Sure, those who had put their money on deposit managed to get their money back with the assistance of the federal Government through the Canada Deposit Insurance Corporation, but those who owned shares had their property expropriated, and the Government of Ontario said that it was necessary. It dealt with the issue for years and, as far as I know, it is probably still not all resolved even though it happened some four years ago.

Obviously the point I am making is that Conservatives are not totally virtuous and cannot claim virginity as it pertains to expropriation without due compensation.

There are other things about property rights that merit our attention. For instance, we know that in some jurisdictions property rights have in the past been interpreted by courts of law as meaning that someone who owned a factory could actually have the *de facto* legislative power to prevent workers in the factory from unionizing or associating. If a property rights clause were entrenched in the Charter, it would do more than simply protect from expropriation those who own real estate. It would do more than protect those whose property had been expropriated without due compensation by Conservative Governments of the past. It could be interpreted in many ways that would deny other rights based on the fact that property rights would supersede those other rights.

Although many people are in favour of the entrenchment of property rights in our Constitution, I must say that I am very concerned about its possible effects.

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, I am very pleased to have the opportunity this afternoon to speak on the motion moved by my colleague, the Hon. Member for Kitchener (Mr. Reimer). The motion states that property rights should be included in the Constitution.

Canadians from all across Canada support the idea of including property rights in the Constitution. Like my colleague from Kitchener and many others, I believe that it is extremely important to amend the Constitution so that property rights are protected.

It has been a long-standing policy of this Party that property rights should be well protected. We tried to get it into the Constitution, but the Liberal Government, dealing with the NDP, did not want to protect the rights of Canadians during the historic Constitution debate.

Property rights were included in the Magna Carta of 1215, the English Bill of Rights of 1627, the fifth and fourteenth amendments to the American Constitution of 1791 and 1868 respectively, and in 1948, the United Nations saw fit to include property rights in the Declaration of Human Rights. In 1960, the Canadian Bill of Rights also included the protection of property rights. In 1972, the U.S. Supreme Court confirmed once again the need to have this right entrenched. It declared that property does not have rights, people have rights.

• (1410)

A fundamental interdependence exists between the personal right to liberty and the personal right to property. Neither could have meaning without the other. That property rights are basic civil rights has long been recognized. The UN Universal Declaration of Human Rights, which Canada signed in 1948, stated that everyone has the right to own property individually as well as in association with others. It also said that no one shall be arbitrarily deprived of his property. It is therefore important that we amend the Constitution to let the world know that Canada offers everyone his or her basic rights.

At this time provincial Governments may pass legislation which, in most people's minds, violates property rights, and our judges would be powerless since that would not violate a protected constitutional right.

History has shown that property rights mean more than simply a right to own land. It is not impossible to conceive the idea that social programs like social assistance, chattels, personal property, and patents could be challenged. At this time our Constitution does not protect us, and the courts may find it difficult to disregard one type of property yet allow another.

Some in this House would not want this type of protection for fellow Canadians. It is interesting to note that at this very moment in the Soviet Union, citizens are being given the opportunity to own enterprises, albeit a limited amount. Nonetheless, they are moving in our direction.

Since 1981 this Government has been seeking changes in the Charter of Rights. Unlike the previous Government, the Conservative Government sees its responsibility and it would be dishonest, morally and intellectually, not to seek changes that will ensure our rights in all facets of life, including the enjoyment of property. It should not be left to the whims of arbitrary interpretation. It must be entrenched in the Constitution.

Let me state again that the individual must have a right to not be deprived of his or her property except in accordance with the principles of natural justice. However, we need as well to ensure that someone will receive fair compensation should the need arise, and public interest overrides private interest. At this time we have no safeguards against unjust compensation. In the case of expropriation, we need to make sure that people displaced because of the public interest are treated fairly.

The previous Government at times forgot its responsibility to the people in a mad dash to erect white elephant airports like Mirabel and Pickering. We need to ensure that these problems do not occur again. In the case of Pickering, we are all well aware that the airport was eventually cancelled and somewhere down the road the property owners were given a chance to repurchase their property if they were interested in doing so.

Recently the Real Estate Association of Canada commissioned a Gallup poll which indicated that a great majority, 81 per cent, of those questioned believed it was fairly or very important that we amend the Constitution in order to protect our property rights. I suppose I must declare more than a passing interest in that subject since I have been a real estate broker for 40 years, give or take, and am therefore well aware of how important it is that a purchaser have clear title to the property. Certainly they would have a lot more peace of mind if they know that their property cannot be expropriated by any level of Government.

This right should be in the Constitution. This Government, in its ongoing endeavours to provide Canadians with responsible Government, will ask the House to vote in unison to accept this motion.

Again let me commend the Hon. Member for Kitchener on bringing forward this motion. I hope this House gives very serious consideration to voting in the affirmative because people do not want to be subject to the will of any Government with respect to owning property, no matter at what level.

I am aware, as the previous speaker said, that there are times when one level of Government will have its eye on a particular piece of private property. Of course, it could be for something that was in the public interest, but in those cases I feel the owner should be well compensated for having to give up his property.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the Hon. Member for Parry Sound—Muskoka (Mr. Darling), he reinforced my understanding that what we have here is the setting up of a straw man by the supporters of this Bill so they can knock it down. No one questions the right of individuals or companies in Canada to own property. We have now come to a point where the majority of Canadians own their own house. They may still have a mortgage on it, but they own it, and no one questions that right. It is because no one questions that right that we believe there is absolutely no need to amend the Constitution or put a clause in the Charter of Rights guaranteeing people the right to own property.

When property is purchased or expropriated by a federal or provincial or municipal Government, it is not done on a whim. When they believe it is necessary—and I will indicate some of the reasons why it may be necessary—they either reach an agreement with the property owner, or there is legislation which outlines the way in which a public body can move to expropriate the property it wants or needs. The case will be heard by a court which will rule on the validity of the move or on the amount of compensation, or anything else.

As the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) indicated—and I wish the Hon. Member for Parry Sound—Muskoka had listened—the Conservative Government of Ontario, when this matter was being discussed in Parliament, advised us of its opposition to entrenching property rights in our Constitution, as did most of the other provinces, as would most cities, and as would any federal Government which was realistic and honest.

• (1420)

For example, suppose Ottawa grows to double its size and it becomes necessary to extend the length of the runways at the airport. They may well have to expropriate some land now owned by a farmer which abuts the Ottawa airport property. In Winnipeg the airport is right in the city and, if the runways have to be extended, property may have to be purchased. If this proposal is entrenched in our Constitution that may be very difficult. A court may rule that the federal Government does not have the right to expropriate the land.

In my Province of Manitoba there are repeated proposals, requests, and demands that the highway from Winnipeg to the American border be widened to four lanes. If that proposal is approved by a Government of Manitoba, of whatever political stripe it may be, such a clause as this in our Constitution may create tremendous difficulties or even make it impossible for the province to do that.

During the time of Conservative Governments in Ontario, Highway 401 was almost doubled in size. I am sure that a great deal of property had to be purchased. I have no direct evidence of this, but I would be very surprised if there were not property owners who were dissatisfied with the offer made by the then Government which required the Government to take measures through expropriation. The ability to take such actions is needed by cities as well which also have to improve roads and bridges and build new schools.

With such a clause in our Constitution we may see a time when the courts would strike down the initiative of Governments to improve safety in the workplace or to make technological change. Inspectors from relevant departments may tell a factory owner that the heating system of his building does not provide the necessary quality of air and that he has to make major or minor changes. However, under this kind of clause an owner may say that he is not prepared to make such changes and that to be forced to do so is an infringement on his right to own the property and deal with it in the way in which he wants.

This could interfere in a marked way with the ability of a province to implement pollution control systems. These are only a few of the reasons we should not pass this resolution.

The Government prides itself in its determination to deal fairly and co-operatively and to consult with the provinces. To include a clause such as this in the Charter would be a massive intervention in the rights of the provinces. Under our Constitution the federal Government is given certain areas of jurisdiction as are the provinces. One of the major areas of provincial jurisdiction since Confederation is over property. To put property rights into the Constitution would interfere with the right of the provinces, as spelled out in our Constitution, to deal with property and property rights.

I have seen no evidence that the rights of individuals or corporations to own and manage their property has been unduly interfered with by Governments at any level. The present laws protect property rights in a legitimate way. This proposal is not only unnecessary but would create very dangerous and difficult problems for Governments at the federal, provincial, and municipal levels. Therefore, we ought not to pass this Bill.

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, it is indeed an honour for me to speak today on the motion which the Hon. Member for Kitchener (Mr. Reimer) has placed before the House. The motion seeks to amend Section 7 of the Canadian Charter of Rights and Freedoms to include the enjoyment of property.

I am in support of this motion as are several of my colleagues on this side of the House. Even though the Canadian Bill of Rights includes the enjoyment of property, it is only a statement of general principles and does not confer real rights. In the final analysis, this right in the Bill of Rights remains an ordinary common law principle which is incapable of actually protecting property rights.

The Charter of Rights and Freedoms has been accorded a constitutional status capable of overriding federal and provincial legislation. Unfortunately, it is deficient in the field of property rights. The deletion of the right to property in the 1982 Charter of Rights may have been a Liberal Government side-step to avoid an issue which was so strongly opposed by the New Democratic Party and the provincial Governments whose legislative authority from the 1867 Constitution Act could have been affected.

Even today the Hon. Member for Winnipeg North (Mr. Orlikow) alluded to how his Party is still against the legitimate right of individuals to be the owners of property.

It looked for a time in 1982 as though the Government of the day would have the sense to include the Conservative amendment to add "the right to property and the right not to be deprived thereof". The Liberals withdrew their support of the amendment on January 26, 1981. They caved in.

I am happy to say that the Government of the Province of British Columbia passed a motion on September 21, 1982, which authorized the amendment of Section 7 to include the enjoyment of property. However, that is but one province.

Having spoken to many people on this issue over the past three years, it is obvious to me that many Canadians want the right to enjoy property entrenched in our Charter at a national level. One can compare the situation of not having this specific right in the Charter with the notion that someone has the ability to print a newspaper without having the right to own the printing press. We need the assurance of this right.

Ownership is conducive to an individual's independence, freedom, and happiness. A man's house is his castle. However, what happens when he does not have the right to own that castle? From earliest times property has been defended. Aristotle expressed a strong defence of property and advanced the idea that private property is ordained by natural law and that ownership is conducive to progress. According to this famous philosopher, ownership of property promotes the growth of character because two important virtues result from it—self-control and liberty.

• (1430)

Property is a source of pleasure. Throughout history those supporting absolute democracy, such as Jean-Jacques Rousseau, considered property necessary for the well-being of individuals and society, and thus should be protected by law.

The motion we are discussing today must go through the process of constitutional amendment, if it passes the House. The process might be lengthy. Nonetheless, the process is necessary.

The right to property is a prerequisite for incentive and human progress. It has the support of a great many Canadians, and I hope that we in this Chamber have the foresight to pass the motion and get on with entrenching our right to the enjoyment of property in the Canadian Charter of Rights and Freedoms.

Again, I compliment the Hon. Member for Kitchener for bringing forth this motion. I support it whole-heartedly.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I am pleased to rise and support the motion proposed by the Hon. Member for Kitchener (Mr. Reimer) to install

property rights in Section 7 of the Charter of Rights and Freedoms.

This is a very important concept and one which most Canadians believe is already theirs within the Constitution. When I talk to people at public meetings they are very much surprised that they do not have this right. The overwhelming majority want to ensure that such a right is entrenched in the Constitution quickly.

Of course, there are many precedents of countries establishing the right to own property as a basic right. Indeed, the United Nations has established such a right. In our common law history, this goes back to the Magna Carta in 1215 and was reconfirmed in 1627 in the English Bill of Rights. It was one of the early amendments to the U.S. Constitution and has been a fundamental right in the United States for well over a century.

In 1948, Canada implicitly recognized the right by signing the United Nations Universal Declaration of Human Rights. Article XVII of that Declaration reads:

> (1) Everyone has the right to own property as well as in association with others.
>
> (2) No one shall be arbitrarily deprived of his property.

As I said, many other countries have formally recognized the right to own property in their Constitution. These include the United States, Australia, West Germany, Italy, Finland, and Sweden. Many national organizations, including the Canadian Bar Association, have stressed the need to add property rights to the Canadian Charter of Rights. Other organizations include the Canadian Chamber of Commerce and the Canadian Real Estate Association.

Canadians have been polled on this issue. In addition to my personal experience, a national Gallup poll shows that 81 per cent of Canadians feel that it is either very or fairly important to them that this right be added to our Constitution.

Some people say that we already have property rights in the Canadian Bill of Rights. That is true. The Canadian Bill of Rights, proposed by Prime Minister Diefenbaker, was an important landmark.

However, the Bill of Rights is simply a statement of general principle. It does not in itself confer or create real rights. The Charter of Rights which this motion is seeking to amend indeed overrides all other laws in the country, subject to reasonable limitations.

Indeed, property rights were almost in the Charter of Rights in 1981. On Tuesday, January 20, 1981, the Conservative Party introduced an amendment seeking the inclusion of property rights in the Charter. On Friday, January 23, the then Solicitor General, in his capacity as Acting Minister of Justice for the Government, accepted the amendment on behalf of the then Liberal Government. However, that Sunday evening, the Leader of the New Democratic Party (Mr. Broadbent), having conferred with his caucus and provincial counterparts in Saskatchewan, informed Canadians on national TV that the NDP would withdraw its support for the Constitution if property rights were to be included.

The following Tuesday, Prime Minister Trudeau told Parliament that the property rights amendment had to be dropped. I can understand the NDP opposing property rights since it appears to be part of their national platform to expropriate property without reasonable compensation.

Mr. Benjamin: Go to hell! You have got to be kidding. If you believe that, you believe in the Easter bunny.

Mr. McCrossan: There are certainly sections in their national platform about nationalizing banks.

Mr. Benjamin: That is an insult. It is not without compensation.

Mr. McCrossan: It certainly is there. Furthermore, if they do believe in the principle of expropriation with reasonable compensation, they should be the first to be up to support this motion, because the only thing that this charter privilege conveys is indeed that absolute right to have reasonable and full compensation for property.

The Hon. Member for Winnipeg North (Mr. Orlikow) said in his speech that no one questions the right to own property in this country. The point is that Parliament itself has questioned the right to own property in this country, on several occasions.

I am sure all Members are aware of how property has been expropriated without proper compensation in establishing national parks. Certainly there has been a case in the media within the last few weeks about a person in the Maritimes who has been holding out for proper compensation because an Act of Parliament deprived him of his property without proper compensation.

The National Energy Program was an Act of Parliament, supported by the NDP, which expropriated property in the gas and oil sector in the North and in Hibernia without proper compensation. The point is that without charter protection, Parliament itself can and has acted, supported by the NDP, to expropriate property without compensation.

The Hon. Member for Winnipeg North suggested that somehow it will not be possible to extend a runway or carry out the necessary expropriation for a municipal or provincial highway. That is simply wrong. Everyone knows that the Charter of Rights and Freedoms states:

> The Canadian Charter of Rights and Freedoms guarantees the rights and freedoms set out in it subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society.

I do not think there is any doubt that any court would rule that the Government had the right to expropriate where there was a legitimate government need. The question is one of compensation when the property is expropriated, and whether Parliament itself can legislate to expropriate without proper compensation.

Similarly, I think the Hon. Member's suggestion that we cannot bring in pollution standards or air control standards if we pass this motion is the reddest of red herrings. The United States has this right in its Constitution, and it does not seem to stop that Government from building airports or interstate highways. It does not seem to stop it from bringing in pollution controls.

These arguments that somehow government will be ground to a halt if property rights are conveyed on Canadians are absolutely specious.

I believe the will of Canadians deserves to be heard in this case. Canadians want property rights. Property rights are viewed as a fundamental right by Canadians and should be entrenched in our Constitution. I will support the motion when it comes to a vote.

• (1440)

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise to oppose this motion. Because of the record of the CCF and the New Democratic Party on human, civil, and property rights since 1933, I take it as something of a personal insult.

I ask my hon. friend opposite—who was it when not a single Liberal or Tory would speak up, who stood in the British Columbia Legislature and in the Parliament of Canada and opposed what was done to the Japanese Canadians in 1942? Every single Grit and Tory said their land, property, and machinery could be seized, and most of them did not get any of it back. Where were these "enjoyment of property" Tories then? They were the ones who stood and supported a Liberal Government. If it had not been for Harold and Ernie Winch in the British Columbia Legislature, and J. S. Woodsworth and Angus MacInnis in the House of Commons, no one would have said a word. Yet those Hon. Members have the gall and the nerve, without the courtesy of blushing, to talk to us about the enjoyment of property!

I invite my hon. friends to examine the record of CCF and NDP Governments in Saskatchewan, British Columbia, and Manitoba, on having the best and fairest of expropriation laws with compensation anywhere in the country. We do not need these fatuous insults from the hon. gentleman about our record on human, civil, and property rights. It was the people in our movement who fought against the grasping, racist activities of governments of past years. We were the only ones who stood up to be counted.

Who opposed the War Measures Act in 1970? The War Measures Act allowed the takeover of property, the search of persons and property without warrant, arrest without warrant, and incarceration without charges. Every Tory who talks about the enjoyment of property has the unmitigated gall to come into this Chamber and tell us how they want the enjoyment of property. I can go back to the not too distant days when I was a kid, the days of R. B. Bennett. I challenge my hon. friends opposite to start some move with all the Tory Governments in Canada, federal and provincial, to do something about expropriation laws, and we have a mess of them, right across the country. In some provinces they are unfair and mistreat people and do not do what the motion calls for except in accordance with the principles of fundamental justice.

Mr. McDermid: Why don't you support the motion, then?

Mr. Benjamin: Just wait for it. The changes in expropriation law and compensation, and who pays the legal costs, is where there is a denial of fundamental justice. No self-respecting Government, whether it is school-boards, municipal, city, provincial, or the national Government, can allow a private or individual interest taking priority and precedence over the public good or the public or national interest.

I resent these guys with the Texas or Oklahoma cowboy syndrome who import ideas from the great U.S.A. to the south. The next thing we know, they are going to talk about the right to bear arms. By the way, some of them have. I have run into some of these Neanderthals in various parts of this country. They want to imitate, copy, or ape what has been put forward by the Neanderthals south of the 49th parallel. Well, this country is different. It is something more than and better than the kind of nonsense that goes on to the south of us, or the kind of nonsense they want to provide here.

"Enjoyment of property" is a neat little phrase. When I received my last tax notice I was not sure whether I was enjoying my property very much.

Mr. McDermid: You can sell it.

Mr. Benjamin: I would not sell it to what could be called the atypical used car dealers I find seated opposite. I would not deal with them.

Mr. McDermid: What have you got against car dealers?

Mr. Benjamin: Let us go back to 1867. Had there been such a clause in our Constitution then, every time a school-board, city, province, or the federal Government had to do something in the public or national interest, it would have been faced with litigation at every level of the courts, right up to the Supreme Court. It would not have been faced by the little homeowner who could not afford to go to court. Every Government at every level would have been faced with the likes of those who want this kind of amendment to the Constitution.

The oil companies like it. These barefoot boys from Bay Street think it is great that the oil companies like it. They think it is great that the Real Estate Association likes it. They think it is great that big property developers like it.

The Government of Saskatchewan prohibited the development of a housing development beside the Regina airport, because those guys who were going to make a fast buck building homes would have put the houses right at the end of the runway if they could get away with it. We had to move in to overrule the city and the real estate developer and say, "No, you are not going to build. You are not going to enjoy your

property if it means putting up a housing development at the end of a runway at the Regina airport". Any responsible Government has to have the authority to put the public interest and good ahead of the grasping, greedy investors who speculate in property, buying, selling, and putting up developments.

We could ask the people of Prince Edward Island who opposed this. I do not know if they still have the law on their books, but they did have a law which opposed foreign ownership of land in their little province.

Mr. Gass: Mr. Speaker, I rise on a point of order. For the clarification of the Hon. Member who is speaking, anyone who lives in Prince Edward Island can own land in Prince Edward Island.

Mr. Benjamin: But, according to its law as I understand it, anyone who does not live in Prince Edward Island cannot. If this amendment went through, Prince Edward Island would not be able to implement its own laws.

Mr. Gass: Point of order.

Mr. Benjamin: That is not a point of order. The hon. gentleman can get up and make his own damn speech.

Mr. McDermid: Then quit telling untruths.

Mr. Benjamin: He can get up and correct me if I am wrong.

Mr. McDermid: That is what he is doing. Let him.

Mr. Benjamin: He cannot do it on phoney points of order.

• (1450)

Mr. Gass: Mr. Speaker, I rise on a point of order. The hon. gentleman just stated that the people who do not live in P.E.I. cannot own land there. That is totally untrue.

Mr. Deputy Speaker: There will be one minute left on the speech of the Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, I recall the objections of the Government of Prince Edward Island in 1981, perhaps my hon. friend has a short memory. But this applies to every province.

We could not have forced the CPR and the Hudson's Bay Company in Saskatchewan to develop the mineral rights on which they had the leases. We prevented them from enjoying their property. They hauled us into every court in the land, but we beat the buggers anyway!

We could not have brought in a land-bank. The day will come when it comes back. How could we have got some of our national parks if there had been this type of clause in the Constitution? What difficulties would a province or a national Government have had through every court in the country?

The laws that we have are somewhat inadequate. The protection of individual ownership of property is there, but it is not good enough. If I were in the ranks of my friends opposite—heaven forbid—they would do something about improving expropriation laws in order that people were treated more fairly and equitably, and quit trying to ape the United States in our Constitution.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will never be able to understand how the brain works of the Hon. Member for Regina West (Mr. Benjamin), if indeed it works at all. The Hon. Member has presented some of the best arguments that I have ever heard in favour of putting property rights in the Constitution. For example, the dispossession of the Japanese Canadians during wartime, and the imposition of the War Measures Act and what that did to the property of people in Quebec at that time.

These are the best arguments we have had in favour of the proposition put forward today by the Hon. Member for Kitchener (Mr. Reimer), but the end position of the Hon. Member for Regina West is that he will vote against it. That is completely unimaginable.

I wish to give a little lesson in pre-history. At one time in the history of the human race on this planet—

Mr. Benjamin: Are you a member of it?

Mr. Nickerson: Like all good Conservatives, Sir. I have some doubt about some other people in the House.

Years and years ago property rights might not have been as important. I am talking about ownership of real estate, land, and buildings more than personal possessions. When people made their living by hunting and gathering, when they were engaged in nomadic herding, even to the stage where people were engaged in agricultural endeavour but moved from place to place and without permanently founded acreages, property rights probably were not thought about. The concept of ownership in land probably did not exist, because it would have no reason to exist.

When I talk to some elderly people in my constituency, it is sometimes difficult for them to understand the concept of ownership in land. As soon as society went to fixed agriculture, and later when we became a industrial society, that is the time when property rights probably became the most fundamental and important of all the human rights that we enjoy.

Today, whether or not we believe in property rights is the determinant of whether or not we believe in the freedom of the individual. People who own property and cannot be dispossessed therefrom are pretty irdependent people. It is difficult for the state to kick them around. For this reason, the idea of dearly held property rights has not been looked upon as being desirable by people in the employ of government, the professional bureaucrats, for want of a better word. They do not like the idea of independent people who cannot be easily persuaded to do one thing or another as the state might wish them to do,

because they have that independence, they can make a living for themselves and are not dependent upon government. This is what property rights mean.

In the part of Canada that I represent, which is one of the most highly governed areas anywhere in the world, that lies in the back of the mind of the people who administer us there. They are very reluctant to let Crown land be sold, or even on occasions to let it be leased. They want to keep it in the collectivity, so to speak, instead of allowing individual ownership, knowing full well that once people become property owners they will demand that degree of independence.

Property rights are notoriously absent in the constitutions of Communist countries. That has not prevented people in those countries from still having that inherent desire to own something. I remember on several occasions talking to people in Moscow, and other cities in the Soviet Union. Their greatest pride and joy was their dacha in the countryside. They are not able to actually own it, but they can get some title or lease. They told me that what they liked to do more than anything else in the summer was to go out there and sit in their dacha. But they would really like it to be theirs, and not belong to this great collectivity. So even in countries where they have tried to stamp out property rights, it still keeps surfacing again and again.

Why is it not in our Constitution? It is not there primarily because of the opposition from the NDP. I understand that when we were discussing these matters in 1981 the Liberals might have been in support of the motion that was put forward by members of the Conservative Party to enshrine property rights in the Constitution. But after what I assume was reflection, they decided to go along with our socialist colleagues.

Of course, if the fundamental element of party philosophy is that the means of production, which is of course largely land and buildings, should be owned by the state and not by the individuals, as if the individuals are not to be trusted to own this, then of course one would not want property rights in the Constitution.

In closing, I notice that British Columbia, New Brunswick, and Ontario have now passed resolutions along the lines suggested by the Hon. Member for Kitchener. Thus, despite the efforts of our Liberal and socialist friends, it looks like eventually we in Canada will also enjoy these fundamental property rights.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper. Accordingly, the House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 3(1).

At 3 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, December 7, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

ELECTIONS, PRIVILEGES AND PROCEDURE

PRESENTATION OF SIXTH REPORT OF STANDING COMMITTEE

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I have the honour to present the sixth report of the Standing Committee on Elections, Privileges and Procedure.

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

* * *

PETITIONS

TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour to present petitions from the Yukon Territory from a number of communities, including Whitehorse, Teslin, and Watson Lake. The petitioners are expressing their objection to the proposed plutonium flights over the North. Because of the environmental dangers, and the dangers from the risk of hijacking, the petitioners are asking the Parliament of Canada to say no to the transport of plutonium over northern Canadian territory.

GONZALES HILL OBSERVATORY—TRANSFER OF PUBLIC LAND

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it is my honour and pleasure to present petitions filled out and signed by 377 members of the Canadian public. The petitioners pray and call upon Parliament to transfer to the City of Victoria the entire parcel of public land surrounding the Gonzales Hill Observatory heritage site in order to officially create a park, and thus preserve the scenic, irreplaceable land for the benefit and enjoyment of present and future generations of all the residents of Victoria, British Columbia. And as in duty bound your petitioners will ever pray.

[*Translation*]

SHELTER FOR THE HOMELESS—REQUEST FOR GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the petitions I am tabling today were signed by 158 residents of Canada from London, Niagara Falls and Whitby, Ontario, and Victoria, British Columbia. Your petitioners deplore the fact that more than 100,000 people were without shelter in Canada during 1987, that the number of homeless young people, women and families is increasing steadily, that the number of affordable housing units is still decreasing, and that the Government has yet to take steps to deal with this problem.

Wherefore your petitioners humbly pray that Parliament take immediate action so that all Canadians can have access to decent housing and that social reintegration programs be established to help these needy Canadians find their place in Canadian society.

• (1110)

OPPOSTION TO TAX ON FOOD

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, today it is again my duty and my privilege to table petitions from my constituents, and more specifically from residents of Buctouch, Harcourt, Ste-Marie, St-Louis-de-Kent, Balmoral—which is not in my riding—St-Ignace, Richibucto, Pointe-de-Butte and Port Elgin.

Mr. Speaker, your petitioners humbly pray Parliament to reject any mesure that would have the effect of putting a tax on food.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

REVISED STATUTES OF CANADA, 1985 ACT

MEASURE TO ENACT

Mr. Speaker: I am informed that apparently there is unanimous consent that this matter be referred to Committee of the Whole. Is that the understanding of the House?

Some Hon. Members: Agreed.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that Bill C-94, an Act to bring into force the Revised Statutes of Canada, 1985, be read the second time and referred to Committee of the Whole.

He said: Mr. Speaker, this Bill, an Act to bring into force the *Revised Statutes of Canada, 1985*, concerns the current general revision of the Statutes of Canada, the first since 1970 and the sixth since Confederation. It gives Parliament's sanction to the new *Revised Statutes*, which reflect the law found in the public general statutes of Canada on December 31, 1984.

The contents of the *Revised Statutes* were approved earlier this year, in accordance with the Statute Revision Act of 1974, by the Standing Committee on Justice and Solicitor General of this House and the Standing Committee on Legal and Constitutional Affairs of the Senate. Both committees approved the revision and recommended that this Bill be introduced. The committees made several other recommendations relating to future revisions and recommended, as well, the inclusion in the present revision of the Geneva Conventions Act. That Act had been omitted from the revision, although it would have remained in force as law, by the Statute Revision Commission as being an Act not of current general interest. Following the recommendations of the committees, that Act is now included.

The Bill before us deals with technical subjects such as the coming into force of the *Revised Statutes*, the repeal of the statutes they replace, and the rule that the revision does not change the substance of the existing law. The Bill also provides for the preparation of the supplements to the *Revised Statutes* containing the Acts passed since the end of 1984, in a version adapted to numbering and terminology of the statute revision. Finally, it contains transitional provisions deeming references to the old law that are found in the present text of the Acts passed after 1984 and of existing regulations to be written as if they were references to the revised law.

What these technical provisions do not highlight is the advances the revision will make to important areas of government policy to which I wish to draw the attention of the House. These are advances in the area of accessibility of the law and in the area of equality of and respect for both official languages.

Respect for the law depends to a great extent on the accessibility of its text. As all Hon. Members know, it is not always easy to piece together the present text of a frequently amended Act by consulting the last *Revised Statutes* and what has become, since the last revision in 1970, nearly 20 volumes of subsequent legislation. I therefore decided to publish, beginning with this revision, a loose-leaf edition of the Statutes of Canada that will be updated regularly. Bound volumes will also remain available.

[*Translation*]

Let us now deal with the Government's second objective which in this case relates to the official languages.

Until about the mid 1970s, that is long after the previous revision, federal laws were drafted in English, more often than not without any consideration for the genius of that language. Thanks to a qualified and mostly bilingual staff, lawyers and draft revisers seconded by a linguist, the Commission prepared a new or almost new French version of the 200-odd laws which most needed it. Needless to say, this was the best time to standardize the wording and improve the text coherence.

[*English*]

The present statute revision has greatly improved the two versions of most public Acts. I am confident that, with the statutes henceforth available in both an updated loose-leaf edition and the yearly bound volumes, the quality of the presentation of federal legislation is now approaching what I believe to be the quality of its substance.

Hon. Bob Kaplan (York Centre): Madam Speaker, I am happy to indicate first that indeed the Government has unanimous consent of the House to proceed with this Bill in all three readings in one session and to refer it to Committee of the Whole.

I was a member of the Standing Committee on Justice and Solicitor General at the time when reference was made for the Bill, in its course as required by the statute through which the Bill has been brought forward, to be brought before our committee. It came before our committee, and we had an excellent briefing. Mary Dawson, to whom I want to pay personal tribute, was the chief person responsible for the drafting. It was good to see her. I had some professional relationship with her when I was Minister and she was doing drafting in the Department. I was glad to have her there to answer questions and to see that effort had been made to use this occasion not only to bring forward the legislation but to make improvements to it to which I want to refer.

However, one must begin by wondering why it took so long from the last revision, all the way from 1970 to 1985, to bring forward this legislation. Although I did not press the officials to give us the explanation of why it took 15 years to do something in principle which perhaps should be done every 10 years, probably the reason was that they were very busy in the 1970s and the 1980s with the Liberal Government which was always needing important legislation from them on an urgent

basis and with reforms which resulted in this particular reform being put on the back burner.

• (1120)

When a Conservative government came to office the *Order Paper and Notices* was practically empty and hardly any matters were brought forward for consideration by Parliament compared to what was more characteristic of the Liberal Government. The Conservatives had the time to devote to the revision of legislation which is more characteristic of Conservatives than Liberals.

This legislation will largely be of interest and help to lawyers and I am pleased that it is being brought forward. As a lawyer who was in practice, I can say it is a considerable advantage to have the legislation updated as it will be. I think the loose-leaf revision is a reform. I hope the Minister will have some other achievements in his career as Minister of Justice (Mr. Hnatyshyn) that one can call reforms. Indeed, he is the Minister responsible for the loose-leaf version of the *Revised Statutes of Canada*. He will go down in history for it. Perhaps it will not be such a large item in the history of Canada but it is an important one.

One wonders why the bound version is necessary anymore. I phoned to find out how much one will cost. I learned that it will be about $700 while the loose-leaf version will be something like $600. For my part, I would buy the loose-leaf form and have the update. Perhaps we could save the Government some money down the road by discontinuing the bound version of the statute.

On the subject of timing, perhaps the Minister can tell me in committee why the cutoff date is December 31, 1984. We are already in 1987 and 1988 will be here in a few weeks. One would have hoped that with the benefit of computers, organization and so on the Government might have been able to pick a cut-off date closer to a current date. There have been very few legislative amendments since December 31, 1984 with a Conservative government in office. Perhaps there is less that people who buy the bound volume will have missed than before. Madam Speaker is nodding in agreement, or is it disagreement? I do not want to characterize the intervention of the Speaker but I am glad to see that she is listening so intently to my remarks.

Some of the points made in this revision are worth looking at. The Minister has focused on one. There was one other but let me deal with both.

The French versions of a number of statutes are immeasurably improved.

[*Translation*]

True enough, past tradition was to prepare the English draft and have it translated, a translation far removed for the original version. So 20 years ago when Canadians began to be serious about bilingualism in this country and in the national Parliament, we had very nice pieces of legislation which they could take as examples of good French and good English.

As to earlier statutes, those which are being revised but were enacted decades ago, doing a good translation proved to be quite a challenge. I did note a number of fundamental improvements, and the Minister deserve commendation not only for his French, for the speech he made, but also for the talent and creativity he and his officials have shown in the translation of hundreds—I do not know the exact number—hundreds of statutes which now look like French statutes, not only obvious translations of the English version.

Therefore we should congratulate those responsible for the translation and the support given by the Government to this endeavour.

The other area where there has been a major reform is that of the English pronouns of masculine or feminine gender, usually of the masculine gender. There is a problem in English which does not exist in French, for we must take the gender of nouns into account if we want to write sentences which are grammatically correct.

[*English*]

In French, as francophones know, the sex of a pronoun is taken from the noun that it modifies and not from the subject of the sentence. One does not run into problems in French with having to carry forward the gender identification of the subject. In English there is only a choice of masculine and feminine and it matters a lot. I regret to say that one has to come to the conclusion that you can only go so far in eliminating gender pronouns. You cannot eliminate them 100 per cent without, in some marginal cases, having very complicated, lengthy and tortured language. Of course, in a statute where clarity is important and where clarity to the layman should always be our goal, we have to be reasonable in deciding where to draw the line on eliminating completely the word "his" and pronouns like that.

We raised the subject with the draftsman. I think we had an effect on them because they did some more work to try to remove the word "his" and other similar gender pronouns. We ended up with a smaller number than we would have had before. In any event, the draftsmen were conscious of this problem and did a much better job. The draftswomen as well—

Mr. Hnatyshyn: The draftspersons.

Mr. Kaplan: Yes, the draftspersons did a lot better job on this than on the last revision. This is an achievement of this legislation and I wanted to acknowledge that.

My final point on second reading is that the revision does not include all of the public acts of Canada. The Income Tax Act has been left out. Since December 31, 1984, it has been changed much. The Government has brought in a lot of legislation concerning the Income Tax Act with which we have disagreed over the last three years, but because it is so often

amended it is better left out of revision. Anyone who wanted to look at it by consulting the *Revised Statutes of Canada* would probably be misled by not having amendments which seem to come out every few months.

There are other public acts considered to have a lesser public interest. The two identified in the committee to be discussed were the Geneva Conventions Act and the War Crimes Act. It was my feeling with the interest in bringing war criminals to justice that Canadians might like to have those two statutes ready at hand. It would be helpful to Canadians to see them in the books. The Geneva Conventions Act, as the Minister indicated, has been put into the *Revised Statutes* and that will be appreciated by Canadians. The War Crimes Act is of considerable interest, but perhaps with the amendments which the Minister of Justice has brought forward to the Criminal Code dealing with war criminals for the first time this may make the War Crimes Act of less interest. It is still a statute of Canada. It may well be referred to in some of the criminal trials, if there are any, which could result from the Criminal Code amendments on war criminals.

I want to indicate our support for this process. It may be that if the loose-leaf versions of the *Revised Statutes of Canada* take hold that further revisions of acts like this may be unnecessary. Computer changes may develop in such a way that hard paper *Revised Statutes* every 10 or 15 years may never again be required. In that sense, we would close a chapter in our history by putting forward what could be the last *Revised Statutes of Canada* that will ever be needed in the formal paper sense. I am very pleased to be here for that occasion, providing something that I know is useful to all Canadians.

• (1130)

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, it is with great pleasure that I rise to speak in this debate on behalf of my Party. I am probably the only person who is not a lawyer who will speak on this matter today.

Some Hon. Members: Hear, hear!

Ms. Dewar: I must say that I am quite comfortable speaking to the Bill because I think this legislation does concern me as a Member of Parliament, as a woman and as a New Democrat.

First, I would like to deal with the lack of sexist language in the *Revised Statutes of Canada*. There is a need to include gender-neutral language in the statutes of Canada. I think sometimes we take this need lightly, but it is very important.

We are talking about societal changes here. When talking about those societal changes, we know that we are talking about changes in the attitude toward women. It is very important that the language in the statutes remain gender-neutral. I think the Minister has certain done an excellent job in this regard, and I do appreciate that.

A few years ago we went through a process of changing the definition of rape to sexual assault. This made quite a difference in the attitude of society.

My colleague, the Hon. Member for Burnaby (Mr. Robinson), our spokesperson for justice, has been urging the Government to work in the direction of non-sexist language provisions in the statute law of Canada for many years. Recently he was a member of the legislative committee dealing with Bill C-53, an Act to amend the Supreme Court of Canada Act and other Acts in consequence thereof. The Bill was debated in the House at second reading and referred to a legislative committee on September 14, 1987.

It was in committee that my colleague pointed out to the Government that it was continuing to put forward legislation which included sexist language. I would like to quote from that committee report as I believe what was discussed is very relevant here today. In committee, the Hon. Member for Burnaby said:

> Why is it that the Department of Justice is still not capable of drafting in non-sexist language? I had hoped, Mr. Chairman, those that were brought before this House could by now be drafted in non-sexist language. We go through this each time bills appear before the committee. We amend them. Surely to God it is not that difficult to prepare legislation in non-sexist language.

The Minister replied by saying:

> It is a good reminder. You are the watchdog on sexist language. The Department of Justice has failed and I take responsibility for that. However, you will be there with your amendments to ensure that there is not . . . The message is received. My deputy is here. We will take it into account.

The Government took the criticism and provided for amendments to the legislation when it was reported back to the House on October 7. My colleague from Vancouver—Kingsway then spoke to those amendments on October 23. He thanked the Minister of Justice (Mr. Hnatyshyn), as I do now, for recognizing the problem and for going about correcting it.

What I find most surprising about this recent example is that today we are dealing with legislation that will correct past anomalies and errors. This legislation will deal with some elements of sexist language but it does not end the job. The recent amendments to Bill C-53 provide a very specific example of how even today there is a need to maintain vigilance in this area. The drafters of legislation must always remember that there are subtle ways in which sexism is promoted.

In passing Bill C-94 today, I would like to remind the Government that the work to remove sexist language from the statute law of Canada and in fact from all areas of the law must not stop until the job is complete. An important first step will be to begin drafting legislation in non-sexist and gender-neutral terms. If the legislation is drafted without such glaring errors, there will be no need to correct and amend legislation in the future. I would encourage the Government to seriously consider ways in which such problems could be avoided in future.

I would now like to turn to the question of consultation on the *Revised Statutes of Canada*. I have spoken with my colleague, the Hon. Member for Burnaby, who has indicated that the process involved in the adoption of the *Revised Statutes* could certainly be changed in the future. I would suggest on behalf of my hon. friend from Burnaby that Parliament receive the *Revised Statutes* ahead of time in future. Instead of being presented with a *fait accompli* here today, it would have been useful to have seen the *Revised Statutes* in advance in order to discuss them with interested groups. I am thinking particularly of the National Association of Women and the Law which has expressed some interest in this legislation but will not have had any further consultation beyond discussion with our justice spokesperson.

I have just spoken on the question of continued inclusion of sexist language in recent legislation and have now commented on the need for increased consultation with Members of Parliament and the justice community before passing such legislation in future. I would point out that the Government has more than once been caught drafting legislation without gender-neutral language, and in order to avoid this specific problem in the *Revised Statutes*, I would encourage the Government to broaden the consultation process. By doing this, the problem of sexist language can be more fully addressed. Increased consultation would also allow for any other concerns to be raised well before the passage of such housekeeping legislation.

Again I would like to commend the Minister for bringing forward the *Revised Statutes*. In closing, I would like to indicate that the New Democratic Party will be allowing this legislation to pass in all three stages today. The time has finally come for dealing with the *Revised Statutes of Canada*, and after many years I am happy that this legislation will pass.

I would like to briefly mention the work of the many people in the bureaucracy who have worked hard and tirelessly to bring about this important consolidation. The implementation of the *Revised Statutes* will not only help those who use them on a regular basis but will also, I hope, make them more accessible and understandable to people who are not lawyers such as myself. The two concerns I have spoken of are very important and I would encourage the Government to consider them closely.

Mr. Dave Nickerson (Western Arctic): Madam Speaker, I will be very brief. I too would like to congratulate the Minister of Justice (Mr. Hnatyshyn) on this matter. As the former Solicitor General said, it is true that on the day these volumes are to be published they will already be three years out of date. I wonder if in future it might be possible to do this without such delay.

I also wonder about the *Consolidated Regulations of Canada*. I understand that it has been quite some time since these were brought up to date. I wonder if the Minister of Justice is considering a new publication of the consolidated regulations.

It is true, as the former Solicitor General said, that the most use of these volumes will be made by lawyers, but of course they are also of interest to people in law enforcement of one kind or another and the general public at large. For those who live in remote areas away from up-to-date legal libraries, it is sometimes prohibitively difficult to find out what the law and regulations are on many subjects. One must write away for the statute and three weeks later receive by mail what one thinks is the correct statute, but then it refers to something else and one must send away for another publication.

• (1140)

Would it not perhaps be possible to have a computerized system where, if you want to know what the statute is on a particular subject, or the regulations because they are often as important as the statute, you could punch in certain numbers or letters and have it at hand? I commend that matter for the attention of the Minister of Justice and the people in his department.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mrs. Champagne in the chair.

The Assistant Deputy Chairman: Order. House in Committee of the Whole on Bill C-94, an Act to bring into force the *Revised Statues of Canada.*

Shall Clause 2 carry?

Some Hon. Members: Agreed.

Clause 2 agreed to.

The Assistant Deputy Chairman: Shall Clause 3 carry?

On Clause 3—

Mr. Kaplan: Madam Chairman, I wanted to ask the Minister about that three-year period which was of such interest to a Member of his own Party. Why is the cut-off date so far in the past?

Mr. Hnatyshyn: Madam Chairman, I have listened with interest to the remarks of the Hon. Member for York Centre as well as those of the Hon. Member for Western Arctic concerning the cut-off date for the *Revised Statutes*. I think it is fair to say that this is purely a consequence of the administrative work required to bring the *Revised Statutes* into place at a particular point in time. Officials have required that amount of time in order to complete the work.

I remind Hon. Members that not only have we been dealing with a very large volume of legislation, a lot of work has been done in preparing the legislation in its French version which is so important to the equality of the two languages. That added an additional dimension. It is the old story; we could have set it for a subsequent date but that would have delayed the whole process.

My hon. friend made reference to the fact that the new Government has perhaps not passed as much legislation as the previous Government. I am a bit ambivalent about that observation because, as you know, the traditional Conservative philosophy is the less law, the better. Less intrusive government is better government. Freedom of the people is our main concern and we do not want government telling us what to do at every step, but I do not want to get involved in a philosophical discussion with the Opposition which I would necessarily win.

In 1985 we had 63 new chapters enacted in law. In 1986 it was 55. To date in 1987, 43 have been passed. That does not include Private Members' Bills. What can I say? The average number of Bills passed by our predecessor Government between 1980 and 1984 was in the vicinity of 43 per year. We hope to emphasize quality over quantity and we have some repair work to do. Maybe in our next term we will get down to a more appropriate number.

That is a bit of a long answer but the fact is that the time has been required. There have been improvements to the text. There was the work on the French version. There was work as a result of the observations made by Hon. Members with respect to the loose-leaf form which will be of assistance to the general public. All these considerations, innovations and improvements augur well for accessibility of the statutes of Canada to the general public. After all, that should be pre-eminent in our thinking. We want to make sure we are serving the public in the best way possible.

Mr. Kaplan: Madam Chairman, I would like to give the Minister the opportunity to discuss revision of the regulations. Is that process under way and what sort of a date are we looking at?

Mr. Hnatyshyn: As my friend from York Centre will appreciate, regulations flow from statutes. The sequence is to bring the statutes into line and up-to-date and then turn our attention to the question of the regulations under those statutes.

In all candor, we have not yet entered into that area, which is very important, but once we get this out of the way I intend to have discussions with my officials in order to canvass the options available to us so we can bring some appropriate response to the mounds of regulations we have in this country.

In that connection, the Hon. Member for York Centre is in the very important position of co-chairing the Joint Committee on Regulations and Other Statutory Instruments. I am very familiar with that committee, having served on it for many years. It does excellent work and I want to take this opportunity of expressing my appreciation to the Hon. Member. When I was appointed to it I thought it was a form of punishment, but over the course of attending meetings it becomes quite a fascinating committee where you really get a chance to understand the volume and importance of regulations in our society. I know the Hon. Member has a legitimate interest in this subject and I appreciate any suggestions from him and members of his committee.

• (1150)

Mr. Boudria: Madam Chairman, approximately when does the Minister think the statutes will be available? Will all Members be provided copies in our offices as has been customary in the past upon publication of new statutes?

I was amazed when I was elected in 1984—

Mr. Keeper: That was amazing.

Mr. Boudria: Maybe that in itself was amazing given the Conservative tide. Perhaps the Member for Winnipeg North Centre is correct.

However, I was quite amazed when I asked for a set of statutes and a set of regulations after being elected and was told that I could not get either. I thought it was a bit much for a legislator, upon asking for a publication of the laws which Parliament has passed, to be told that they were not available. I hope that when they are printed, they will be printed in sufficient quantity to ensure that, in the unlikely event that any Member of this House is defeated in the next election, the new Member will have available to him or her a copy of the statutes in order that they can discharge the duties they are elected to perform with the most basic of tools.

I realize that one of the reasons we stopped publishing them some time ago is we were awaiting this fresh consolidation. However, I was elected on September 4, 1984. It is now December 7, 1987 and we do not yet have the statutes. I realize that practically all of the work is done by the time this Bill comes into the House. The Minister is looking for authority to publish work which is probably complete.

I wanted to raise those few points with the Minister and would like to take this opportunity to bring forward a similar issue, that is, that it is almost as difficult to get a copy of the revised regulations as it is to get the statutes. I believe it should be a policy of the Department of Justice, after new Members are sworn in, to provide them with an up-to-date set of statutes and regulations. I am not saying that a Member who is re-elected should be given a second set, but each Member should have available to him or her the most up-to-date statutes in existence at that time.

Mr. Hnatyshyn: Madam Chairman, I would like to thank the Hon. Member for his comments and observations. The Publication of Statutes Act does specify those individuals who are entitled, as a matter of right, to receive the statutes of Canada. My hon. friend will be pleased to know that Members of Parliament are included along with such other luminaries as the Section 96 judges.

I cannot explain why the Hon. Member has not received the statutes. It is very likely because of the revision which is now going forward. I am sure that we will have this relatively up to date revised set of statutes by March of the coming year,

provided that the matter is dealt with expeditiously by the House.

In addition, three supplements will be published of subsequent enactments of the House which will bring it up to date as of the end of the last session. Our target date for that is September, 1988.

I have been Minister of Justice for only a year and a half—*tempus fugit* as we say in the Department of Justice. I believe that I have acted with some vigour and authority with regard to the *Revised Statutes of Canada*. There have been some delays but I hope that we can get this Bill through in order that all Members of Parliament will have the most current version of the laws. I hope that the improvements that are manifest in these amendments will be of assistance to Members. Let us say that in March of 1988 the Hon. Member will have the new, improved *Revised Statutes of Canada*. If he wishes, I will personally autograph his copy.

Mr. Boudria: Madam Chairman, that last remark really makes it all worth while. It will be a precious set of statutes which has the Minister's autograph.

I would like to ask him in little more detail about publication and availability for the future. I assume it has always been the case that upon publication every Member gets a copy. However, I am really asking whether any new Member elected at the next election will be provided with that as a matter of right. I believe they should be.

If the Minister's answer is that that is automatically done, there was then a breach of the Act last time because I did not get one and I am quite sure, Madam Chairman, that you and any other Member who was elected for the first time in 1984 did not get one either because we were told that they were out of stock at that time.

I am looking for the assurance that the statutes and regulations will be provided automatically, not only at time of publication but between publications, to any Member who is elected in the interval between the date of publication and distribution of these statutes and the next date of printing.

Mr. Hnatyshyn: Madam Chairman, the people who are entitled to receive, as a matter of right, the statutes of Canada include the Governor General, the Lieutenant Governors of the provinces, the Speaker of the Senate, the Speaker of the House of Commons, the Prime Minister, the Leader of the Opposition in the Senate, the Leader of the Opposition in the House of Commons, Ministers of the Government of Canada, Members of the Parliament of Canada not otherwise included on this list, members of the judiciary of Canada including provincial court judges and magistrates, Attorneys General, Ministers of Justice and Solicitors General of the governments of the provinces, the chief or senior legislative counsel of each province, chief librarians of court houses in Canada, chief librarians of law schools in Canada, members and officials of the government of any foreign country and persons holding positions in universities and other institutions in that country if reciprocal arrangements exist for similar distribution without charge in Canada or if the Minister of Justice, the Secretary of State for External Affairs, the National Librarian or the Parliamentary Librarian recommend the free distribution.

With regard to the dilemma faced by the Hon. Member when he was elected and found no statutes of Canada, I am informed that Members of Parliament are expected not to keep their copies when they resign or retire but are supposed to hand them to their successors. I cannot recall the Hon. Member's case exactly, but if he goes to the Livestock Review Board he may find his own personalized version available for him. His distinguished predecessor has probably forgotten to hand it over to him.

Mr. Thacker: Madam Chairman, I would like to ask a question of the Minister *vis-à-vis* the future. This is a historic day, not only for lawyers, law students and judges, but certainly for academics, civil servants and any of our citizens who work with the laws of Canada. It is a pleasure to be in the House today.

• (1200)

As well, as former chairman of the Standing Committee on Justice and Solicitor General, I want to thank the drafters. People do not generally appreciate that the *Revised Statutes of Canada* are probably six feet in length, consisting of small print in big volumes. It is an enormous job to write all the English statutes into the new modern English phraseology, as well as revising from whole cloth the French version of the statutes to be equally authoritative so that anyone reading the French would know that it is not a translation from the English, word for word, but written from whole cloth. That is a wonderful development in this country.

I believe that the standing committees of the House and the Senate also deserve our appreciation. It is an example of the amount of work that goes on behind the scenes for which no one ever gets credit. Certainly, Members of Parliament from all Parties who spend many hours at committee stage sitting on these committees get very little credit.

We found that during the first meetings of the standing committee the process had gone to such an advanced stage that it was very difficult for the standing committees here and in the Senate to recommend very major changes. Under the old process, during the previous administration, standing committees did not play as great a role as they do now. Since the House agreed to the new standing orders, the standing committees play a larger role.

Since this will be an ongoing process, which is another new and novel feature, will the Minister give his assurance that the standing committee will be brought in on more frequent occasions to give its advice?

Mr. Hnatyshyn: Madam Chairperson, I want to thank the Hon. Member for Lethbridge—Foothills, as former chairman of the Standing Committee on Justice and Solicitor General,

as well as all Members of the committee who worked so diligently and effectively with respect to this matter.

This is the first time that Parliament has been consulted about the *Revised Statutes of Canada*. It is as a result of the law revision legislation of 1974, which I understand provided for parliamentarians to become involved, that this process was undertaken.

I think it poses a bit of a dilemma inasmuch as the officials who are responsible for assembling the material are obliged under the existing law to bring it forward at a point when they have in fact revised and perfected the statutes of Canada. In this particular instance there was some creativity involved because, as the Hon. Member pointed out, for the first time the French version was developed not as a translation but as an original text in French which, as I said in my remarks at second reading, reflects the evolution of the equality of the two languages in our country. I suggest that all Members would want to applaud this development.

While we will examine the provisions of the Act, I suspect we will be faced with the practical matter that we must have something to present to the committees. Whether or not we can involve Members of Parliament at an earlier stage is something that we could examine. Once we finish this revision, I suppose it is the beginning of the consideration of the next revision which will take place later.

I wanted to address the point about loose-leaf and bound volume versions of the *Revised Statutes of Canada*, which was referred to earlier. The only official version of the *Revised Statutes of Canada* is the bound version. As yet, we have not sanctified the loose-leaf version because these are rather more of a convenience to the people of Canada, including lawyers, legislators and the general public.

The bound volumes are still the official version. The original bound volume was signed by myself, Her Excellency the Governor General, clerks of the Parliament. They are deposited with the clerk of the Parliament in the other place as the official text.

Therefore, at this point in the development of our approach to the statutes, the bound volumes are the official versions. The loose-leafs are a convenience and something that I as a practising lawyer have long awaited. In order to research any particular statute one had to become rather agile in running up and down shelves of statutes and juggling two or three volumes on one's lap, ultimately having to inscribe little notes in statutes as to what was the final version of a law at a particular time. In any event, I am sure that people probably now know more than they care to about the *Revised Statutes of Canada*.

It is an important date. I share the view of the Hon. Member for Lethbridge—Foothills that this is a historic day because it has not happened very often since Confederation. With improving technology, I share the view of the Hon. Member for York Centre that we may be entering into an era when we will be able to perfect this revision to the point that we will not be required to go through the process of having to come back periodically to pass *Revised Statutes*. It will become an ongoing, continuous procedure. I think that would certainly be a happy day as far as the officials of my department are concerned, if not the Minister.

Mr. Kaplan: Madam Chairperson, I have a brief question that one of my colleagues wanted to ask. How many copies of the *Revised Statutes* does the Government intend to print? The Member for Ottawa—Vanier, who wanted to ask the question, would probably be content to receive an answer as soon as the Minister has one.

Perhaps I might raise another point. I did not raise it in committee, but one of the things that might be considered in this revision, and which would be very welcome to the profession, would be to have the section number clearly indicated on each page. In a long statute with long sections, it often happens that a section will run over a number of pages. The Minister himself made me think of it when he reminded me of sitting down with about two volumes on one's lap trying to track a statute from the RSCs through a number of other volumes where it may or may not have been revised. It causes the problem of not being able to easily find what section of the statute one is looking at on the page and having to turn back, very often a long way, to find the actual section. Perhaps the Minister has already thought of this or perhaps it is already in the plans of the revision drafters to identify the section on each page. I would be interested in the Minister's reaction.

• (1210)

Mr. Hnatyshyn: I think, Madam Chairman, that the suggestion is an excellent one. Unfortunately, it is too late to be of any effectiveness because the statutes have been printed. However, the Hon. Member's point is well taken and there will be a note made of this in the annals of the Department of Justice so that when the next revision comes down it will become known in the history of our country as the Robert Kaplan suggestion with respect to the numbering of statutes and the clear identification on each page of long and involved sections or amendments.

My recollection of a statute which has a long and involved section is the Income Tax Act. While these provisions are required to be long and so on for technical reasons, by and large they are as incomprehensible to most Canadians who are literate. The Hon. Member's suggestion is a very good suggestion, indeed. We have not revised the Income Tax Act, so this may be a good chance to use the Hon. Members's suggestion, for which I will give the Hon. Member full credit.

Clauses 3 to 18 inclusive agreed to.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mrs. Champagne): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Hnatyshyn moved that Bill C-94, an Act to bring into force the *Revised Statutes of Canada, 1985*, be read the third time and passed.

He said: Madam Speaker, I will be brief.

I just want to thank Hon. Members for their co-operation with respect to Bill C-94. This co-operation had been indicated during the course of debate on the floor of the House and in committee, and has been extended by Members of Parliament and members of the Standing Committee on Justice and Solicitor General who were good enough to receive the proposed *Revised Statutes* and give them their consideration under the new provision of law, the Law Revision Act, 1974, with dispatch. This allows us to meet the deadline of having the Bill passed in the House of Commons and in the other place before Christmas, thereby meeting the deadline required in order to have the statutes as of December 31, 1984 published as the *Revised Statutes of Canada*.

There is one point which was raised during the course of committee of the whole as to the number of volumes of the *Revised Statutes*. A number of *Revised Statutes of Canada* will be published. I do not have that information now but I will ensure that the Hon. Member for Ottawa Vanier (Mr. Gauthier) receives that figure as soon as I am able to ascertain it from the Department. I know it will be making provision to meet reasonable demand. Not only on the basis of those which are obligatory, of course, but also on the basis of experience, they will have sufficient numbers of statutes printed. Virtually every law firm in the country will require a new copy and there are a number of other agencies which will want to have copies available to them, in addition to those required to be given sets by statute.

In conclusion, I would say that this is a very large task that is undertaken from time to time. The reality is that we are passing more laws in our country. There is more legislation involved. I believe it is a sign of the times. It is something that one occasionally reflects upon, whether or not we need all the laws that are in fact dealt with in the House. Perhaps some of these provisions could be dealt with in other ways. However, the fact is there has been an evolution, as I tried to indicate by giving some of the statistics as to the number of statutes passed each year over the course of the last few years. We see this as not diminishing. In fact, it is increasing. Society is more complex and perhaps that is something we cannot avoid. On the other hand, I think we in this Chamber are all devoted to the principle that quality of law is more important than quantity.

As I indicated in my opening remarks, this process of *Revised Statutes* will assist with a very important element for Canadians, that is, the accessibility of the law to the average citizen. The Hon. Member for Western Arctic (Mr. Nickerson) pointed out that sometimes people in remote areas have difficulty getting access to the statutes, not only of the country but of the provinces, and ordinances of the territories. There is a legal axiom that a citizen of our country is deemed to know the law. Therefore, I think it is incumbent upon us to do what we can in terms of various programs, and I am proud, certainly during the time I have been Minister, that we have given a high priority to programs involving public legal education. We have taken the step during the time I have been Minister to get the *Revised Statutes* in place, and to give the French text a new and more meaningful presence in terms of Canadian law.

For the spirit of co-operation shown today, I thank Hon. Members, and I pledge to them that I, as Minister of Justice, will do those things which will assist in the accessibility of the law and the understandability which was referred to by the Hon. Member for York Centre (Mr. Kaplan). These are matters that are important, and I share the enthusiasm of all Members to get this matter through before the lunch hour.

• (1220)

Hon. Bob Kaplan (York Centre): Mr. Speaker, I wanted to rise on third reading to indicate my appreciation of the Minister's kind remarks about myself. This is an important matter. It is not his only achievement, as I might have implied in an earlier comment that I made, but it is an important achievement. I look forward to March when Canadians can see the result of our work here, and when they will receive their copies of the *Revised Statutes of Canada*, with all the improvements that we have already discussed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Yes!

The Acting Speaker (Mrs. Champagne): The question is on the following motion: Mr. Hnatyshyn, seconded by Mrs. MacDonald (Kingston and the Islands), moved that Bill C-94, an Act to bring into force the Revised Statutes of Canada, 1985, be read the third time and do pass.

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

Some Hon. Members: Agreed.

Motion agreed to and Bill read the third time and passed.

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Friday, December 4, consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee, and the amendment of Mr. Robinson (p. 11291).

The Acting Speaker (Mrs. Champagne): The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) had the floor.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, last Friday I was commenting on Bill C-54 in the House, and I understand I have a few minutes left in which to conclude the remarks I was making at that time.

[*Translation*]

As I was saying last Friday, Madam Speaker, the Bill as proposed by the Government is certainly not perfect, but I suggest nevertheless that the House should carry on with its consideration of it, and once it is read the second time, it should then be referred to a legislative committee where amendments could be put forward which, I hope, would improve this Bill dealing with pornography.

Madam Speaker, the House is aware that this is a controversial issue in Canada. As a matter of fact, altough Canadians do not want to lose their freedom of expression, on the one hand, they feel it is very important to protect women and children who could be victimized by pornographic material, on the other, and it is a fact that this pornographic material is often blamed as one of the causes of violence against women and children. Although this Bill is not perfect, and I intend to express my concern about it by voting against it on second reading, I should like the House and all Canadians to know that, if major improvements were made by the legislative committee, and if the Government is prepared to listen to our proposals, I should be quite willing to vote for Bill C-54 on third reading.

In concluding, I repeat that I disagree totally with the motion presented by those who say we should ask the Government to drop this Bill. We realize the New Democratic Party tabled a motion in the House to terminate Bill C-54 because it felt it was unsatisfactory. However, although the Bill does need improving, I sincerely believe we would be seriously mistaken if we were to decide to drop the Bill altogether because it is not perfect.

I agree that the previous Bill, Bill C-114, contained errors so serious as to make it unacceptable to most Canadians. Bill C-54, which is itself an amendment and an improvement on the previous Bill, is better, though not perfect, and I think we should go ahead and make the necessary amendments to make this a Bill that is realistic and gives Canadians the kind of protection and the kind of legislation they want against pornography.

Madam Speaker, in concluding I want to say that I hope the Bill will be referred very shortly to a legislative committee so that the requisite amendments can be made.

Mr. Gauthier: Madam Speaker, I would like to start by congratulating the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on his speech which I read carefully today, and since I had the advantage of having Friday's *Hansard*, I also had a chance to read his comments on the weekend.

The Bill contains no distinction, at least no clear distinction, between what is meant by pornography and erotica. This is probably one of the most difficult provisions in the Bill, because while pornography implies violence, exploitation and many other degrading activities, erotica may be entirely acceptable and even pleasing to certain people. I would ask the Hon. Member whether he has considered this question and whether it would not be preferable to make a distinction between pornography, which is bad, and erotica, which may be acceptable, and to clearly explain to Canadians that there is a difference between pornography and erotica.

Mr. Boudria: Madam Speaker, the Hon. Member is right. We do need a far clearer definition to distinguish between erotica and pornography. In Bill C-54, one might say that the only definition of erotica it seems to give is nudity, and the rest appears to be pornography, according to the Bill. I think contemporary views would dictate that this is certainly not the case and that certain acts, gestures or publications may be considered erotic without being pornographic. However, when we refer to films or advertising that advocate violence or depict violence associated with sexual acts, it is obvious that in that case, that we are talking about pornography, and it is exactly the kind of pornography Canadians want stopped.

We have all seen in corner stores, convenience stores and elsewhere video cassettes for rent or for sale and we certainly see from the ads that the material concerned in some cases is related to violence and sex. This is the kind of thing which this House unanimously want to bring to an end as soon as possible. And I am sure that all Members share that view, or at least I think they should share it.

There are other shortcomings in this Bill which should also be considered by the legislative committe. For instance, no distinction is made between the penalties for producer, and importers of pornographic material. Thus, under this Bill anyway, the owner of a convenience store who sells or rents a cassette and probably makes a few cents profit would be treated just like the producer or importer of pornographic material. We know that those people make big profits, etc..

I think that it would be necessary to make such distinctions in addition to those we suggested a while ago.

However, this being said, I think that the best forum for discussing those details would be the legislative committee and I hope Parliament will decide in a rather near future to defer it to such a committee where it will be submitted to a detailed consideration and will be improved as much as possible.

• (1230)

[*English*]

Mr. Hawkes: Madam Speaker, can I take it from the Hon. Member's last comment that he intends to vote against the amendment? If the Hon. Member has specific changes in wording to suggest, I wonder whether he could share them with the House. Are they changes which accord with out legal history and experience which would do the job better?

Mr. Boudria: Madam Speaker, I am not entirely clear what is Hon. Member's the question. If he is asking whether I support the NDP amendment, I made a fairly lengthy speech both today and on Friday explaining how I thought that proposition was unreasonable.

Notwithstanding the fact that perhaps we can disagree on the content of legislation, I think we are unanimous, or we should be, in agreeing that our constituents expect us to adopt an anti-pornography Bill.

The Hon. Member asks what specific wording should be included in the amendments. For instance, when we talk about the fact that promoters, importers and so on, of pornographic material will be penalized according to the present Bill in a similar if not identical way as someone operating a small corner store, renting a video cassette, and realizing a 50-cent profit, distinctions should be made in terms of penalty. That is a concrete example of a modification to the Bill which is possible.

I indicated to the Hon. Member that if our Party can obtain a number of such amendments to ensure that the Bill is a little more in tune with contemporary society and that other deficiencies in the Bill are straightened out at third reading stage, such as the penalty clauses to which I have just referred, then I for one would be prepared to support the legislation. If it has been amended in that way, it can be supported by the critic of our Party and by Members of Parliament generally.

Mr. Keeper: Madam Speaker, I have a very short question for my hon. friend. I point out that the reasoned amendment of our justice critic which is before the House dealing with the Government's pornography legislation reads as follows:

> That this House declines to give second reading to Bill C-54 because it fails to clearly define pornography as material that condones violence, coercion, abuse and degradation in its depiction of human beings or portrays or promotes the sexual exploitation of children; and also, because it does not distinguish pornography from material of an artistic, literary, educational or scientific nature in a fashion acceptable to the Canadian public, including artists.

I was somewhat surprised that my hon. friend said that he would not support that resolution. Surely the Government has gone too far and lacks a definition of pornography. A definition of pornography should include the kinds of concerns which are raised in our reasoned amendment.

Could the Hon. Member elaborate on why he fails to support the direction in which we have pointed?

Mr. Boudria: Madam Speaker, I will gladly respond to the Hon. Member's question. Notwithstanding the nine or ten lines of that "reasoned" amendment, one should remember that the two first lines read as follows:

> That this House declines to give second reading to Bill C-54—

The rest of the amendment contains the details. The fact is that by adopting the amendment the House would kill the Bill. I say to the Hon. Member that Canadians expect us to pass a Bill. Yes, it needs to be improved. I agree with that. Let us bring it before committee and provide amendments which will make the Bill acceptable to a larger number of Canadians than it is now.

The original Bill—I guess it was Bill C-114—was totally unacceptable in my opinion. I feel that the one before us can be salvaged with amendments. Let us do it, let us send it to committee, and let us try to improve it. If we can improve it in a good and appropriate manner, I would like to vote in favour of the legislation at third reading.

It is not in a state now with which I would like to be associated. I indicate publicly that it needs to be improved, by voting against it at second reading, but I will not support an amendment which indicates that we should kill the Bill, because Canadians do not want us to kill the Bill and to forget about the issue. They want us to adopt legislation, and they expect us to do it now.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I rise to speak today on the amendment proposed by the Hon. Member for Burnaby (Mr. Robinson) to Bill C-54, an Act to amend the Criminal Code. As we have been discussing, basically it deals with the very difficult issue of pornography.

First I should like to say personally that for about eight years I have been very involved in the particular issue as one—and I believe it is the case with probably all Members of the House—who finds violent and degrading pornography extremely abhorrent and unacceptable. I believe that most of us are attempting to focus on that area here.

Similarly, one could have no disagreement with provisions which attempt to deal with the very serious question of child pornography. As a former child welfare worker, I saw a number of situations which involved the exploitation of children. It was certainly one of the reasons that I worked on the issue and felt extremely emotional and strongly that something must be done.

Not only is violent pornographic material degrading to women, but it reflects a society that is not healthy, a society in respect of which many of us would not like to be a part. In terms of child pornography, certainly no one in this House

would support that. With that caveat let me say there is no disagreement about amendments directed toward controlling child pornography.

• (1240)

This issue is a very difficult one because it raises questions of censorship, freedom of expression and, in particular, definition. What is the difference between erotica and pornography?

I remember several years ago working with a group through the National Action Committee who had put together as an educational tool a slide show of some clips from some of the really violent kinds of pornographic videos that we are discussing. It was extremely effective. A criminal element was involved in the sale of these pornographic videos, et cetera, and it was a multi-billion dollar industry. People were also not aware of the kinds of threats and intimidation which these women who put together this educational material were under. These women and their spouses were threatened. That was almost as shocking as the material. I suppose I led a very naive existence and did not realize that this was the kind of multi-billion industry that it is.

The problems one finds with this Bill are exemplified by the fact that with this legislation the group who put together that educational material, which was to tell church groups, politicians and many others that this is what is happening, that they had better see the reality so we can all do something about it, would now not be able to use and show it.

I would like to address the lack of clear definitions for erotica and pornography, and the lack of clarification about what can be used for educational purposes. I must question as well that the innocent or a defendant is presumed guilty until he or she is able to prove himself or herself innocent. Not being a lawyer I do not profess to be an expert, but I do believe that the basic tenet of our justice system is that one is innocent until proven guilty and not the reverse.

One of the areas that is so difficult in this legislation is the definition. Let me quote a few sentences from Pierre Berton who wrote in *The Toronto Star* on May 16, 1987. He identified one of the difficulties which many of us have. He wrote, "I can turn on the television news and see dead bodies strewn all over Nicaragua. I can see films, photographs and TV crime shows in which men and women shoot each other, knife each other, blow each up and burn each other alive as long as they don't do it in a sexual context".

Those of us who have children and attempt at times to do a bit of censorship of our own of the television understand how detrimental that kind of violence is. When it is then put in a sexual context it is all the more serious.

Bill C-54 is, in my view, retrogressive. It will not necessarily address all of the kinds of issue. It, indeed, misses some very pertinent issues that I believe it is the intent of all people in this House to address. I am sure that most people are not even talking about erotica. They are trying to address what is often colloquially known as hard core pornography which is violence in the sexual form. To call it pornography is, in many ways, misleading and obscuring the argument.

There is, however, in this Bill—and why we proposed the amendment—a rather big brother aspect. In order to deal with a fairly specific problem, there is now sweeping legislation which will catch in its net, as it were, a lot of other material which is considered literature in our society, and is not seen, I believe, in any way as pornographic by the ordinary community standard. Most of us can remember when books such as Margaret Laurence's were under great criticism from individuals who felt that her books should not be in high schools.

One is very sensitive to the fact that being discreet in the legislation and being specific is extremely important. Otherwise you end up restricting not only the freedom of expression of artists but the freedom of individuals to read material which I believe is not the kind of material that perhaps the drafters of this legislation hope to reach.

As I mentioned earlier, I am sure there is certainly unanimous agreement about attempts to address the very serious question of child pornography. Let me also state that the New Democratic Party has been extremely involved in discussions on the issue of pornography, recognizing the very serious and detrimental effects that such violent and degrading pornography can have. I would like to read into the record the New Democrats policy on pornography. I believe this in essence addresses the issues as we would feel they would be best addressed. The federal New Democratic Party:

> (1) defines as pornography material which condones violence, coercion, abuse and degradation in its depiction of human beings and condemns the production and distribution of such material whether in film, video, print, or any other form;
>
> (2) condemns the production and distribution of material which portrays or promotes the sexual exploitation of children and calls for severe penalties for offenders.

In that case we are in agreement with this legislation. The New Democratic Party:

> (3) calls for the strengthening of Section 159 of the Criminal Code of Canada to reflect these concerns.
>
> (4) calls for amendments to the Broadcasting Act to prohibit the broadcasting of such pornographic material with severe penalties for violation including the possibility of revocation of licence.

We have attempted to be very clear about the issue that we are trying to address.

I would now like to say a few words about some of the problems with the lack of clarity in the definition between eroticism and pornography. The United Church of Canada, for example, in June, 1987, in a letter to the Minister of Justice (Mr. Hnatyshyn), expressed its concern. I know that particular church has been very involved and concerned about the issue of pornography. These are concerns not by someone who has a vested interest but a church which very clearly has a deep concern about the issue. Basically the United Church of

Canada is asking for changes to distinguish between erotica and pornography in terms of a degree of explicit activity. The Church writes:

> The difference is simply one of quantity, more or less sexual activity. We believe the difference between erotica and pornography is a matter of quality of relationship rather than mere quantity of activity or inactivity. We submit that the difference between unhealthy pornography and healthy erotica cannot be measured in degrees of explicitness, but rather is determined in terms of context.

• (1250)

What bothers me is that in this particular Bill, we have gone much further in attempting to redress the wrong but have not really been specific about how those distinctions could be made. We have left the distinctions to be made by customs officers, judges and the like.

This legislation could mean that classics such as *Romeo and Juliet*, for example, could be classified as pornographic and distributors of it subject to criminal prosecution. While this seems unlikely, I mentioned earlier the example of one of Margaret Laurence's books. I believe, alas, that it is not as unlikely as it may seem at first glance.

The other issue I mentioned earlier and would like to say a bit more about is the fact that the onus of proof of what may be of artistic merit is on the artist or the writer. Unfortunately, many artists and writers in our society are not well off, and proving artistic merit could be a considerable expense. More importantly, perhaps, this challenges Canada's fundamental assumption that a person is innocent until proven guilty by placing the burden of proof on the individual. Surely this is not a precedent we wish to see enshrined in law at this time.

I mentioned earlier that I had worked with a number of groups concerned about pornography. As we know, many groups express opposition to this legislation, from the group which clearly wants to see no kind of limitation or restriction on material at all, to that which wants to see some censorship of violent or degrading material but not of erotica, to the third group which wants to see censorship of all sexual material. The National Action Committee on the Status of Women would fall as does the New Democratic Party into that second category. We do want to see restrictions on violent and degrading sexual material but not on erotica.

The National Action Committee has criticized this proposed legislation and has called on the Government to ensure that any legislation focus on violence rather than on sexual acts and that any legislation put the onus on the Crown to prove that the material does not have artistic merit.

An article in *The Globe and Mail* of May 27, 1987, underscores again the concern regarding the legal aspect of this legislation. The article says that, unlike the existing obscenity provision in the Criminal Code which obliges the Crown to convince a judge that the accused has unduly exploited sex, the proposed law places the burden of proof on the defendant who may be found guilty without the Crown having to say a word unless he can convince a judge that has duly exploited the subject.

Other comments have been made about this legislation by many other groups as well as members of the media. *The Toronto Sun* has said that the Bill is clouded by silliness. *The Toronto Star* said that the Bill has been widely perceived as a cynical attempt by a prudish Government to appease its most extreme adherents, authoritarian individuals and interest groups which are only too anxious to deny others their fundamental rights.

The Globe and Mail argues that this repressive view of the world is at odds with the existence of human beings as sexual creatures. Keith Spicer has explained that he feels that this legislation indicates that the Government has fallen head first into a puritan quicksand of trying to define official standards of love and beauty and that every judge, every policeman and every customs officer in the country will have to be an art critic, a literary critic and an arbiter of taste.

Many others have expressed the same kind of concern, from artists to members of the media and a variety of other groups. One particular group with which I am quite familiar is the Committee Against Pornography. This group is composed of women with legal, social, psychological and educational backgrounds who have made a very comprehensive review of this Bill. As happens so often, these kinds of issues are quite incorrectly defined as women's issues. I think they are society's issues, not women's issues.

This group, to which I have referred, along with the National Action Committee and the United Church have certainly worked very hard on a volunteer basis in analysing this kind of legislation. These groups do this because they are so committed to and concerned about the issue. This particular review is extremely long and comprehensive.

The group has made a number of recommendations, but I will not go into all of them. Suffice it to say that even this group, a group of women who have studied the issue and are very strongly and vociferously against the kind of degrading pornography to which I have referred, makes a number of suggestions for changes and expresses, interestingly enough, some concern that because of the lack of definition there may in fact be some material which would not be restricted under this legislation which should be restricted. The group has made a number of major recommendations which have been substantiated by considerable material.

I have not quoted the artist groups a great deal, though perhaps they have been the most vociferous in the media, because they could be seen to have a vested interest. However, a number of concerns have been expressed by groups of librarians, for instance. I mentioned earlier an example of the use of educational materials that might depict people in situations that could, under this legislation, be identified as pornographic. However, if all of that were censored, it would simply have no educational value whatsoever.

We all know that it is extremely important to clearly explain the seriousness of these issues in order to ensure that people can clearly see for themselves what are the problems. The AIDS Committee of Toronto, for example, in the context of education, has expressed the concern that this Bill would have a very serious effect on its ability to provide sex education and information which is vitally needed to fight this very serious disease. That is an extremely serious effect that this Bill could possibly have. It is for that reason that we feel this must be redressed and that my hon. colleague proposed the amendment.

In conclusion, I would like to say that all of us recognize the need to address something which has become an extremely serious issue in society in the last 10 or 15 years, that is the issue of child pornography. I believe there is absolutely no dispute about the fact that that is a problem.

The Acting Speaker (Mrs. Champagne): The Hon. Member's time has now expired. We will proceed with questions and comments when the House resumes Government Orders after Question Period.

It being 1 p.m., I do now leave the chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

NATIONAL DEFENCE

CFB SUMMERSIDE—CONSTRUCTION OF NEW COMBINED MESS

Mr. George Henderson (Egmont): Mr. Speaker, once again I stand in this House to ask the Government to keep its commitment to our Armed Forces personnel at CFB Summerside. On January 24, 1985, a headline in the Summerside *Journal-Pioneer* read:

> New Combined Mess Slated for CFB S'Side
>
> —Actual Construction By Fall 1986—

The news story went on to say:

> Senator Orville Phillips said this morning he and Malpeque Member of Parliament, Mel Gass, have been advised by Defence Minister Robert Coates the Department of National Defence will be awarding a design contract for the project.
>
> It is expected the contract for actual construction of the mess will be awarded by October, 1986. Construction is expected to take about 18 months, with an April 1988 completion date projected.

This is December 7, 1987. I am now told by reliable sources that the working drawings are not expected by DND until this time next year, and construction will not start until 1989, if then.

With these kinds of misleading announcements, is it any wonder why Canadians have lost all trust in the Government? I call on the Minister of National Defence (Mr. Beatty) and the Government to stop their procrastination and get on with this worth-while project at CFB Summerside. This facility for Armed Forces personnel is long overdue and construction will mean a badly needed boost for P.E.I. construction workers.

* * *

ABORTION

POST-ABORTION SYNDROME—CALL FOR STUDY

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, abortion is a matter of grave concern to Canadians who abhor the destruction of human life. For many years the Pro-Life Movement has attempted to make known to all Canadians the humanity of the child killed in the womb by abortion. However, the unborn child is not the only victim of abortion. Women are victims as well.

An increasing body of evidence now shows that post-abortion syndrome is fast becoming the most serious mental health issue facing women. Symptoms include denial, anger, guilt, and depression. Those problems can in turn lead to substance abuse, sexual dysfunction, relationship dysfunction, and a general decrease in coping skills.

Research has shown that up to 82 per cent of American women suffer from acute symptoms of post-abortion syndrome for up to three years following abortion. Latent symptoms can manifest themselves five to ten years following the abortion.

The United States Surgeon General recently authorized a study of post-abortion syndrome. In Britain the effect of abortion on women will be studied by a bipartisan Conservative-Labour committee. The Canadian Pro-Life Movement is concerned not only for the unborn victim of abortion, but for the women who are also victims. It would welcome a study by the federal Government on the devastating effects of post-abortion syndrome in Canada.

* * *

[*Translation*]

DAY CARE

APPARENT FLAWS IN PROPOSED SYSTEM

Mrs. Marion Dewar (Hamilton Mountain): Mr. Speaker, the real assessment of the Government strategy concening child care centres will be based on results obtained. Will there be more spaces for our children in day care centres? Will service quality be guaranteed? Will costs be reasonable?

The Government has proposed to create 400,000 spaces in Canadian centres, but some 2.5 million children do need day care. That is the first failure of the Government.

[*English*]

Operating grants to child care centres work out to $1.85 a day for each child at the end of seven years. This will ensure that high standards are starved out and caregiver wages will remain exploitively low. This pitiful amount will be further diluted into profits for commercial day care chains. Strike two on quality.

Finally, diverting funds to regressive tax deductions will deny many lower-income families any government aid on fees. Those primarily discriminated against will be single-parent working mothers such as waitresses, office workers, and store clerks. Strike three on affordability.

After spending millions of dollars studying this issue, after keeping Canadians waiting three years, after solemn promises by the Prime Minister (Mr. Mulroney), Canadian families and children deserve a national child care policy. How tragic that they have been presented with this scattered, piecemeal bust.

* * *

[*Translation*]

DISARMAMENT

PEACE—POSITION OF YOUNG PEOPLE

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, today Washington is the scene of the opening of a historic disarmament summit between the heads of the two major powers, the United States and the Soviet Union. I take this opportunity to say to my colleagues and remind them that young Canadians are very much aware of the problems created by wars and violence in the world.

Last October 30, International Peace Day, I was the guest of two schools in my riding—Knowlton's Saint-Édouard and Farnham's Polyvalente Jean-Jacques-Bertrand—where I listened to these young people and answered their questions.

They talked to me about disarmament, nuclear weapons, and anything to do with violence, including toys found on store shelves and TV programs.

Mr. Speaker, in this world faced with wars, famine and violence, it is important to highlight the initiative of these young students who have sought to make their elders and elected Members more aware of the great theme of peace. My response to their concerns was to try to convince them that there is peace only where freedom prevails, and that in that respect our country, Canada, stands as an example to the rest of the world.

S. O. 21

• (1405)

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF FARM GROUPS

Mr. Maurice Foster (Algoma): Mr. Speaker, there is a rising tide of opposition among farm groups throughout Canada to the Government's trade deal with the United States. Fruit and vegetable producers and grape growers in British Columbia are opposed to it, the majority of Saskatchewan Wheat Pool delegates opposed it, the Ontario Federation of Agriculture is opposed to it, many Maritime farm producers oppose it, and the UPA in Quebec is opposed to this deal. It went further and accused the junior Minister of Agriculture (Mr. Blais) of lying to them about the trade deal.

The Quebec Government has demanded that the Government of Canada enshrine Article XI of the GATT in the trade agreement which provides for farm commodities to be put on the import control list that are under supply management and marketing boards.

The dairy farmers of Canada are demanding that dairy products like ice cream and yoghurt be placed on this control list before the agreement is signed on January 2, 1988. I call upon the Government to take at least these two actions before the trade deal is signed.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—REMOVAL OF TARIFFS

Mr. Gordon Taylor (Bow River): Mr. Speaker, the free trade agreement with the United States is a trading arrangement through which tariffs at the border will gradually be removed. This means that extra money that Canadians now pay for food, goods, and machines which come from the United States will no longer have to be paid. Canadians will benefit and save many dollars each month.

The NDP and the Liberals know this, but instead of telling it as it is they are trying to pull the wool over the eyes of the people who will benefit, by alleging that Canada will lose its sovereignty. Stop and think. How can a trading arrangement result in lost sovereignty? If you buy a sack of potatoes from your neighbour, does he then run your household? Of course not, and the Americans will have no part in running Canada after the trading arrangement is completed.

But, the NDP and the Liberals keep alleging that Canada will lose its sovereignty. "We are selling Canada" the NDP allege; "We will lose jobs" the Liberals allege. Well, I deny the allegations and I defy the "alligators".

S. O. 21

NUCLEAR ENERGY

NUCLEAR POWERED VESSELS—CONSEQUENCES OF ACCIDENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, 70 years ago between 2,000 and 3,000 Halifax residents died in a devastating naval explosion. More than 10,000 people were injured and about 200 blinded. The December 6, 1917, collision in Halifax Harbour between the munitions carrier *Mont Blanc* and the Belgian ship *Imo* levelled more than 1,600 buildings within a 25-kilometre radius, and 12,000 buildings were seriously damaged.

Recent research explores the possible results of an accident which could happen at any time involving nuclear powered or armed vessels in a Canadian harbour. The horror of this scenario which, for the study, was set in Esquimalt Harbour, makes the Halifax explosion pale to near insignificance. The potential aftermath—latent cancer, severe genetic defects, environmental damage, and economic dislocation—is even more horrifying.

Canada has no adequate plans to deal with an accident of these proportions. The Government of Canada refuses even to insist on knowing whether or not visiting ships are nuclear armed. What will it take to make the Government realize that it is playing fast and loose with the lives and safety of Canadian citizens?

* * *

[*Translation*]

TRADE

FREE TRADE—CANADIANS' INTERESTS

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, for the benefit of those who are opposed to the Free Trade Agreement, I would like to quote part of what was said by Professor Bernard Landry, former Quebec Minister of Trade and International Relations, in his testimony before the Standing Committee on External Affairs and International Trade. I quote:

The first point I want to make is that this 35-page agreement drawn up by the Canadian and American negotiators is the envy of almost all Western countries. I do not think that has been stressed enough. The main client of most countries in the world, both in the East and the West, is the United States of America. This is true of the Federal Republic of Germany as well as Japan, France and Italy. They have to make do with multilateral negotiations. They all have to sit down at the GATT table. The EEC countries must first get together for negotiations among themselves and settle their own business before dealing with the United States of America in Geneva or wherever the GATT negotiations are taking place.

Here we have the United States' main trading partner, Canada, managing to obtain an agreement that establishes its particular position. Out of all the countries in the world it is the one that trades most and is the most closely linked economically with the United States, and here we have that status taking a legal form.

Mr. Speaker, this kind of achievement will serve the interests of Canadians of all ages and will serve them well.

* * *

TAX REFORM

SOCIAL SECURITY—POSITION OF SENIOR CITIZENS

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, this morning, together with my colleagues, the Finance critic and the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens), I had the pleasure of meeting with representatives of senior citizens' groups, the *Coalition du troisième âge du Québec*, which represents 400,000 senior citizens. They came to share their comments on the tax reform proposals made by the Minister of Finance (Mr. Wilson). They say no to fiscal injustice. Pensioners condemn the Conservative Government's tax reform. Mr. Speaker, according to these people, the Conservative Government failed to learn a lesson when it was forced to backtrack on de-indexation of Old Age Security pensions. These people are asking that companies pay their fair share and that pensioners no longer be sacrificed.

Second, they want investment income to be maintained and converted into a tax credit, and they want full indexation of the personal income tax system.

Mr. Speaker, all these representatives of Quebec's senior citizens' groups were disappointed when they left their meeting with representatives of the Minister of Finance, and they wondered what the Minister of State (Finance) (Mr. Hockin) was doing to defend their interests. Was it all a lot of bluffing or was it real?

* * *

• (1410)

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF MANITOBA PREMIER

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, guess what Howard Pawley's NDPers are doing now to convince Manitobans to oppose free trade? You guessed it, he is forcing his Ministers into Manitoba public schools, proclaiming a military invasion of Canada by the U.S. Marines.

On December 3, at Daniel McIntyre School in Winnipeg, Business Development Minister, Al Mackling, said: "If the

Americans don't like part of the agreement, they will just send in the marines and take what they want anyway".

If you think that is comical, let me tell you what Jerry Storey, another NDP MLA, said in Arbourg in my riding: "I would hate to see, because of this free trade agreement, a person in northern Manitoba freezing so that someone in Arizona can have their air conditioning on".

Now, before you buckle over in your Chair with laughter, Mr. Speaker, I want to inform the House and the constituents of Manitoba that it is Mr. Pawley and his Government, and in all likelihood this free trade agreement, that will allow the sale of Manitoba hydro to Arizona to run the air conditioners. Manitoba schoolchildren prefer Mother Goose and her stories to this NDP nonsense.

Mr. Speaker: Perhaps the Hon. Member for Nickel Belt (Mr. Rodriguez) can reply.

Mr. Rodriguez: Thank you, Mr. Speaker, but I have other fish to fry.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF LIBERAL PARTY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Canadians want to know where the Liberal Party stands on the Mulroney-Reagan trade agreement. Back on October 26, the Leader of the Opposition (Mr. Turner) wrapped himself up in the Canadian flag and proclaimed: "We will not live with it", and "We are going to tear the deal up".

After two years of wrangling on the issue, the people of Canada thought the Liberals had finally made a firm commitment on an issue which is of fundamental importance to the people of this country. But lo and behold, just last Monday the Leader of the Opposition told the newspaper *La Presse* that he was in favour of the principle of free trade and that he wished to improve some parts of the agreement.

Does the Leader of the Opposition believe that the Americans will make concessions to Canada once the deal is signed, sealed, and delivered? Does he believe a few superficial changes can dress up an agreement which is fundamentally bad for Canada?

Clearly, Canadians cannot depend on the Leader of the Official Opposition to provide serious and effective opposition to the Mulroney-Reagan trade deal. He is a leopard whose spots are continually changing. In fact one can now detect shades of red, white, and blue.

Only the New Democratic Party has consistently stood up for Canada and is in a position to oppose a trade agreement which blatantly betrays Canadian interest and Canadian sovereignty.

* * *

[*Translation*]

DAY CARE

GOVERNMENT'S PERFORMANCE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, the purpose of the new national strategy on child care is to give Canadian parents a choice for child care services and ensure that there will be a greater number of more affordable and better child care services. The measures proposed in the new strategy aim at making the very legitimate choice of a woman to work at home or outside the home more valid, and at providing easier access to child care services for Canadian families. With this program, the Government will create 200,000 child care spaces and up to 40,000 new jobs.

Mr. Speaker, since 1984, over 500,000 women have found work in Canada and our new national child care strategy will benefit children, traditional families and single parents.

According to Statistics Canada, there were under two children per family in 1986. Our policy aims at increasing this number by helping Canadian families and providing more child care facilities. Investing in our children and families shows that we believe in the future of this country. This is what our Government has done and will continue to do.

* * *

• (1415)

[*English*]

INDUSTRY

CLOSURE OF FORMER CANADIAN PORCELAIN COMPANY IN HAMILTON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, last week we saw the final legacy of the former Minister of Regional Industrial Expansion (Mr. Stevens). In the city of Hamilton there is a company once called Canadian Porcelain which the City, the region, and the workers attempted to buy two years ago. The City, the region and the workers were refused by this Government which said it would prefer a takeover by an American company.

At that time I predicted that if the American company took over Canadian Porcelain it would not be long before the doors were shut and the jobs were eliminated. In fact, last Friday, the company, now called Lapp Insulators, announced it is closing its doors in the city of Hamilton. It is pulling out.

I think it is because of the Government's refusal to investigate foreign investment in this country that we are now seeing the closure of Canadian Porcelain and the loss of over 200 jobs in the city of Hamilton. What a legacy from a Government which is not prepared to protect Canadian jobs. What a legacy from a Government that actually refused an offer put forth by the workers of that company to purchase the company, but instead chose to sell it off to an American company which is now closing the doors.

* * *

[*Translation*]

EMPLOYMENT

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on November 8, 1984, our Minister of Finance tabled his economic statement in this House. The Leader of the socialist party immediately predicted that Canada as a whole would lose 100,000 jobs. In May 1985, the Minister of Finance tabled his Budget. The Leader of the Liberal Party then said that the budget would cost Canada between 100,000 and 125,000 jobs.

As usual, Mr. Speaker, the two Opposition Leaders were both wrong. Since 1984, Canada has not lost any jobs; on the contrary, the Conservative Government has created 1,042,000 new jobs.

Thanks to this Government, unemployment across Canada has gone down by 3.5 per cent to reach 8.2 per cent, the lowest it has been since November 1981.

The two Opposition Leaders are predicting hundreds of thousands of jobs lost because of free trade. This will not happen, Mr. Speaker, because the Free Trade Agreement will bring about the creation of over 350,000 new jobs. Indeed, free trade will create employment, reduce the cost of living for Canadians and provide our productive business people with a much larger and more reliable market.

It is time for Canadians to compare the statements of the two Opposition Leaders with our achievements. We have shown that we can deliver while the Opposition Parties can only criticize without justification.

ORAL QUESTION PERIOD

[*English*]

SOVEREIGNTY

ARCTIC WATERS—CANADIAN SOVEREIGNTY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. In response to the Opposition's attack, and public outcry following the voyage of the *Polar Sea* through our Arctic waters, the Secretary of State for External Affairs told this House of Commons on September 10, 1985, the following, and I am using his words. "The exercise of functional jurisdiction in Arctic waters is essential to Canadian interests. However, it is no substitute for Canada's full sovereignty over the waters of the Arctic . . . Full sovereignty is vital to Canada's security . . . It is vital to Canada's national identity . . . We will accept no substitute . . . Any co-operation with the United States—will only be on the basis of full respect for Canada's sovereignty".

• (1420)

Those were the Minister's words. The Secretary of State admitted yesterday that a secret deal has been signed between Canada and the United States which allows the Americans access to our northern waters, waters which we claim as national waters, but does not recognize full sovereignty of Canada over those waters.

I ask the Deputy Prime Minister why did the Government of Canada conclude a secret deal which makes a mockery of the Secretary of State's undertaking to the House of Commons?

Some Hon. Members: Hear, hear!

Hon. Pat Carney (Acting Secretary of State for External Affairs): Mr. Speaker, I should point out that the Right Hon. Member—

Mr. Foster: Part of the trade deal.

Miss Carney: Mr. Speaker, this is the lead question and answer. Surely the Opposition will give us the opportunity to respond to the question of the Right Hon. Leader of the Opposition.

The Leader of the Opposition was quoting from a statement made by the Secretary of State for External Affairs, who is presently in Europe.

It is a leaked document that the Right Hon. Member is dealing with, so I will not comment on the allegations of a leaked document.

However, the House may be interested in the proposals which are under discussion. The issue with the Americans has been the passage of ice-breakers like the *Polar Sea*. The House will be happy to know that the proposals under discussion will ensure that there could never be another incident like the *Polar Sea*. For that, I would expect to have the congratulations of the Opposition, and not the catcalling that they are now doing.

Mr. Turner (Vancouver Quadra): It may or may not be a leaked document, Mr. Speaker, but the Secretary of State has admitted the existence of a secret deal with the United States.

[*Translation*]

APPARENT RENUNCIATION OF SOVEREIGNTY OVER ARCTIC WATERS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Secretary of State for External affairs also stated in this House, that same day, September 10, 1985, that the Government would immediately enact a bill empowering it to apply Canadian law in our Arctic waters.

Now, two years and three months later, the House has yet to see that legislation.

Instead, we have a secret deal with the United States that does not expressly recognizes our ownership of those waters, our sovereignty over the Arctic, but instead that gives the Americans access to our Arctic waters. The United States are not asking Canada for permission to send their ships into our waters, they tell us when and how they will be using our Arctic waters.

Here is my question to the Minister: Why does the Government of Canada accept to give up our sovereignty rights over Arctic waters?

[*English*]

Hon. Pat Carney (Acting Secretary of State for External Affairs): Mr. Speaker, I am perplexed by the Right Hon. Member's repeated statement that this is a secret deal. Our negotiations with the Americans have been known and have been ongoing for some time, and have been made public on many occasions by the Prime Minister and the Secretary of State for External Affairs. There is no secret deal. There are ongoing discussions. When we come down to the point of consent, that is precisely what the current proposal would achieve. The Americans have never, ever conceded the Canadian demand that we have to consent to passage through the Northwest Passage.

In the proposals regarding ice-breakers, which are being discussed, the Americans would have to seek and get Canadian consent before ice-breakers could traverse the Northwest Passage. That is what Canada has been trying to achieve, and that is an exertion of our sovereignty.

CANADA-UNITED STATES NEGOTIATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister cannot have it both ways; the document can't be leaked, and yet not have a secret deal. The Minister can work that out when she has the opportunity.

I have always said that the trade agreement between Canada and the United States put Canadian sovereignty at risk. It is ironic that before the ink is dry on the final text of the trade agreement, if there is a final text, that the Government of Canada was secretly negotiating away our sovereignty in the Arctic. It has not escaped the attention of Canadians that the Arctic sell-out was being negotiated at the same time as our trade sell-out.

• (1425)

I want to ask the Minister, and perhaps it is not coincidence that she stands to respond to the question: was the price of this trade deal, a final text for this trade deal, the selling out of our sovereignty in the Arctic?

Hon. Pat Carney (Acting Secretary of State for External Affairs): Mr. Speaker, I can assure the Right Hon. Member that I am speaking in my capacity as Acting Minister, in the absence of the Secretary of State for External Affairs.

I can assure him, once again, that the proposals which are being discussed and to which the Member has referred assert our sovereignty. They exercise our sovereignty. They would require the Americans to acknowledge that they have to seek our consent before sending a *Polar Sea* through the Northwest Passage.

I know something more about the Northwest Passage than the gentleman opposite, Mr. Speaker, and I can assure you that what is being proposed by the Canadians, that before the Americans could ever send an American *Polar Sea* through our Northwest Passage they would have to seek and they would have to get our consent, is the exercise of sovereignty, not the benign neglect that the former Liberal Government gave to our North.

* * *

HEALTH

TOXIN TAINTED MUSSELS—RELEASE OF INFORMATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Health and Welfare. Last Friday the Minister of Health tried to explain his gross negligence in delaying a public alert to the poisonous mussels by saying that he was awaiting tests from his Department. Now we know that lab animals actually began dying on November 27, four days before the Government issued a public alert.

Why did the Minister place the health of Canadians at risk by keeping the real mussel story secret?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I did not keep any story secret. I have been very up front about this issue. I have all the details here, day by day, hour by hour, but for brevity in the House let me put it this way.

On Sunday, a week ago yesterday, the Government, through the Department of Health—

Mr. Tobin: Goodbye, Jake.

Mr. Epp (Provencher): Mr. Speaker, I hope Hon. Members think that this is serious enough, especially the Hon. Member

from Newfoundland, that they would want at least to give it the attention it deserves.

On Sunday—I can give the exact date and I can make all this material available to the House—November 29, after preliminary reports a decision was made by the Bureau of Field Operations, HPB in Ottawa, to stop distribution of any further product from P.E.I. At 10.15 a.m. it was discussed with fisheries officials. At 10.30 a.m. the Atlantic Region of HPB advised headquarters of further arrangements. Then on Sunday the sale was stopped, not because of a health link, but what the Department through its experience calls, "the sale was stopped on the basis of reason to believe".

On Monday, the tests continued. I got my first briefing on Monday. I said to the Department: "Give me every piece of information". I got the information at approximately on Tuesday of last week, 5 to 5.30 in the evening. We developed the health alert, and I believe at 6.55 on that same night I was already in front of national television on this.

An Hon. Member: You were late.

Mr. Epp (Provencher): No, I was not late at all, Mr. Speaker. It is important that Ministers and the Government have the right to put information like this forward. I think it is responsible for the Opposition, as well, not to throw out allegations such as they do unless they have proof, and understanding in this place that some people have to be believed when they put out the information.

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have here a telex from B. C. Williams, Bureau of Field Operations, Health Protection Branch. It was a health issue, and he states that "HPB was first notified of an illness in Montreal on November 25, 1987. Further investigations. On November 25, DFO Moncton Inspection Office was also informed".

We had two separate health incidents that were relayed to the Ministry of Health on November 25. In fact, the Minister thought that it was serious enough that he told all companies to stop shipments on Saturday morning, at 10 a.m. It was not until Monday night, at 7 p.m., that he informed the public, and I would suggest that the only reason the Minister can explain for the delay, contrary to the untruths that he told outside the House on Friday—

Some Hon. Members: Oh, oh!

• (1430)

Mr. Speaker: I am sure that the Hon. Member knows that what she wants to say outside this Chamber about what anybody else said outside the Chamber is any Member's responsibility, and he or she, of course, takes the risk under ordinary common law to which that person would be subjected if the individual chooses to do that.

The Hon. Member may very well not agree with what the Hon. Minister said, but perhaps she could put it in ways that say something to the effect that she does not agree with what he said. I think in the interests of order we could do without the other allegation.

Ms. Copps: Mr. Speaker, why did the Minister make misleading statements on the issue last Friday? Why did he not come forward with the information to the people of Canada at the same time that the information went forth to the shipping companies? Didn't the Minister really put the health of Canadians at risk? Doesn't he think he should resign?

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, I do not believe I should resign. I do not believe I should resign because I followed the position of the health link very carefully. The instructions I gave to the Department are that on every issue we will err on the side of safety. I did not interfere with the Department, with its professionals, with its scientists or with its toxicologists.

What the Member is trying to put forward is something before health links could be established and that is what the Department establishes. In fact, scientists and toxicologists were dealing with a new toxin not related to shellfish poisoning, and the Department got the co-operation of the Prince Edward Island mussel growers to pull back the shipment. We have to do lab work. Despite that, the pull-back took place.

If the Member wants to take her partisan shots, she can. The Member is entitled to that, but I would like to think that Canadians, officials, toxicologists, scientists in Health and Welfare are as interested in the health and safety of Canadians as anyone else. They were not trying to protect an industry. There were trying to protect the health of Canadians. I think it is about time that the Member and others looked very seriously at the work that was done, rather than making allegations which the Member likes to throw out hoping somehow that they might stick to someone.

* * *

SOVEREIGNTY

ARCTIC WATERS—REPORTED CANADA-UNITED STATES AGREEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister for International Trade which also pertains to the concession which the Government has made once again to the United States involving a question of Canadian sovereignty.

Just a moment ago the Minister indicated that the Government of Canada believes it is exercising its sovereignty in this accord. Will she now admit to the House that there is no reference whatever to sovereignty in the agreement that has been signed? Will she answer that?

Second, will the Minister concede that in the agreement, the secret agreement that has been signed, there is a specific clause that allows the United States to continue to challenge our sovereignty in the disputed territory that the Americans alone want to dispute?

Finally, will the Minister admit that the Government did sell us out once again as a last concession in the free trade deal?

Hon. Pat Carney (Acting Secretary of State for External Affairs): No, Mr. Speaker, we did not sacrifice anything in the free trade deal with respect to our sovereignty. We exerted and exercised our sovereignty in the free trade deal. The Hon. Member should be ashamed to so impute our motives in this House.

Mr. Broadbent: Mr. Speaker, I simply join with 20 million other Canadians in making that imputation.

Some Hon. Members: Oh, oh!

CANADIAN POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Minister now whether she will answer the question. With specific reference to the commitment made by the responsible Minister in the House on September 10, 1985, who said:

> The policy of this Government is to exercise full sovereignty in and on the waters of the Arctic Archipelago and this applies to the airspace above as well. We will accept no substitute.

The Minister has not conceded yet that there is a clause which leaves it open to the U.S. again to challenge the sovereignty question. Will she comment on that?

Second, will the Minister acknowledge that this commitment made by the Secretary of State for External Affairs has specific reference to the notion of U.S. submarines in the territory and that the secret agreement revealed on the weekend once again excludes that?

Will the Minister tell us what procedures, if any, U.S. submarines will now have to follow if they want to go through this water?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I do not think it is possible to answer that smorgasbord of questions which cover a wide range.

Mr. Broadbent: Try.

Miss Carney: Let me please just re-assert that the discussions which are taking place, which involve the exercise of our sovereignty over the Arctic, are seeking a major concession from the U.S., namely, that the Americans have to seek our consent before the passage of ice-breakers through the Northwest Passage.

There are other arrangements in place in terms of defence matters. There are other arrangements in place through our environmental laws for merchant shipping. The issue which the Member is addressing deals with ice-breakers. We are trying to avert another *Polar Sea* incident. Should we accomplish our objective of getting the Americans to acknowledge that we must give our consent, there will be no more *Polar Sea* incidents. That is the exercise of our sovereignty and that should be acceptable to all 25 million Canadians. I do not know the 20 million Canadians about whom the Hon. Member is speaking.

Mr. Broadbent: Mr. Speaker, I was flattering the Minister by saying that only 20 million Canadians were opposed to the Government. I gave the Government credit for having some five million on its side. That was done in a mood of abundant generosity today or I would not have done it.

Some Hon. Members: Oh, oh!

SUBMARINES IN ARCTIC WATERS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since it is a very serious matter, since it is clear that the Secretary of State for External Affairs in his commitment to the House was talking about ice-breakers and submarines, and since the agreement signed by the Government of Canada and signed by the United States simply refers to two Arctic neighbours—it says nothing about Canadian sovereignty—is the Minister telling us now, with the immediate answer she has just given to me, that there is a secret agreement between Canada and the United States that is pertinent to submarines? Or, will she admit that the Government got nothing at all in terms of controlling access to the waters by submarines. Once again, was there another capitulation by the Government to the United States?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, as Acting Minister of Defence let me respond to the question of the Leader of the New Democratic Party about submarines in the Arctic.

I recognize his Party does not approve of the relationship we have with our NATO allies in sharing resources, assets, and information about the deployment of those assets. The reason we belong to NATO is to enhance the security and sovereignty of Canada. That is why we continue to belong.

It is not in the interests of Canada's security or sovereignty to go into details about that kind of information on submarines in our Arctic.

* * *

[*Translation*]

HEALTH

TOXICITY OF MUSSELS—MINISTER'S RESPONSIBILITY

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and deals with so important a matter that

the stakes are the health and lives of Canadians, and his role on this matter is most important.

The Minister will recall that the department was informed as early as the 25th . . . And on the 27th, clinical tests started showing animals were dying. But the Minister only decided to act and inform the Canadian public on the evening of the 29th.

Can the Minister explain why it took him that long to inform the public about toxic mussels that could cause serious illness, and does the Minister not believe that he failed in his duty as a Minister to protect public health in waiting that long before telling the public?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Hon. Member said is not correct. I was not informed on the 25th. That is absolutely incorrect, and I want to repeat it. I was not informed on the 25th.

• (1440)

I would like to explain again to the Hon. Member and to the House what happened. Regarding the linkage between the illnesses in some Montreal hospitals and what the cause might be, information was given to the Health Protection Branch and the linkage had to be established. Officials were working through those details. Keep in mind that my officials and others say that it was a new toxin and a new illness.

Even without having the formal links on which the Department generally works in removing a product from the market, because there was reason to believe, without the scientific link, the shipments from the two suppliers were pulled on the Sunday. That is the fact. On Monday and Tuesday officials worked further on lab linkages and I gave the details Tuesday night. For the Hon. Member to say that I knew about this on the 25th is simply not true.

[*Translation*]

QUERY WHY MINISTER DID NOT ALERT PUBLIC PROMPTLY THROUGH COMMUNIQUE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the thirty people who are now ill in hospital are surely not satisfied with the Minister's reply that shipments of mussels have been stopped in Canada. Why did the Minister of Health and Welfare not rise to the defence of consumers and immediately publish a release, not four days after the notice, to advise shoppers in grocery stores, people in restaurants and at home that eating mussels was dangerous for their health? Why did the Minister fail to inform people for their own protection? Does he not feel that his failure and his incompetence force him to resign since people have lost all confidence in him?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, obviously I cannot put out a health warning until we at least have some evidence of the reason for the warning. Even before we had the scientific linkage, shipments were stopped.

I am not trying to hide behind anyone, but I am dealing very directly with the manner in which we handle these health issues. Let me remind the Hon. Member that on Tuesday, within the hour after receiving the information, I gave the CBC crew that was waiting, the information. I can say—

Ms. Copps: That's why you brought it up.

Mr. Epp (Provencher): No, I did not. On the news of that evening, Dr. Hoey of the Montreal Urban Community, not a member of my staff, said the following:

> I am actually astounded that we were able to move this quickly especially as we were dealing with a disease which to our knowledge has never before been described.

I simply say that even before the health alert came out on Tuesday night, the shipments had already been withdrawn without even having the full health linkage.

I would say to the Hon. Member that he may do what he wants in terms of partisan actions, but do not frighten Canadians, and stay with the truth.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—COMPLETION OF FINAL TEXT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister for International Trade and deals with the announcement made late last night or early this morning that the final text of the trade agreement was apparently completed this morning but that it would be another 48 to 84 or 86 hours before it becomes available to the public. Therefore, the text of the agreement will not be available to the public before the conclusion of public hearings by the Commons committee which will be concluded today. That ludicrous result will mean that no group and no witness will be able to comment on the text of the agreement before the Government signs it on January 2.

Are there many changes agreed to in the final signing of the agreement last night since October 3? Does the Minister believe that barely one week of public study by Parliament of the agreement, beginning late this week until late next week, will be sufficient for a commercial agreement which can affect this country for the next half century and which will see the sell-out of Canada to the United States?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I can tell the House that we have occasion to mark an historic agreement which the negotiators concluded on the weekend. The process that will be followed is that the lawyers are taking a last look at the language of the agreement. It will go to the respective Governments to be ratified, and it will be released as soon as it can be published.

Mr. Cassidy: Mr. Speaker, the process is a total shambles and the Minister knows it. What she says is happening now should have occurred some time before the end of October so that Canadians would have had an adequate chance to look at this agreement.

[*Translation*]

PROTECTION OF QUEBEC FARMERS

Mr. Mike Cassidy (Ottawa Centre): My supplementary question to the Minister is this: The Quebec Minister of Agriculture has indicated that the Quebec Government would no longer support the trade agreement with the United States if the interests of Quebec farmers were not recognized in the final text of the Agreement, insisting that Canada should retain in its trade deal with the United States its power to impose quotas on farm products under the GATT.

Does the Agreement take into account the wishes of Quebec farmers? Or is it another example of the Canadian Government ignoring a Canadian industry?

Hon. Pierre Blais (Minister of State (Agriculture)): Mr. Speaker, if my friend the Hon. Member from Ottawa Centre had taken the trouble to check the statements which I personally made to Quebec farm producers last week—when I reiterated that their interests would be fully protected especially under the GATT and the other relevant clauses.

I have not yet had an opportunity to meet an NDP Member with enough intestinal fortitude and courage to tell the truth to Quebec farm producers. When the time comes, I will not be afraid to challenge any of you, friends, on the hustings!

* * *

[*English*]

CANADA LANDS COMPANY

SALE OF EXPROPRIATED MIRABEL LAND—REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister in the absence of the Prime Minister. It concerns the operation and disposition of lands by the Canada Lands Company at Mirabel. I have in hand a copy of documents in a lawsuit dated September 2, 1987, which has not yet reached trial stage so I understand that under the rules of *sub judice* I can raise the issue. In this lawsuit, an expropriated property owner, Mr. Gerard Poirier of Mirabel, is suing 2434-3972 Quebec Inc., the Canada Lands Company and others, alleging that he was coerced into giving up his right to buy back his own property.

In view of the fact that this incident is the second in two months questioning the practices of the Canada Lands Company, a Crown corporation directed by a relative of the Hon. Member for Joliette (Mr. La Salle) and former Minister of Public Works, will the Deputy Prime Minister now do the right thing and appoint a Royal Commission of Inquiry into the operation and the disposition of properties by the Canada Lands Company at Mirabel?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Solicitor General I would like to acknowledge the question of the Hon. Member who has in his possession a copy, certified, I suppose, of the proceedings in a court. I understand that the matter is before the court so I do not want to comment with respect to that matter. As the Hon. Member's Leader has said, I would not want to prejudice the case by making any comment either in or outside the House.

The RCMP has also indicated that it is involved in an investigation with respect to the matter. Therefore, using the exact words of the Hon. Member's Leader, I would like to caution the Hon. Member about raising the details of the matter and trying to do anything that might jeopardize any investigation that is taking place.

Mr. Boudria: Mr. Speaker, it appears now that the Minister is confirming that there is an RCMP investigation and that is something we had not yet been told officially.

[*Translation*]

MIRABEL—INQUIRY WHAT GOVERNMENT INTENDS TO DO TO REDRESS SITUATION

Mr. Don Boudria (Glengarry—Prescott—Russell): My supplementary question also deals with the Canada Lands Company at Mirabel. I have in hand another document which is a promise or a bid to purchase signed by 2434-3972 Québec Inc. and Mr. Gérard Poirier in which Mr. Poirier states that pressures were exerted on him and that as a condition he was required to keep his bid to that numbered and secret company for quite a long time. Considering that not more than two months ago, the media were referring to another transaction which could be considered as fishy, and involving, I think, the Canada Lands Company at Mirabel, what does the Deputy Prime Minister intend to do to put an end to that kind of scandal which is a scourge for his Government? What is he going to do to redress such an inequitable situation?

• (1450)

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, possibly the Hon. Member would like to read *Hansard* of November 30, 1984, where his Leader, at page 771, talked about:

> —reinstating the practice that used to apply in this House, and I believe still should, reflecting the principle of presumption of innocence until proven guilty?

Mr. Turner (Vancouver Quadra): You have already admitted there is an investigation.

Mr. Hnatyshyn: I suppose the Right Hon. Leader of the Opposition wants to take another position on the presumption of innocence.

Mr. Turner (Vancouver Quadra): There is an investigation.

Mr. Hnatyshyn: There is an investigation and I think it would be inappropriate for any member of the Government to comment on that investigation. We should allow the matter to go ahead, uninterrupted and uninhibited by outside influences. That is a principle of justice in this country, and I do not think any off-the-wall allegations by the Hon. Member should be tolerated by his Leader.

Mr. Boudria: Can I have a further supplementary, Mr. Speaker?

Some Hon. Members: Sit down!

Mr. Speaker: I do not think a supplementary would be appropriate at this time, but I want to say something not only to Hon. Members but also to the public.

The questions put by the Hon. Member for Glengarry—Prescott—Russell were, as I think Hon. Members will know, especially experienced Hon. Members, extremely careful. The rule is that a civil action is not *sub judice* at least until a trial starts. While that has been a long-standing dictate of Beauchesne to which Speakers have referred on many occasions, it still would not prohibit the Chair from making a contrary ruling if, in the total context, the Chair felt the question was about to prejudice the rights of either of the litigants. I did not believe that was the case. The Hon. Member quoted from pleadings, which, by the way, Hon. Members and the public should know, are all public documents.

The inquiry was on a serious matter. The Government, through the Minister of Justice, as is its right, said it does not want to comment on the merits of the case because it feels it might be prejudicial. The Government has stated there is an investigation going on. We have had carefully drafted questions and we have had replies.

I interrupt Question Period only to make this explanation so Hon. Members and the public understand what is appropriate in the Chamber, and that sometimes there is a fine line where something may not be appropriate. I allowed the questions because they were careful and appropriate.

* * *

NATIONAL REVENUE

FARM FUEL TAX REBATE—REQUEST FOR EXTENSION OF PROGRAM

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Revenue. The off-road fuel tax rebate program for primary producers ends on December 31, 1987. Does the Minister intend to raise the price of farm fuel and other fuel for primary producers by 30 cents a gallon on January 1, 1988, or will he be extending the rebate program for at least another year?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I am glad to inform my hon. friend that this matter is under close review. I think he can be certain that the present program will be continued. That is my present understanding.

REQUEST FOR EARLY ANNOUNCEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I thank the Minister for that answer. The producers will be glad to hear it.

There is concern that this program might be a casualty of the free trade deal. Can the Minister assure the House that the announcement of this extension would be a little earlier than two years ago when a considerable amount of concern was caused because it was so late and many farmers had already purchased their fuel?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I will be glad to take that as a representation. I want to assure my hon. friend that this has nothing whatsoever to do with the free trade negotiations and that farmers, in that regard, will be very pleased when these negotiations are finished and the agreement inures to their benefit.

* * *

CANADA LANDS COMPANY

RESIGNATION OF FORMER MINISTER

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. I want to return to the subject raised by my colleague, the Hon. Member for Glengarry—Prescott—Russell. I understand a lawsuit is under way. I understand there is now a criminal investigation under way. However, I want to ask questions about the enforcement and policing of the conflict of interest guidelines which are the responsibility of the Prime Minister.

Were any inquiries made by the Prime Minister, when the Hon. Member for Joliette left the Cabinet, into possible fall-out in the matters that were heavy around him at the time he left? Was the former Minister spoken to? Were officials spoken to about the fall-out of his departure and the matters for which he was responsible?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, if I may be permitted to answer that question, I understand that the Hon. Member for York Centre has carefully crafted the question with respect to circumstances surrounding this whole matter. I am sure, as a former Solicitor General, he will understand that where there is an investigation it would not be appropriate for us to

comment with respect to the fact situation surrounding any transaction which may be under investigation. To do so may have implications for free and unfettered examination by the RCMP.

It is not from the point of view that the Deputy Prime Minister, or indeed any member of the Government, refuses to answer specific questions. It is just that I think the Hon. Member himself would want to make sure the police have an unfettered opportunity to come to their own conclusions, uncomplicated by versions of facts given on the floor of the House during the course of debate. They should be allowed to come to their own conclusions without being influenced by anything said on the floor of the House.

CONFLICT OF INTEREST GUIDELINES

Hon. Bob Kaplan (York Centre): Mr. Speaker, I am not rising to investigate the Hon. Member for Joliette. I am rising in my responsibility as a member of the Official Opposition to hold the Government to account for the conflict of interest guidelines it introduced.

The Minister will recall that the Prime Minister told us, when the Hon. Member for York—Peel left in a totally different situation, how limited the investigation into that matter was by the Prime Minister. He spoke only to the Minister and officials of the Deputy Registrar General who had spoken only to the Minister themselves. I want to ask if anything more was done in this case with the allegations that were around when the Hon. Member left the Cabinet. Did the Government, the Prime Minister or the Deputy Prime Minister do anything at all to assure the integrity of the Government?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, number one, I think any sensible and reasonable Canadian would expect that before any decisions are made on conflict of interest or any other matter, we would want a clear exposition of the facts. That is why the RCMP, a truly independent law enforcement agency, should be given the opportunity to get all the facts and bring them to light. Following that investigation, conclusions can be drawn.

To stand up at this point in time and make answers with respect to the activities of a Member of Parliament or former cabinet Minister would not be helpful and would probably be inappropriate on the part of the Government.

[*Translation*]

LABOUR

ISSUANCE OF WORK PERMITS TO EMPLOYEES OF PERUVIAN COMPANIES—GOVERNMENT POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I have a question for the Minister of Employment and Immigration.

On November 30th, the Department of Employment and Immigration issued a dozen work permits to employees of Peruvian companies to fly domestic runs which are normally the responsibility of Air Canada. Since last Thursday, they have apparently made two flights a day between Vancouver and Hamilton.

A memo from his Department clearly indicates that temporary work permits may not be issued to foreigners if these permits are to be used to replace Canadian workers involved in a strike or lock-out situation.

Could the Minister explain why his Department has ignored this memo and allowed this Peruvian airline to fly domestic runs in Canada while Canadian workers are in a lock-out situation?

Hon Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I suggest that, under the circumstances, Air Canada had to ensure transportation services especially to the Vancouver destination. And the policy of first offering to Canadian workers the jobs in question has been followed. In view of the fact that we are dealing with Canadian companies, I suggest that the conditions as far as immigration is concerned have been met, and that the work permits were issued according to our usual procedure.

• (1500)

[*English*]

WORK PERMITS GRANTED TO PERUVIAN PILOTS

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, Chapter 17 of the Manpower Directive says:

> —temporary work authorizations cannot be issued to people from outside of Canada to take the jobs of striking workers.

I wish the Minister would tell the House why they have granted temporary work permits to pilots from Peru when there are 1,200 pilots in Canada who have been laid off. We cannot get refugees in but can get temporary workers in to break strikes.

[*Translation*]

Hon. Benoît Bouchard (Minister of Employment and Immigration): Mr. Speaker, I think that my Hon. friend should check her figures. As is usually the case whenever NDP Members make assumptions, they must be verified.

I will repeat what I said earlier: The policy concerning work permits for foreign workers is quite clear. The jobs are first

offered to Canadian workers, and then to foreign workers employed by Canadian companies.

I think my Hon. friend should have read the legislation before raising such issues in the House.

* * *

[*English*]

HEALTH

TOXIN TAINTED MUSSELS—PUBLIC WARNING

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I see that he has just left the House so I will direct my question to the Deputy Prime Minister.

I want to return to the matter of the tainted mussels. The Minister of National Health and Welfare told us that lab animals first died after being tested with the tainted mussels on November 27. They continued to die on November 28. On the morning of November 29, apparently with the knowledge of the Minister, shipment of the mussels was stopped at the request of the Department, but public warning was not given until December 1, two days later.

Why was the public not informed of the danger of the mussels in question at least as soon as the industry was asked to stop shipments? Why this delay? How many people are in hospital now because of the negligence of the Government in not telling the public to stop eating these mussels at the same time as it told the industry to stop shipping them?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, without agreeing in any way with the premise of the question I will take it as notice. I am sure the Hon. Minister will respond tomorrow. He has responded in some detail—

Ms. Copps: He is sneaking out.

Mr. Mazankowski: It is not a cop-out or sneaking out. He has responded in a very comprehensive fashion to the questions which were put. I am sure that the Minister will do so again. I will certainly ask him to do so tomorrow.

AVAILABILITY OF MEDICAL EVIDENCE

Hon. Herb Gray (Windsor West): Mr. Speaker, if a sufficient medical link was established to show the connection between the mussels in question and the illnesses sufficient for the Department to tell the industry to stop the shipments in question, why was this same medical evidence not good enough to allow the public to be warned? Why the delay?

There is still no answer to this simple question. This is something important enough for the Deputy Prime Minister himself to know the answer to. Why does he not have the answer?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, it is, of course, an important issue. Any time an Hon. Member uses the word "if" to preface his question there is hypothesis involved. This could very well be a hypothetical situation.

While in no way agreeing with the premise of the question, as I indicated, I will ask the Minister of National Health and Welfare to respond fully tomorrow.

GOVERNMENT ORDERS

[*English*]

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

MEASURE TO AMEND

The Hon. Pierre H. Cadieux (for the Minister of Supply and Services) moved that Bill C-91, An Act to amend the Corporations and Labour Unions Returns Act, be read the second time and referred to a legislative committee.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Mr. Hovdebo: I cannot hear you.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion? Order. I apologize, I cannot speak any louder than I am right now. Has the House heard the motion? The Hon. Member for Windsor—Walkerville (Mr. McCurdy).

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, it is a pleasure to rise to speak on Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act.

The Acting Speaker (Mrs. Champagne): Order, please. I now realize that the Hon. Parliamentary Secretary meant to speak on behalf of the Government on this Bill. If the House would allow, I will give the floor to the Parliamentary Secretary. However, the hon. gentleman did not rise. I did ask the question three times and, if I heard him correctly, he even said "yes" to the question instead of rising and advising me that he wanted to speak. Do I have unanimous consent to give the floor to the Hon. Parliamentary Secretary?

Mr. Gauthier: Madam Speaker, I rise on a point of order. I would like to say a few words about the situation in which we

find ourselves. It is indeed not your fault, Madam Speaker, that we are confused. Some of us thought that we would continue with the Bill which we were studying before Question Period, that is, Bill C-54. Others knew that we were going to proceed to Bill C-91. That created some confusion.

As you know, Madam Speaker, we have a speaker who wants to speak to Bill C-91. I take it that the Government will explain the Bill to us and to Canadians. We can then proceed with the normal routine.

We will comply with your wishes and cede to the Parliamentary Secretary.

Mr. Rodriguez: Madam Speaker, I rise on the same point of order. You called Bill C-91. The Hon. Member for Windsor—Walkerville (Mr. McCurdy) stood up. He was recognized and he started his speech. We are not going to start playing these games and reverting. If you wanted to speak, you should have been up.

• (1510)

Mr. Greenaway: I was up.

Mr. Rodriguez: They should have their act together. They should have been informed that there was a switch from Bill C-54 to Bill C-91. They obviously do not have their act together over there—

Mr. Greenaway: Speak for yourself.

Mr. Rodriguez: The Member has been recognized and I believe he should continue with his speech.

Mr. Greenaway: Same point of order.

Mr. Rodriguez: Go back to sleep.

Mr. Hawkes: Madam Speaker, I rise on the same point of order. I think informal discussions were held earlier this day with all three Parties, about the rhythm of business for the day. The Member for Ottawa—Vanier (Mr. Gauthier) is correct in saying that some people understood that and perhaps some others were not fully informed. It was the intention of the Government to move to Bill C-91 as the second order of business today, followed by Bill C-54, however, upon the request of the Opposition, concurred in by the Government, we agreed to move to Bill C-91 after Question Period and then return to Bill C-54 if time permitted.

As you were reading the motion there were many people in the House shouting "agreed". I know that the Member for Cariboo—Chilcotin (Mr. Greenaway) stood on at least three occasions, but it was not clear as to when the debate was going to begin and perhaps at the critical moment he was not on his feet because he had been up and down several times.

However, I think in the spirit in which we agreed to change the order of business for today it would be helpful if Members of the New Democratic Party were to give unanimous consent to hear the explanation of the Bill, to be followed by the Hon. Member you had previously recognized. That would certainly be in keeping with the spirit which was established earlier this day, and the spirit with which the Government entered into rearrangement of the business. Failure to do that would send a different signal to the House and perhaps to the Government as well.

Mr. Greenaway: Madam Speaker, I just want to make it clear that I was standing in my place on at least three occasions. If you people cannot see that, that is your tough luck. Get some glasses.

Mr. Rodriguez: You were sleeping.

Mr. Greenaway: I was not.

Mr. Rodriguez: We do not recognize the Members, the Speaker does.

The Acting Speaker (Mrs. Champagne): Order.

[*Translation*]

Mr. Rossi: Madam Speaker, on the same point of order. When you referred to the motion in question, the Parliamentary Secretary was certainly not on his feet. I could see that from here. Sure, he is a friend of mine, but he was not on his feet. He just said: Question. Meanwhile, the Member for the New Democratic Party was on his feet to be recognized.

[*English*]

Mr. Keeper: On a point of order.

The Acting Speaker (Mrs. Champagne): I think all the different avenues have been—

Mr. Keeper: On a point of order, Madam Speaker. We on this side of the House would like to see the work of this Chamber proceed in an orderly manner.

Some Hon. Members: Sit down, then.

Mr. Keeper: If I am going to hear catcalls from that side of the House, perhaps I will not say what I intended. I intended to say that in order to facilitate the business of the House we would like to hear from the Government side, in spite of the fact they were asleep at the switch. Then we will respond to what the Government has had to say.

The Acting Speaker (Mrs. Champagne): I understand there is unanimous consent to revert to the Hon. Parliamentary Secretary. I wish to extend my appreciation to all sides of the House and hopefully from this point we will have a pleasant afternoon.

Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines): Madam Speaker, Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act, known as CALURA, has received second reading today. This legislation which was passed in 1962 involves the reporting of ownership and financial information relating to corporations and labour unions operating in this country.

The information collected under CALURA has been reported to Parliament annually and has proven to be a unique and highly valuable reference on the extent and effects of foreign ownership and control of corporations in Canada, and on the affiliation of Canadian unions with international labour unions.

Its prime objective was and is to provide the Government and the general public with objective information on corporate concentration and the extent to which parts of the Canadian economy are owned and controlled from abroad.

When recent amendments to CALURA came into effect in 1983 corporations were required to report on a calendar year basis and to file financial data directly with the CALURA administration. This amendment, which removed the use of tax data for CALURA financial purposes, imposed a 16-page financial questionnaire on about 8,500 corporations. Many corporations were obligated to incur significant expense to meet these requirements. In addition, these same amendments introduced a complex four-page questionnaire on technology transfers.

At that time there were frequent and numerous requests to both the CALURA administration and to this Government to alleviate the paper burden imposed by this legislation on the corporate sector of the economy. This Government swiftly took action, which was warmly received by the business community. On October 8, 1985 the Minister responsible for Statistics Canada announced sweeping regulatory measures designed to reduce paper burden with respect to CALURA and to fulfil the Government's commitment to business to let the private sector operate more efficiently.

The regulatory changes exempted all corporations from filing financial returns under CALURA, whenever similar information is provided under the Income Tax Act or the Statistics Act. In addition, the complex four-page questionnaire on transfer of technology was streamlined from four pages to a few key questions. As a consequence of these initiatives, the Canadian business community has saved about $6 million annually.

During more than two decades of existence, CALURA has provided the most consistent, complete and detailed information source on the financial structures and degree of foreign ownership of the Canadian economy. This is information that has served royal commissions, government departments and the academic and business communities. Its ownership series have been the basis for virtually all Canadian reports and articles, both public and private, on corporate concentration and foreign ownership of the Canadian economy.

The CALURA reports have made it possible for us to have better knowledge of the structure and behaviour of the leading 500 non-financial enterprises in Canada. The reports show clearly how these enterprises have accounted for more than half of all sales, two-third of all assets, and almost three-fourths of profits. Of the 500 leading enterprises, just about half are foreign controlled. The United States controlled corporations account for 75 per cent of the sales and 85 per cent of the profits of foreign controlled, non-financial corporations. These facts are essential to any discussion of the corporate sector in Canada, including competition policy and trade negotiations. They can only be established from CALURA annual reports.

CALURA ownership information is available to the public through the Department of Consumer and Corporate Affairs. Due to widespread demands, Statistics Canada has regularly produced a highly popular directory entitled *Inter-Corporate Ownership*, which shows who owns and controls business in Canada. This publication has served many executives, market managers, investors, journalists and economists studying and writing on the corporate structure of the Canadian economy. Ownership data is distributed electronically by private enterprise to banks, financial institutions and other corporations across Canada.

• (1520)

I am told that in a previous federal budget a proposed corporate loss transfer system could not have been analysed without the CALURA ownership data. In many respects the business community itself is an important user of CALURA data, and is a prime beneficiary of this unique and valuable information.

There are other areas of CALURA where the business community has expressed concern. With this amendment the Government is taking the appropriate action to allay those concerns.

When the Act was amended in 1981 a provision was made allowing federal Government policy analysts access to financial and technology data. Since that time the business community has expressed strong concerns that this very sensitive information collected under CALURA should not be accessible outside Statistics Canada. This amending legislation will ensure the strict confidentiality of this data and reinstate a corporate fiscal year for CALURA reporting purposes. Consequently, business will be allowed to operate even more efficiently with less reporting burden and feel reassured with respect to the confidentiality of sensitive information.

The Government has already taken regulatory initiatives to significantly alleviate the burden imposed on business by CALURA, and is initiating the necessary legislative action to further reduce costs while reassuring the business community of the confidentiality of sensitive information.

In summary, this Government has fulfilled its commitment to let the private sector operate more efficiently, while protecting the public interests, by maintaining the unique information supplied by CALURA.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam, Speaker, it is my pleasure to speak on behalf of the Liberal Party as the critic for Statistics Canada with respect to

Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act, commonly referred to as CALURA.

The Government has wanted to amend this legislation for some time. In May of 1983 the previous Minister, the present Minister of Public Works (Mr. McInnes), had written to me suggesting at that time the changes he wanted to make to the Corporations and Labour Unions Returns Act. I should perhaps take this opportunity to thank the Minister for giving me the general outline of what he wanted to do at that time in terms of amending the legislation.

Subsequent to receiving that letter from the Minister I conferred with a number of people in the academic sector, and others as well, in order to ascertain the effects of making these changes to the Act in question. The Minister indicated he did not foresee any objection at all to the changes he wanted to institute, and I must report the Minister was correct. In fact, by and large, people were supportive of the initiative. However, I should take a minute, nevertheless, to indicate, through the Parliamentary Secretary opposite, to the Minister and perhaps to the Minister's predecessor that I appreciate the advance notice given to me in describing in general terms the proposed amendment to the legislation.

The CALURA program was initiated in 1962 to determine who owns and controls businesses in Canada. The program gathers data on the degree of foreign control in the Canadian economy as well as the location where Canadian enterprises are concentrated.

This legislation provides on the one hand for the reporting of ownership and financial information for the corporations, while on the other hand provides for the reporting of membership and financial information for labour unions. The annual parliamentary reports of CALURA are a unique reference material. It gives the extent of foreign control of corporations in Canada and the affiliations of Canadians to international labour unions. That report, tabled with all Members of Parliament every year, a copy of which I have in hand, has been a very useful tool to me as a Member of Parliament in terms of determining what control foreign ownership has in our economy, and, of course, in our labour unions.

In 1983, the previous Government made a number of amendments to the legislation. It established at that time calendar year reporting. This was at the request of certain government Departments, particularly the Department of Regional Industrial Expansion, which felt it would be more useful to it to have the information on a calendar year basis. Another feature of the 1983 Bill was the imposition of a 16-page financial questionnaire on corporations and labour unions. That was in addition to a 4-page questionnaire on technology transfer which again has proven to be a useful tool.

Notwithstanding those useful changes, it soon became apparent that the requirement of filing on an annual basis was not convenient for corporations and labour unions simply because it is not the way in which a large number of them operate their enterprises. Most people operate their fiscal year based on whatever is more convenient to them in their own business, having regard for the period of the year when they are less preoccupied with other things.

The Government some years ago also provided a number of regulatory changes to the Act. The Act does provide for the Minister to order certain procedures to be performed by regulation. Some of those regulatory changes made in 1983 concern corporations whose financial information can be obtained under the Income Tax Act or the Statistics Act. Therefore, the 1983 amendment made it possible to get the information elsewhere, saving some individuals from having to comply with the Corporations and Labour Unions Returns Act.

I understand that through the amendments that were made recently to the regulations, and with the passage of this Bill, the Government estimates that it will be able to save some $6 million annually for the business community because the majority of companies will now have been exempted from reporting financial information.

We do have a few concerns and I want to express them briefly, just to bring them to the attention of the Parliamentary Secretary and, through him, to his Minister.

The proposal in the Bill stipulates that the data collection be made on a fiscal year basis as opposed to the present calendar year collection. While I have no objection to that, because it will save money for corporations and possibly for labour unions, I think it is important to note that those changes should be done in such a way as to ensure that during the first year of change the information provided to Parliament in the annual report of CALURA remains as exact as possible. When we are transferring from calendar year to fiscal year there could be a certain degree of inaccuracy in the first year of change. I have met with officials of Statistics Canada. They have informed me that in fact the calendar year they had was really a "modified" calendar year. In other words, it did not operate purely from January to December. The present legislation provided that there could be a two or three month flexibility in terms of the reporting period. In view of the fact that a large number of corporations already have a year-end in November, December, January or February, there will be a certain degree of accuracy built in, because the existing system was not the pure calendar year, but a flexible or modified calendar year, as Statistics Canada has recently called it.

• (1530)

Therefore, there are provisions to correct that. Notwithstanding that, I am looking for the assurance from the Minister or the Parliamentary Secretary that the accuracy of the results in the transitional year will be as good as it has been in the past.

I wish to refer to the second part of the Bill, which is to amend the Corporations and Labour Unions Returns Act. It is an extremely valuable source of information in regard to foreign control of the Canadian economy, and we have all

acknowledged that fact. The Parliamentary Secretary did so in his speech, and so did I a few moments ago. It is reassuring to know that part of the Act referring to the mandate of CALURA will not be affected by the new Bill in question.

We must recognize that there has been very little demand from policy Departments for the confidential data. That was part of the existing legislation, and I am told that the last time any government Department requested confidential CALURA information as opposed to the one that is published, was in the years 1983-84 when the Department of Energy, Mines and Resources sought information for a survey that the Petroleum Monitoring Agency Canada was carrying out. I understand that there also could have been a request made by the International Trade Commission in the preparation of the so-called free trade negotiations that are under way, or perhaps just terminated.

Under the present system, I am told that the confidentiality of the information is ensured by requiring that the Minister of the policy Department make a formal request for the data and state the reason he requires or his Department requires the information.

It is not too clear to me why the Government is restating the objective of protecting confidentiality, when that is already there under existing legislation. Nevertheless, if it is a double assurance and it makes people feel a little less apprehensive about sharing their information, so be it. It is important for those who are providing information for statistical purposes to have all types of assurance and whatever assurance they require in order that the information we receive will be as accurate as possible.

It was the previous Liberal Government in 1981 that fought quite hard with the business community in particular to give a policy Department access to that information. It did raise some controversy at that time. The initiative that was taken then did raise the ire of some people. I think it has been proven through the last six or seven years that there has been no abuse of that system. I suppose, apart from everything else, it does highlight once more the confidence that I have in Statistics Canada in carrying out its mandate and keeping information confidential.

As I stated previously, the regulatory changes to CALURA will yield somewhere in the order of $6 million to the companies involved, because of the paper burden that will be removed from them. Those changes were made possible because of recent regulatory changes. I am told that, as a result of Bill C-91, there could be another $1 million saved by companies. We would also have to add to that the savings by Government. It is very important that all of us who are custodians of the public purse ensure that taxpayers' money is not squandered uselessly, particularly when some of the information is not used.

The last comment I wish to make is perhaps a little more in the area of a recommendation. We think that this matter should be taken up at a legislative committee rather than being dealt with by Committee of the Whole of the House. Sometimes when non-controversial Bills such as this come up, we do agree among ourselves to deal with the legislation in the House in Committee of the Whole rather than to send it to a legislative committee.

Although the Government has not made a request at this time, I wish to go on record as indicating that it would be important for this Bill to be dealt with at a legislative committee. The reason for that is, in the event that there are concerns by the academic community and by the users of CALURA generally that those changes could cause anyone hardship, that it would give us an opportunity to hear those grievances and to amend the legislation accordingly, if amendments are necessary.

[*Translation*]

Madam Speaker, I would like to use the time I have left to reiterate the confidence that I imagine all Members of this House have in Statistics Canada, a federal Government agency that, in my opinion, does a good job. I am thinking particularly of a document Statistics Canada published a few years ago, which contained information on demographic, social, financial and other conditions in our respective ridings. All Members received a copy of this publication in the fall of 1984, only a few months after the election, and I found it very useful in my work.

I would like to take this opportunity to thank those who took the initiative of drafting this document and having it distributed. The document contains different information for each Member since our ridings are different, and can be very useful to those who are anxious to provide satisfactory representation for their constituents and to know what kind of impact Government legislation and measures have on our respective ridings.

At this point, perhaps I may suggest that now we have the data on the 1986 Census, perhaps Statistics Canada could provide Members with an updated version. Considering the fact that as of July 13 next year, electoral boundaries will be changed, I think it would be appropriate for Statistics Canada to make arrangements now for providing Members with a document on their electoral districts that would be updated in terms of the new boundaries we will have to cope with if elections are held after July 13, 1988.

As I said before, I want to take this opportunity to congratulate Statistics Canada on an initiative that has proved very useful. Madam Speaker, you may be wondering whether this last statement has any connection with the Bill before the House at this time. I am inclined to think so, because the document in question, which is quite detailed, probably uses some of the information provided under the Bill or the legislation we are now considering.

In any case, Madam Speaker, I would like to say, in concluding, that at least in our Party, we see no reason for preventing this Bill from going through the usual process and

being referred to the appropriate legislative committee, and that is why I would like to encourage Hon. Members to take the same line so that proceedings on this Bill will not take any longer than necessary and the Bill can be referred to a legislative committee as soon as possible.

• (1540)

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, I am pleased to speak on second reading of Bill C-91, an Act to amend the Corporations and Labour Unions Returns Act. Let me say at the outset that my Party does not have serious difficulty with the piece of legislation, on the contrary, in that it simplifies the reporting requirements particularly for some 2,000 to 2,500 smaller corporations, we certainly support any initiative that will cut down on the degree of expense and inconvenience that small companies must bear.

As other speakers have indicated, of course it is important that the information be made available. The Corporations and Labour Unions Returns Act provides information in respect of ownership and international relationships among companies and unions in Canada. I was interested, I would have to note in passing, that according to the information being used by politicians or the peoples' representatives, the press, academics, and so on in respect of establishing the extent of foreign ownership of Canadian corporations, the Parliamentary Secretary indicated that some 500 major corporations in Canada are approximately 50 per cent owned by concerns in the United States. I should like to note in passing that these 500 companies are the only ones which will be substantially excluded from the new investment rules which will come into force as a result of the trade agreement with the United States. We are faced with a situation at the very outset in which half of the 500 corporations which will be excluded from the new rules are already owned by external interests. Of course, this is of great interest to us in terms of recording and being able to identify the extent of the ownership of Canadian industry.

CALURA will be of a great deal of significance a future time when it might be anticipated that there will be broader and greater ownership of Canadian industry and services as a result of the free trade agreement.

That being said, the legislation before us is relatively simple in that it proposes to amend two aspects of the Corporations and Labour Unions Returns Act. As matters now stand, the reporting period is roughly the calendar year. In fact, what it says is that reporting will be done between October 30 and January 31, and that that period of time should be a time during which the reporting period reported upon will be no less than 12 months and no more than 53 weeks.

As matters presently stand, larger corporations can submit the information provided in the income tax and Statistics Canada quarterly reports. The changes which are being introduced here establish that the reporting period will be the fiscal year. There will be provided 90 days subsequent to a fiscal year during which the reporting is to be completed.

Of course this means that there will be no necessity for duplication of income tax returns, as an example, with CALURA reports. Inevitably that will mean considerable savings and simplification for the smaller companies which I cited at the outset. This seems rational.

There may be those people who may wonder whether this might somehow disturb the correspondence of information among various reporters in respect of the gathering of good and useful statistics, as my colleague in the Official Opposition indicated. However, it has already been found that the October to January period has not been very helpful in providing specific comparative analyses of performance. That objection need not be examined as having a very severe effect on the adequacy of Statistics Canada information.

The second amendment involves the removal of the rights of policy developers in the federal Government to access privileged information submitted by corporations in respect of balance sheets, statements of assets and liabilities, investments, retained earnings, and so on, and in respect of transactions involving the movement of technology from persons not resident in Canada.

It has been argued that this is not a power which has been used with great frequency and that, as it is of considerable concern to corporations that certain kinds of information be kept confidential. It is preferable from their point of view to make these changes. However, it occurs to me that some caution might be exercised in respect of this amendment.

Of course I think of what is happening with profits earned by foreign companies operating in Canada, what kinds of investments are being made, where those investments are being made, and where and by whom earnings are being retained. It is of some considerable significance to Canadians whether profits earned in Canada will be reinvested in Canada. In respect of what we think is an appropriate exercise of authority by Investment Canada, it would seem to us that that kind of information should be available to us.

In respect of technology, an area of some considerable importance, one must wonder whether or not we are putting ourselves in a position where we will not be able to evaluate the extent to which technology is gained by Canada through a specific corporation and to what extent technology is shipped out of the country, as it was by Bata Limited in an incident that I quoted not very long ago, in which technology developed in Canada was shipped outside Canada. If that is supposed to be beneficial to Canadians in a net way, surely it must be predicated upon the extent to which reciprocal transfer of technology into Canada has benefited us.

This is an area which I think requires more thorough examination, just as in general I think it is important to take note of the tendency on the part of the Government to attempt to know less and less, and therefore for Canadians to know less

and less, about what is going on in the corporate world in respect of investment, ownership, how in fact Canadians benefit from such foreign owned companies, and where, having been provided that information, there needs to be some regulatory imposition on such companies to ensure that their operations here are to the benefit of Canada and Canadians.

However, we certainly support the simplification of the reporting regime which, as I indicated at the outset, will help small business more than any other group. We think small business has too much of a burden already and, to the extent that that can be lessened, we certainly support this legislation. I presume those other matters which I have raised will be considered in committee.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

• (1550)

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-54, an Act to amend the Criminal Code and other Acts in consequence thereof, be read the second time and referred to a legislative committee; and the amendment of Mr. Robinson (p. 11291).

The Acting Speaker (Mrs. Champagne): When debate was interrupted at one o'clock p.m, the Hon. Member for Yukon (Ms. McLaughlin) had completed her speech. As the Hon. Member is not in the House, the period for questions and comments cannot take place. The Chair is now prepared to recognize Hon. Members for debate. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I welcome the opportunity to speak on Bill C-54 and on the whole question of pornography, which is not an easy topic for any Member of this House to address. I think, however, it is very important for us to try to deal with it, but I do not believe that Bill C-54 is necessarily the best or the most appropriate way to address the question of pornography. I have received many letters from constituents both pro and con. To a lesser extent people are against this Bill, but I have received a considerable amount of correspondence from people who are in favour of it.

Bill C-54 would amend the Criminal Code by deleting the present sections dealing with obscenity and adding new laws relating to the production, distribution, sale and possession of material which the Bill defines as either erotica or pornography, namely, visual or other material relating to various forms of sexual activity.

The concepts of erotica and pornography are fairly recent ones. The Oxford English dictionary indicates that the word "pornographer" was first used in 1850 about someone who wrote about prostitutes. The word "pornography" was first used in a medical dictionary in 1857 and defined as a description of prostitutes or of prostitution as a matter of public hygiene. The word "pornographic" was first used in 1880 in *The Guardian* which said:

> The excess of the French press designated as "pornographic" have become such as to compel the authorities to adopt strong measures against them.

While the use of the word "erotic" goes back to the 1650s, the specific use of the word "erotica" dates from the 1850s. These, therefore, are comparatively recent concepts but, of course, attempts to use law to control material about sexual activity go back much further.

I want to suggest to the House that erotica and pornography present problems to our society and in our society because sex itself is problematic in our particular society. We have a whole constellation of meanings and attitudes which cluster around accepted sex. On the one hand, physical pleasure, procreation, love, communication and sharing. On the other hand, there is a great deal of attitude surrounding sex dealing with power, dominance, frustration, impurities, sin and disease. So we have some very confusing attitudes and emotions when we start talking about sex.

D. H. Lawrence, who was falsely accused of writing pornography and suffered from censorship, wrote in one of his poems:

> Why were we crucified into sex? Why were we not left rounded off and finished in ourselves?

As a society, we are not very successful in dealing with sex. Probably we are more successful in dealing with it in the 1980s than we were in the 1940s and 1950s when I was growing up. Certainly we are more successful in dealing with it now than we were in the Victorian or puritan ages which were very repressive on an official basis but where the double standard reigned supreme.

The sexual revolution of the 1960s and 1970s had some very positive values that I think we need to recognize as a society. At the same time, in some other ways,—and feminists have pointed this out, which I think is very important—the sexual revolution of the 1960s and 1970s reinforced sexism, and the proliferation of both soft-core and hard-core pornography is a symptom of that reinforced sexism. In turn, as a symptom, in a kind of cyclical concept it becomes a cause of further sexism.

The Fraser Commission on prostitution and pornography points out that the per capita circulation in Canada of 17 different magazines that dealt with so-called adult material between 1965 and 1981 increased 3.5 times. However, as the Fraser Commission pointed out later on, we still do not have much information about the actual patterns of the use of this kind of pornographic material.

It is important that we look at what some of the people told the Fraser Commission about the impact of pornography. I would like to read first from the brief of the Manitoba Advisory Council on the Status of Women in Winnipeg which said:

> All pornography degrades women. The spectrum of soft to hard core is often alluded to, with the implicit or explicit connection that hard core pornography is dangerous, while soft core pornography is not, or at least, not so dangerous. We dispute this. All pornography is dangerous to women, because it robs us of our dignity, the right to be treated with respect as complete beings, and it squanders our needs as men and women to engage with others as equals.

The Ontario Advisory Council on the Status of Women in Toronto told the committee:

> Pornography is unacceptable not because it portrays explicit sex but because it promotes hatred, violence, degradation and dehumanization. Pornography is sexist material that portrays women as a distinct sub-human species that does not feel pain or humiliation in the same way as men, and which desire violence and degradation for sexual pleasure. Pornography advocates, encourages and condones coercion, sexual violence and battering and portrays these activities as normal behaviour. As an expression of sexist ideology, pornography promotes a climate in which acts of sexual hostility directed against women are not only tolerated but ideologically encouraged.
>
> Women are—terrorized by the message that male violence and power is so prevalent and menacing. Pornography alienates women and men. In no way does it foster healthy sexual or human relations any more than other forms of hate literature would foster healthy relations between races or religions.

The provincial Advisory Council on the Status of Women from St. John's, Newfoundland said:

> —exposure to pornography leads to an increase in violent sexual crimes and aggressive anti-social behaviour. The person exposed to pornography is being conditioned to think that not only is violence socially acceptable but that it is sexually stimulating and that the person who is unwilling to be the recipient of the violent act will enjoy if forced to submit—
>
> Pornography suggests that a woman's value lies in her physical appearance and her ability to sexually satisfy a man. All other capabilities are trivialized . . . Pornography undermines values that are important to our society because it dehumanizes the participants, desensitizes the viewers to the sufferings of others, and distorts mutual, caring expression into a base act committed by a powerful figure upon a powerless object.

It is important that we recognize the impact of pornography upon the economic status of women. The economist Carl Beigie told the committee:

● (1600)

> —it is pornography, the most visible and virulent symptom/ form of sexism that may continue to segregate women's abilities from the economic mainstream long after legislation protecting equal pay for work of equal value, or prohibiting sexual harassment, or even encouraging affirmative action is in place and is being practised . . . (Pornography is) as much to blame for the slow integration of women into our economic framework as any other manifestation of sexist attitudes.

I believe that is an extremely important statement for this House to consider. By taking a generally derogatory approach to women, pornography makes it easier for our society to relegate women to a lower economic status than would otherwise be the case.

Of course, child pornography is a blatant exploitation of children that is absolutely, completely unacceptable in our society. I would like to refer to some of the things the Badgley Commission on sexual offences against children said in its report. It said:

> Child pornography is a direct and palpable product of child sexual abuse. It comes into existence, and can only come into existence, through the base and coldly premeditated exploitation of a young person's sexual vulnerability . . .
>
> First, child pornography is produced directly through the sexual abuse of young persons.
>
> It is a manifestation of that abuse which is sufficiently distinct and unacceptable to warrant separate treatment by the criminal law.
>
> Second, child pornography constitutes a permanent record of a child's sexual exploitation and the harm and humiliation to the child are exacerbated by the circulation, distribution or sale of such materials.
>
> Third, materials which depict children engaged in sexual conduct are often solicited by adults who use the material to persuade other children to engage in similar conduct or who are themselves child molesters. The Committee's findings in this regard bear out this fact.

The commission went on to say:

> The availability of child pornography also constitutes a message to the consumers of this matter that children are available for these purposes. Where a young person has been used in the making of pornographic visual material, it is of course irrelevant whether some view the material as having literary, artistic or aesthetic value. Plainly, the offences relating to obscene publications are based on different policy considerations than those which operate in the context of child pornography.

It is important for us to recognize that, quite apart from any artistic merit that anyone might want to recognize in child pornography, the pornography itself, the creation of visual child pornography, involves the exploitation of children and therefore cannot be condoned.

The committee went on:

> The Committee's recommendations concerning child pornography are restricted to *visual* pornographic depictions of persons under the age of 18. Paedophilic literature and visual pornographic depictions involving persons 18 or older would be subject to the general obscenity provisions in . . . the *Criminal Code*. In the Committee's judgment, a special child pornography prohibition attacks, not the legitimate expression of ideas, but rather a form of criminal conduct that is clearly inimical to the well-being of young children and youths.

Unfortunately, Bill C-54 does not focus on this kind of specific child pornography. Instead, it paints with a very broad brush. It ignores the recommendation made by the Badgley Commission that child pornography is deserving of and requires something specifically addressed to it.

The Fraser Commission, time and again, pointed to the lack of adequate research on the whole question of pornography, including research into the extent of its use in Canada and the extent to which its use affects individual and societal behaviour. However, I think the burden of proof is on the people who are using and producing it at this time. We are talking about

an apparent connection between the use of pornography and the growing violence against women and children. There is a great deal of concern in society about this link, even though it cannot be statistically established.

The question we need to ask in this House is how effective the law can be in dealing with the problems posed to society by pornography. As I said, the issue of child pornography as outlined by the Badgley Commission is different. The value of law in dealing with a question such as pornography is limited at best. Any legislation must walk a very narrow line, perhaps a non-existent line, between a law that will not destroy the freedom of speech and the freedom of artistic expression, which is so important to society, on the one hand, and a law that will be effective in controlling the most objectionable aspects of pornography on the other. The more effective the law is in dealing with the question of objectionable pornography, the more violence it does to civil liberties.

As we all know, the present obscenity laws are largely ineffective and almost somewhat of a joke. I recall that about 30 years ago, some of my friends and I had the equivalent of a theological wild weekend in Seattle. We decided we would buy some books in Seattle and bring them back across the border, declaring them to be religious, because religious books could be brought into Canada at that time without paying any duty.

We bought four books. I forget what the fourth book was, but the first one was St. Augustine's *The City of God*, and it was to carry the freight for the other books because it was very obviously religious. No one could dispute that. The second was a collection of the writings of Sigmund Freud, and we were able to explain to the customs official that Sigmund Freud was very important in the modern theological world, which of course he is, and that therefore this should be categorized as religious.

Where we got into difficulty was with a collection of stories by Dostoyevsky. These stories were told by a group of travellers on different nights. Unfortunately for us, the chapter headings of these stories were: "The First Night, The Second Night, The Third Night" and so on. When the customs official saw this, he became very upset and agitated. He swore a mild oath and said he could not decide if this book was religious and should be let in duty-free or if it was pornographic and should be banned.

Mr. Bumble in Dickens' *Oliver Twist* said: "the law is a ass". Never more is the law an ass than when it is trying to deal with questions of pornography.

Mr. Keeper: If it's naked, its pornographic.

Mr. Manly: Right.

Anne Cameron is a well-known writer from British Columbia. Her most recent book is called the *Dzelarhons*, and it is a collection of Indian legends from the northwest coast of British Columbia. One of these stories concerns a woman who mated with a bear.

Last summer, a Vancouver bookstore called Little Sisters ordered this book from its U.S. distributors instead of from the Canadian publishers, which it could have done. As the book came through Canada Customs, it was held up at the border because this story of the woman mating with the bear was considered to be bestiality. I would like to read the passage that was so offensive. I do not think it will offend anyone in this House. It reads:

> But then all the others went to bed and left her alone with this young bear man who was now her husband. As we all know, or if we do not know we can certainly imagine, animals are not built the same way as people and it was never intended by creation that they mate together. The bear sat with his legs apart, and he grabbed the young woman, and he sat her down, almost, but not quite, on his lap. She wept, again, and she did not like the smell of him, nor the feel of his hairy body, and she certainly did not like the way he handled her. And when the bear finally lay down and went to sleep, the Muddlehead was exhausted and aching from his rough embraces.

That is hardly the sort of material that we need a law to prohibit from coming into Canada. The bookstore that was attempting to import this is called Little Sisters. Perhaps the fact that the bookstore attempting to import this specializes in gay literature and has been a constant target of harassment by customs officials explains the reason for holding up this material. Gay literature is often made a target for censorship.

• (1610)

In conclusion, is Bill C-54 any different from other obscenity legislation? Unfortunately, the definition of pornography is too broad. It says:

> "pornography" means
>
> (a) any visual matter that shows
>
> (iv) a degrading act in a sexual context, including an act by which one person treats that person or any other person as an animal or object,—

We can all agree that it is not desirable to treat another person as an animal or object, but how can we define material like that? The definition talks about bestiality. Leda and the Swan is one of the founding myths of western society. The definition talks about incest. We have the biblical story of Lot sleeping with his two daughters to ensure survival of the race. We have the biblical story of the rape of Tamar.

I would give this Bill my reluctant support if the definition of pornography could be cleaned up and there could be some assurance of continued freedom of expression. Unfortunately, in its present form, I cannot support it.

Mr. Keeper: Madam Speaker, I noted on page six, Clause 159.6(a), the defence that:

> (a) the accused took all reasonable steps to ensure that there was no erotica in the thing sold, rented, offered for sale or rental,—

What the legislation is saying is that someone accused of engaging in pornographic activities could use as a defence the fact that there was no erotica involved. It appears on first reading that there is no distinction made between erotica and pornography. Can my colleague comment on the fact that everything that could be described as erotica seems to fall

within the purview of this legislation? Should there not be some distinction between erotica and pornography here?

Mr. Manly: Madam Speaker, the Bill does draw some distinction between erotica and pornography, but it is not clear enough. Some material which I think most Canadians would define as erotica is defined in this legislation as pornographic.

What we need to recognize when we are dealing with this question is that while erotica is something many Canadians, perhaps a majority, would see as being a desirable element of our society in culture, pornography is not. Yet by attempting to clamp down on pornography with this kind of legislation, which uses such a broad brush, we are confusing the line between the two. We are going to open the door to court challenges. I am sure all kinds of artists who will want to challenge this will be presenting material. Some of it will be very mediocre, but because it is artistic, it will require that the rest of the arts community defend it. We are setting ourselves up for a challenge in ways that this legislation will not be able to stand up to. Therefore, it will not do what it is intended to do and deal with the underlying questions of pornography, violence against women, and the sexism which continues to prevail in our society. We need a different approach.

If we can have a better and tighter definition of pornography, if we can have the kind of protection of freedom of expression and freedom of speech which our society wants, then I am prepared to give my reluctant consent to this. I say "reluctant" because I think any kind of legislation restricting human expression is a confession of failure. This legislation is a confession of the failure of our society to deal adequately with the question of sexuality. It is a reflection of our failure to deal with the question of violence.

Mr. Hawkes: Madam Speaker, I just want to be clear. I think what I heard the Hon. Member saying is that he prefers the present situation, which provides little if any protection to women and children from the kinds of things we are all concerned about, to the alternative of moving this Bill to committee, holding public hearings, considering amendments, and changing things to create the kind of world he talks about. He prefers a process which will stop us dead in our tracks. That means he prefers the present situation which provides little if any protection to women and children. Is that what I am hearing clearly from the Hon. Member? Is he saying, let us stay where we are instead of moving to a parliamentary committee to hear witnesses and have the chance to amend the Bill?

Mr. Manly: Madam Speaker, absolutely not. The Hon. Member is completely distorting my position. The Badgley Commission suggested that there be separate and distinct legislation, for example, dealing with child pornography. I endorse that stand and I would like to see the House move on that. It could move very quickly if legislation were brought in.

With regard to the broader question of pornography, I believe that in the present situation it is necessary to have some restrictions. I feel that very reluctantly but I believe it is necessary. Yet this present legislation is too sweeping. It goes too far. I prefer that the Government take this Bill back, sit down and consult with the arts community and the people who are concerned about pornography, reread the Fraser Commission report and the Badgley Commission report, and bring in legislation acceptable to Canadians. Let it bring in legislation that would deal with this situation, rather than something that is unacceptable and will probably not stand up in court. It will just make a farce of the whole procedure.

Mr. Hawkes: Madam Speaker, we are debating an amendment which would stop this legislation dead and continue the current situation. I thought I heard a speech in support of the amendment. Does he intend to vote for the amendment or against it? If he votes for it and it succeeds, it stops the legislation dead and the present situation continues. Which is it?

Mr. Manly: I have been very clear. Certainly I will be voting for the amendment. We say this Bill is unacceptable. We would like the Government to bring in the kind of legislation I just referred to. First, it should deal specifically with the question of child pornography. That will get very quick and favourable treatment if it follows the recommendations of the Badgley Commission.

Second, we want legislation which will deal with the question of pornography and violence but not that which will confuse the boundary line between erotica and pornography. We do not want legislation that will not stand up to the scrutiny of the Canadian people. This legislation will not work. We are simply doing our duty by saying that it is not acceptable and that the Government should take it back to the drawing board.

• (1620)

We are not rejecting an attempt to deal with a very serious situation in society. I have outlined my position on that very clearly. We want the Government to deal with this situation in a way which will not trample on the rights of Canadians of free speech and artistic expression, in a way which will not create a law which will give added weight to the old saying of Mr. Bumble that "the law is a ass".

Mr. Keeper: Madam Speaker, I have a further question for my hon. colleague. A good part of his speech dealt with the shortcomings of this legislation, which is quite legitimate. I recognize that my colleague is saying that there is need for action in the area of pornography. I am convinced of that argument, particularly given the greater distribution of violent pornography as it affects women.

Would my colleague be prepared to elaborate on the impact of pornography, particularly the portrayal of violent sexual activity as it affects women? Would he elaborate on why there is a need now for effective legislation in this area?

Mr. Manly: Madam Speaker, as I mentioned earlier, the Fraser Commission pointed out that it is difficult to draw direct connecting links because a lot of the base research has not been done. However, there is a great deal of circumstantial evidence that violence toward women is promoted and encouraged by this kind of pornography.

Material which shows violence against women desensitizes people until they think that this kind of conduct is acceptable. It sets up a model of an acceptable way in which men will treat women. Even the so-called soft-core pornography portrays women as being "bimbos", to use the word of Jessica, as less than fully human. That in turn encourages some men to treat them as being less than human.

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, I appreciate the opportunity to enter into debate on this legislation. I think we are at an historic turning point in the public debate on pornography. There is a reshaping of the debate on pornography to deal with the emergence of equality between the sexes, with the new demand that women be treated on an equal footing with men rather than as objects, the victims of society, and second-class citizens. The whole debate on pornography is rightly being reframed in order to achieve equality between the sexes.

I want to make it clear that I believe there is some need for legislation with regard to pornography. However, I believe there are a couple of extreme points of view on pornography which have entered this debate. There are two opposite points of view on how we should deal with the matter. The first point of view may be called an extreme civil libertarian point of view. It is that there should be no censorship whatsoever of any adult material including violent pornography. This position is taken by the Civil Liberties Association, a respectable organization, and by some feminists including June Callwood and Varda Burstyn.

On the other hand, there are those people who say that there should be censorship of all sexual material. The position that all material including sexual acts should be censored is taken by fundamentalist religious groups such as the Inter-Church Committee on Pornography, Canadians for Decency, the Canadian Coalition for Family Values, REAL Women, and right-wing members of the Conservative caucus. Those are the two opposite points of view with regard to pornography which, of course, cannot both be sustained. One must prevail over the other.

I do not share the point of view that all sexual material should be censored. I believe that there is a need for balance in our approach on pornography as well as a need for a modern perspective. I, my Party, and, I believe, the majority of Canadians, take the position that there is a need for censorship of violent or degrading sexual material, but not of erotica. There is a need for a distinction to be made between violent and degrading sexual material on the one hand and erotica on the other. Violent and degrading material should be censored.

This position is shared by the National Action Committee on the Status of Women, many women's groups across the country, and large numbers of the public. It is also the position of the federal New Democratic Party.

We need a balanced and modern perspective on pornography. The debate is no longer limited to freedom of expression on the one hand and the banning of all materials describing sexual activity on the other. The original debate on pornography was framed in that way, and those with the point of view of freedom of expression won the day.

Society has changed since then. Women have become equal partners in society. They are equal partners in the decision-making process of society and have raised their voices to indicate that they are not prepared to tolerate the violent and degrading depiction of sexual activities, which has become an $8 billion industry on this continent that sells violent activity under the label of sexual material. In fact, the essence of it is violent activities with a sexual aspect only as a backdrop to what is taking place.

• (1630)

This enormous industry lives off the profits from selling violent and degrading depictions of women in sexual activity. While this industry flourishes and defends itself under the rubric of freedom of speech and expression, it is being challenged by women who are demanding to be treated as equal members of society. These women are also challenging legislators and citizens to redefine the debate on the whole question of pornography. We must recognize that the depiction of sexual activity in a violent manner and the depiction of women as the willing victims of violence is unacceptable in our country.

As my colleague said, it may be too early to conclude whether these depictions of violent pornography have an impact on human behaviour and encourage men to engage in rape or other violent activity toward women. Obviously, there are studies that indicate that these images have such an impact, but there are other authorities who claim that these images do not have such an impact.

Personally, I want to see more evidence before I am persuaded that images of violent sexual activity do not have an impact on human behaviour. I have three children aged 10, 8 and 6. I have observed them as they watched violent images on television during a Saturday morning program of cartoons. In spite of my best parenting efforts, they of course act out those images in the stories they see on television. As a layman, I think that is *prima facie* evidence that theatrical or video portrayals have an effect on human behaviour. Unless there is some sound scientific studies that overwhelmingly lead to the conclusion that people can watch such images without having any impact on their behaviour, I have serious concerns about an $8 billion industry which continues to show violent sexual activity with women and portray women as victims.

I am prepared to take a new, balanced approach toward the question of censorship of pornography from a perspective which recognizes the freedom of expression on the one hand and the desire to eliminate the negative impact that results from the degrading and violent portrayal of women in sexual activity on the other. It is no longer acceptable to permit anything for the sake of freedom of expression. I believe that the majority of Canadians want to reconsider such a philosophy and take a balanced approach in which we preserve freedom of expression on the one hand while attempting to reduce and, hopefully, eliminate the violent and degrading portrayal of women in a sexual context.

We need legislation that will curtail the pornographic industry while preserving freedom of expression. It is not enough simply to take the approach of ridding the pornographic industry and its products regardless of freedom of expression. I do not believe that reflects the value of ordinary Canadians, and such an approach will simply result in the legislation being challenged in the courts and rendered ineffective. The disturbing aspect of the Government's legislation is that its definition of pornography is so sweeping that it invites a challenge in the courts under the Charter of Rights and Freedoms.

The Government may want to appear that it is taking decisive action on pornography, but unless such action is effective it will be a waste of time. Not only is this legislation a facade with regard to pornography, it is also dangerous with regard to freedom of expression. The lack of definition of pornography leaves such sweeping powers in the hands of the police and courts that much of the literature we want to continue to be available will be threatened. This legislation makes it entirely possible that classic literature and even sacred Scriptures could be threatened. Even the Bible could be brought into court according to this legislation. It is obvious that it does not contain a precise definition of pornography. It does not make a distinction between pornography and erotica.

If the Government is serious about dealing with the problem of pornography, it must begin by making some distinction that will allow for freedom of expression and effective action against pornography in this country.

• (1640)

I wish to point out some specific critiques of the legislation. I wish to make it quite clear that while I feel there is a need for effective legislation regarding pornography in this country, this legislation is not it. This legislation before us falls short and is too broad in its impact.

For example, this legislation places the onus for proving material is not pornographic on the back of the artist. We all know that, from a financial point of view, artists are struggling members of our community. An artist is lucky to make a few dollars and very fortunate to make a living in this country. If thrown on top of the necessity of producing art is not only the making of a living but also the financial burden of taking on court challenges with regard to the artistic material, then this is an unfair burden to place on the back of our artists. We all know how expensive a day in court can be, certainly a day in Supreme Court can be very expensive. Artists are struggling to survive and to be active members of our community. That is one of the negative aspects of this legislation that I wish to mention.

Another aspect is that the defence of artistic merit for educational, scientific, and medical purposes, does not apply to any depictions of sexual activity in the presence of or involving persons who appear to be under the age of 18 years. That means that fundamental aspects of teaching of human sexuality to young people in books such as *Show Me*, which has a graphic depiction of matters related to sexuality, could be outlawed under this legislation; or the police could step in and the courts could indicate that this type of material, such as that contained in the book *Show Me*, which is intended to educate children in the area of sexuality, would no longer be permissible. Obviously we want our children to receive good education with regard to sexuality. We want them to receive the facts and solid information. We do not want them to be learning about sexuality on the streets. We want them to learn at home and to be able to have solid information.

There are serious problems with this legislation. The fundamental and key problem with this legislation is its lack of a definition of pornography. The impact of this legislation is far too sweeping. It takes into its swath too much, and it will not only hit pornography but educational materials, scientific materials, and artistic materials.

We do need action in the area of pornography. We do need to be able to balance the concern about freedom of expression with the concern about taking effective action against the violent and degrading portrayal of sexual activities and of women, but this legislation is not it. It is far too sweeping in its lack of definition of pornography. It fails to make a distinction between pornography and erotica. We cannot support this legislation. That is why my colleague moved the amendment that:

> this House declines to give second reading to Bill C-54 because it fails to clearly define pornography as material that condones violence, coercion, abuse and degradation in its depiction of human beings or portrays or promotes the sexual exploitation of children; and also, because it does not distinguish pornography from material of an artistic, literary, educational or scientific nature in a fashion acceptable to the Canadian public, including artists.

We call for effective legislation that will attack the pornographic industry, and will allow for freedom of expression. This legislation simply does not fill the Bill.

Mr. Cassidy: Madam Speaker, I wish to ask a question of my colleague, the Hon. Member for Winnipeg North Centre (Mr. Keeper), who is, among other things, the Post Office critic for the New Democratic Party. I wish to ask him specifically what types of risks I or any other Canadian might be facing because of material which is perhaps passing through the post, or material which I may have in my home, as a consequence of the very broad definitions that are in Bill C-54.

As I suggested the other day, as I understand it, for example, a copy of the *Arabian Nights*, which I have had in my book shelves for many years without apparent ill effect, would in fact be illegal to be possessed by me and in my house because of the fact that certain of the pictures might be deemed to be erotic pictures and involving persons apparently under the age of 18, and as a consequence no defence on the basis of artistic merit would be admissible.

In fact, the thought police from the Conservative Party could come into my study in my home and start picking through the books which I happen to have in my library, and in their view decide which books were pornographic. They could then take me into court and deny me any defence, simply because I bought a book 25 years ago. Having that book could render me liable to being put in jail, or to some other type of conviction.

If I were to be sent material in the post, or received material in the post, or ordered a book from a legitimate American or British bookseller in New York City or London without knowing exactly what was in the book, but ordered it because it was of interest to me, and the book was a work by a famous novelist and it was found addressed to me and having been chosen by me to come to me in the post, there again I could be jailed for having that material.

For example, if I happened to communicate with a bookseller of used books and asked for a copy of Vladimir Nabokov's novel *Lolita*, which, among other things, is a profound criticism of the nature of American life and society as it developed in the 1950s and 1960s, I believe that I am correct in stating that the possession of that book would be an offence for which I would be liable to penalties which are not much different from those meted out to someone who burgles, breaks into a shop, or in some other way commits a violent act such as an assault.

I wish to know from the Hon. Member if that is the case, and if he considers it is reasonable to put people in such jeopardy? Should we allow conservative thought police or people who are prurient in their interests and their views to the point of being ridiculous to be able to go into every public library across the country and to leaf through every book until they find the so-called "dirty" bits, and then, having found those, to salivate at the look of them, and then to rush off to the local police station in order to have the police come in to have book burnings, and those types of things because, in their view, those books happen not to fall within this permissible expression under Bill C-54? Are these the types of nightmares into which this country is liable to fall? Is almost any form of written expression liable to be put under those types of restrictions?

Are we going to see the situation where Canada will be the laughing stock of the western world in terms of what is permitted? Are we going to get into a situation, where under *glasnost* in the Soviet Union, books permitted in the Soviet Union will be banned in Canada because of the conservative thought police? Is this what we are getting into?

Mr. Keeper: Madam Speaker, I want to refer my colleague to the legislation, which is Bill C-54, and thank him for raising the alarm, because I think that people should be concerned about this legislation.

• (1650)

Let me point out that Bill C-54 is an amendment to the Criminal Code so that anyone who contravenes the legislation will be subject to a criminal sanction. It is not civil legislation. It is not a slap on the wrist. It will be a criminal sanction. The broad sweep of the legislation has real implications for people, not only in terms of what is in their libraries, but also what is in their homes, as my hon. colleague pointed out. The legislation makes no distinction and fails to recognize the British notion of a man's home being his castle. However, I would like to refer to Clause 159.6 on page 6 of the Bill which deals with defences. For example, if someone goes into a person's home, finds the Bible and does not like the rape scenes in it, and therefore confiscates the book and charges the person with possession of pornographic material, the person will have to get a lawyer and seek to defend himself. One permissible defence is listed under subclause 159.6(a), which reads:

> —the accused took all reasonable steps to ensure that there was no erotica in the thing sold,—

It goes on and on. The person must be able to prove that there was nothing erotic in anything he possessed in his home.

The Bill does not adequately define what erotica means, but the caution I have heard is that we must make a distinction between what is pornographic, what is dirty and degrading, and what is a healthy portrayal of human sexuality, which would therefore fall under what I would consider to be erotica.

Under this piece of legislation, I say to my colleague, he would have to demonstrate to the police, sent to his home under authority given to them by a massive Conservative majority, that there was no erotica in whatever literature he had in his home, including the Holy Scripture.

Mr. Hawkes: Madam Speaker, I should like to make a short comment. We have now listened to close to eight hours of debate on this amendment, and I believe there has been an attempt to deceive Canadians about the import of voting for the amendment. It must be crystal clear to every Member of the Chamber that support for the amendment would kill this legislation for the term of this Parliament. It would create a situation where it would very easily take us into the 1990s before we could bring forward a piece of legislation to deal with what Hon. Members keep saying they want to deal with.

They keep trying to stand on two sides of a picket fence, and the lower they sink, the more uncomfortable it gets. They talk about book burning. They talk about Conservative "thought police".

Since 1984 the Government has brought parliamentary reform and freedom of speech to the Chamber and has put decision-making in the hands of parliamentarians in a way totally unlike that which occurred in my first five years in this place.

The House is being asked to complete second reading debate and to move a piece of legislation, designed to stop the exploitation and abuse of children and the exploitation and abuse of women, to committee where the most expert people in the land can be called as witnesses to the fine print.

Perhaps Hon. Members opposite have a point; perhaps they do not. Maybe the words are correct; maybe they are not. However, they try to stand with one foot on the side of democracy and the usefulness of people in making legislation, and with the other foot on the side of voting for an amendment which kills the legislation and makes it impossible to bring back the subject matter until we have had an election, the opportunity for a different government and all processes which go through Cabinet. Rather than light and truth, which can come through committee examination and the democratic process, the Opposition wants to kill the Bill and continue the situation where we would have an absolute minimum of three more years of exploitation of women and children.

The Government and Hon. Members on this side of the House say that it is time to take what has already been a long process to committee for examination, possible amendment, and report stage back in the House. Time after time they stand, but they do not deal with the reality of their amendment which would kill not only the legislation but at least three years. It is totally unacceptable. Does the Hon. Member admit that his Party is in favour of a continuation of the *status quo* for at least three more years, and that is why his critic brought forward the amendment?

The Acting Speaker (Mrs. Champagne): A short, final comment from the Hon. Member.

Mr. Keeper: Thank you, Madam Speaker, for the opportunity to respond to that accusation. Clearly that kind of accusation cannot be left without a response.

I point out to the Hon. Member that the legislation came before the House previously under a different number. There was public outcry at that point, alerting the Government to the necessity to make a distinction between erotica and pornography and asking the Government to bring in a balanced piece of legislation. The Government retreated at that point and brought forward the legislation before us today without any substantial change in it.

How can he expect us to have any confidence that, when the legislation goes to committee, they will be open to substantive and real amendments to bring about the kind of legislation that is needed?

The Acting Speaker (Mrs. Champagne): The time for questions and comments has now expired.

According to the rules, at this point the length of speeches will be 10 minutes.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, the Government has suggested on many occasions that we let Bill C-54 go to committee and that it can be fixed up there. That sounds like a fair and reasonable suggestion, but we have a considerable amount of experience with the Government and the way it keeps its promises. I could give a very reasoned example back in June when the Government tabled an immigration Bill which resulted in a considerable amount of reaction from the people. It promised that it would withdraw the Bill and come back with a better one. In August we were presented with the same Bill, or practically the same Bill, with no major changes. It was still as unacceptable as it had been in June.

We have had experience with the Government, therefore we are suggesting in the particular amendment before us that the Government should take a look at the Badgley report and at the Fraser report and bring in legislation that will deal with degrading pornography and violence. We would allow it to pass through the House very quickly, but we do not think the Government is ready to do it. Therefore, we are suggesting that it go back to the table, divide the Bill, if necessary, and bring in a Bill which takes cognizance of degrading pornography, child pornography, and violence, which I suppose are part of our civilization.

The Acting Speaker (Mrs. Champagne): It is with regret that I must interrupt the Hon. Member.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

ORGANIZED CRIME

ESTABLISHMENT OF ROYAL COMMISSION

The House resumed from Friday, October 23, consideration of the motion of Miss Nicholson:

That, in the opinion of this House, the government should consider the advisability of appointing a Royal Commission to investigate organized crime in Canada and to include in its report observations and recommendations on:

1. the extent to which organized crime is present and active in Canada, particularly in such activities as drug trafficking and loan-sharking;

2. the extent to which organized crime is connected to the institutions of Canadian society;

3. action taken by the governments of other countries to investigate and curtail organized crime activity;

4. legislation to enable the government to identify and appropriate the proceeds of organized crime;

5. effective and appropriate punishment in instances of organized crime murder conspiracy; and

6. possible guidelines for enforcement agencies in dealing with witnesses against organized crime.

And the amendment of Mr. Kaplan:

That the motion be amended by adding at the end thereof the following:

"and that the Royal Commission report within six months of its appointment".

The Acting Speaker (Mrs. Champagne): When the motion was last before the House, the Hon. Member for Huron—Bruce (Mr. Cardiff) had been given the floor. I will recognize other Members. On the amendment, the Hon. Member for Trinity (Miss Nicholson).

Miss Aideen Nicholson (Trinity): Madam Speaker, I have already spoken on the main motion on March 12 when I introduced the motion. Today I would like to speak on the amendment of my colleague, the Hon. Member for York Centre (Mr. Kaplan). In the four days this motion was debated, March 12, May 14, August 13 and October 23, there have been some very thoughtful speeches from all sides of the House. There have also been some speeches read by government supporters, which presumably represent the government's position. Summarized this would be: One, there is no need for a royal commission because the law officers of the Crown and the police are already doing everything that needs to be done. Two, a royal commission would take too long to report. Three, a royal commission would be expensive.

On the question of a royal commission taking too long to report, my colleague from York Centre moved his very helpful amendment which would require the commission to report within six months of having been appointed. That would certainly shorten the period to the minimum and that would keep the costs down. The royal commission, which has just reported under Mr. Justice Parker, I believe cost $3 million, if we exclude the payment of legal fees for the person mainly involved, which added almost another million dollars. That ran for perhaps 18 months.

The third question, on the issue of a police investigation being adequate and that everything possible is being done, misses the point of Item No. 2 in my motion which reads:

That, in the opinion of this House, the Government should consider the advisability of appointing a Royal Commission to investigate organized crime in Canada and to include in its report observations and recommendations on:

2. The extent to which organized crime is connected to the institutions of Canadian society.

That, Madam Speaker, is not part of the mandate of our normal policing. I would like to read into the record an extract from James Dubro's *Mob Rule* in which he makes the most persuasive case for the establishment of a royal commission direct with a mandate to examine the extent to which organized crime is connected to the institutions of our society. I quote:

—a federal royal commission into organized crime would be one of the best ways to expose and effectively get at the business, the official and the political connections of organized crime across the country, for all the nation to see and evaluate. Corruption of public officials and businessmen is one of the most pernicious areas of organized-crime activity, and the most difficult to uncover. Without corruption, organized crime could not thrive, and the efforts of the mob to corrupt police, judges, politicians, lawyers, and government officials are probably more deleterious to society than any other activity in which it engages. For the moment, the level of corruption in Canada lags some years behind that in the United States . . . , but this gap is closing. A commission could focus on this crucial area.

If our society is to effectively fight organized crime, the public must be fully informed, and the government and the police must have laws that give them the proper tools for the battle—without taking away the civil liberties of law-abiding Canadians. This can only be accomplished through a federal royal commission, which is the one thing that all major mobsters fear because of the inevitable public exposure and the concerted effort against them that would result. The time has come to put—organized crime in Canada on notice that their criminal activities are no longer to be tolerated and that they face very serious consequences if they continue, as they have for all of the twentieth century in Canada, with murder, extortion, drug trafficking, assaults, and other major organized crime activities.

The time has come to take a strong stand against the ongoing menace of organized crime. Mob rule should not be allowed to continue in Canada without a major counter-offensive.

I commend James Dubro's *Mob Rule* to all Members of the House.

In the couple of minutes I have left to me, I appeal to the Government to reconsider its decision. I know the Government has made a decision to defeat this motion. I do not know how the Government can do it on the basis of cost and on the basis of time. The cost of the human misery in our cities is incredible, and the cost to the economy is incredible. We are paying the costs. Every time organized crime becomes involved in legitimate business, costs go up. We see all kinds of competitive counter activities. Inferior products are used. The consumer is paying every step of the way. Then there are the human costs. In my own riding I have seen nice, decent family neighbourhoods where people are harassed and frightened by drug abusers and drug sellers on the streets.

Members opposite have made the point about the improvement in upcoming legislation and about how efficient our police are. This is all very true. The royal commission would not take away any resources from our police. It would, on the contrary, by shining the white light of publicity, focus on the need for more resources, and an informed citizenry would be pleased to support increasing the powers of the police to cope with this serious threat to our society without, of course, infringing upon civil rights of law-abiding citizens.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I take this opportunity to speak on the motion of the Hon. Member for Trinity (Miss Nicholson) and I congratulate her on her motion.

I have in my constituency a maximum security institution, a medium security institution and two correctional institutions for men and women. I often wonder how many of those inmates in those institutions are actually there because they have taken part in some kind of organized criminal events or action. The Right Hon. John G. Diefenbaker, my predecessor in Prince Albert, used to say that there is a larger percentage

of people of commitment in Prince Albert than in any other city in the country because we have this large preponderance of institutions which have grown up in the area.

• (1710)

Returning to the discussion on organized crime, my guess is that many of the people who are incarcerated in these institutions are there, not because of their involvement in organized crime, but because of their involvement in casual crime. However, after they have been incarcerated for a while, they are prime recruits for organized crime. Their second or third terms spent in these institutions are quite often a result of being part of the organization which has brought them into organized crime. The process of recruiting Canadians is a real concern of this motion. We need to find out more about organized crime. We need to know how it operates in Canada. We need to find out how recruitment is done and, as I have suggested, federal institutions are prime recruiting areas for organized crime. We need to know how organized crime launders its money and how many of the businesses which we support innocently are actually businesses which exist for the purposes of laundering money which had been received in the first place through crime.

Bill C-61 deals with the profits of crime, at least to some extent. However, it is like closing the barn door after the horse has been stolen. The only profits that can be easily traced by Bill C-61 are those which are the direct profits from the activities of organized crime.

The Hon. Member for Trinity has outlined some areas of concern. The members of my Party and I agree with her that there is a real need to take a good look at the basis of organized crime and how it operates and grows. We would even suggest that there is possibly a need to expand the inquiry further so that it may look at crimes which may not be so organized, like white-collar crime, corporate crime and crimes against the environment. These crimes should be part of an investigation.

We would support this motion recommending to the Government that it look into and find out a little more about organized crime. It is not as if this has not been done before and its effectiveness is not known. In the area surrounding New York, a considerable amount of time and effort has been spent over the last few years looking at organized crime in the United States. This has not had the result of wiping it out, but it has forced the people involved in organized crime to back off from certain industries which have laundered their money and from certain kinds of crime which are more easily traced.

I found very interesting an article on organized crime which appeared in *The Toronto Star*. The article provided a résumé of the kind of things organized crime has got involved in. That makes me recognize that there is much more to it than appears on the surface. Therefore, the kind of investigation suggested by the Hon. Member for Trinity is appropriate and should be allowed to go ahead and be supported by the Government.

The article suggests that tactical crimes such as assault, blackmail, bombing, bribery, coercion, extortion, monopoly, murder and weapons are common tools of the trade of organized crime. The article suggests that organized crime even operates businesses which are available to the public in general but are in themselves illegal. As an innocent from the West, I suppose I was very surprised to learn that one can find someone to burn down one's neighbour's house or one's own house, I suppose. This business exists.

I suppose the illegal business that we most often associate with organized crime is the drug trade. However, things like insurance fraud, the pornography which we have been discussing in the House, prostitution, smuggling and income tax violations are other areas in which organized crime takes an active role. These things have almost become part of the structure of our society.

The other areas in which organized crime is involved listed in this article include bankruptcy, alcohol, bookmaking, cards and dice, loan sharking and counterfeiting of bonds and jewellery. However, the most interesting third of the article deals with certain legitimate businesses which, because of their structure, provide prime methods of laundering money. We know something about this structure, but we do not know how it operates well enough to take action against it. Consequently, sectors like construction, entertainment and insurance are involved.

The insurance business seems like a very legitimate business upon which we all depend. We do not realize, however, that it is also the kind of business that allows organized crime to show profits which, if investigated thoroughly, would be shown to be laundered profits. Hotels, auto sales, video games and vending machines are all methods by which the people involved in organized crime can hide money and then have it appear as the profits of legitimate business.

I recommend that we support this motion and that the Government go ahead with the kind of investigation suggested.

Mr. Jim Hawkes (Calgary West): Madam Speaker, I would like to make a few comments because later this day we will reach a decision on this proposal.

First I would like to deal with the amendment. I have a great deal of respect for the Hon. Member for Trinity (Miss Nicholson) for bringing this motion forward and for much of the good work she does in the House. She mentioned the recently completed commission report which took 18 months to examine a limited range of the affairs of a single individual. It is not abnormal for royal commissions to have time frames of at least 18 months. The royal commission on the economy took three years and cost considerably more than $3 million.

• (1720)

First, I would urge Hon. Members to defeat the amendment which says first the commission should report in six months. We are dealing with an international phenomenon. Organized

crime transcends not just provincial boundaries but national boundaries. Much of it originates in other countries. I just do not think there would be any point in approving an amendment that would restrict the commission to reporting in six months. There may be a time frame which is too long, but six months is far too short. It just does not make sense.

The main motion puts individual Members on the horns of a dilemma. Probably no one in this Chamber would fail to agree that we want to do something about organized crime, its reduction and elimination. If we have a common goal, then we have to identify the most effective and efficient means of achieving that goal.

Much of this debate has centred on the belief that increased publicity would be helpful. Indeed, the findings would be helpful, but much of the debate has centred on publicity. What we are really saying is that we are to make a priority expenditure decision to appoint a royal commission which would be, if not the most effective way, certainly a very effective way of helping to get to the root causes of the problem and find some solutions. I am not sure that that is as defensible as it might sound at first blush.

We talk about costs in dollar terms. Although I think taxpayers would like to be spared the burden of dollar costs wherever possible, the more significant reality is that we have been through a very lengthy period of what charitably could be called benign neglect of the criminal law, not to mention other laws. For the last three years this Parliament has been perhaps the most productive in our history in the sense of changing laws. The reason for that is simply that so many things were neglected for so long. With support from all corners of the House, not on every occasion but on many, we have been changing the criminal law in substantial ways. We have dealt with legislation to confiscate the proceeds of crime. We passed changes to the Immigration Act, currently in the other place, which provide a better sense of security for Canadians because of its deterrence and detention provisions. Today we spent hours debating Bill C-54, dealing with problems of abuse of women and children. In other words, what we found in September, 1984, was a shared concern for the reduction of crime.

Yet we have been discovering in bits and pieces, from committee to committee, subject matter to subject matter, that we do not have the statutory provisions or tools in place which will allow our enforcement agencies to investigate and go to court, obtain convictions, and have sentences handed down.

We have involved people in the criminal justice system as witnesses before committees, as people who helped draft the legislation in the first instance, for a great many hours in the last three and a half years. We needed their help on occasion after occasion after occasion. To deflect them to a very high profile exercise which would eat up their time is the real cost. I suggest we have been on probably the most sensible course up to this point and we should continue it for the life of this Parliament, which may be as short as six months or as long as a year and a half.

We should complete the work we have started, and then I suggest we might want those changes in place for a year or two before we could get maximum benefit out of a commission or some other form of inquiry. Statutes have to be put in place, you have to have experience with them and see if indeed they are helping with the problem or not before you move too quickly to change them. I am afraid that if we were to appoint a commission today it would be dealing with history rather than the emerging reality of the new tools and new methods which the House is voting for.

I would like to make one other comment. There seems to be an acceptance in the debate of the notion that a commission of inquiry would benefit society the most from being public. I have sat here and tried to visualize if people from foreign Governments involved in the fight against crime would come before a television camera in a public inquiry and share their experience with the commissioner. Would those inside the world of crime behave in like fashion? Would they feel comfortable, or would they be worried about their own lives or the lives of their families? I suggest they would not feel comfortable.

We are dealing with a very dangerous area for the people who wish to help us. Much of the help they would be willing to provide would be better provided in secret. Therefore, as an individual, I urge the House to be very careful about suggesting that the best way for Canada to reduce organized crime would be through the method of a very high profile public commission with television cameras and so on. There are better ways, perhaps less costly and more effective, and therefore it is my intention to vote against the motion.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, it is with a great deal of pleasure that I take this opportunity to speak on the motion of the Hon. Member for Trinity (Miss Nicholson), whom I respect very highly. She has done an awful lot of good work in this House. She is a thinking and conscientious Member who does not bring motions like this frivolously. This is a very important motion. As the Hon. Member for Lethbridge—Foothills (Mr. Thacker) said on March 12, we knew she was an expert in financial matters but now we realize the insight she brings to criminal matters and the concerns of the country in this regard.

It would be wrong for the Government to deal with this motion lightly. We have an opportunity here to correct an awful lot of ills. We have just received the report of the Stevens inquiry at a cost of approximately $3 million. It was an important inquiry.

• (1730)

There is another inquiry going on in my constituency, the Marshall inquiry, looking into the reasons that Donald Marshall spent 11 years in prison for a crime he did not commit. These are important matters which need to be

brought before the public. These are two incidents in which the Government believed that the public had the right to know how crime is dealt with and whether the proper penalties are assessed to people accused of crimes.

What better reason for a royal commission on crime than to inform the public of what is going on? Is the Government saying that what the public does not know will not hurt them? Organized crime costs the country billions of dollars in lost revenues and in other ways every year. For example, we do not know how money is being laundered through financial institutions, yet we know that it must be done for organized crime to succeed.

As the Member for Trinity says, it is not only a question of crime but a question of how our business and political institutions are involved in this social cancer. How are clients of financial institutions dealt with with regard to computer crime? I never hear of any cases of computer crime in financial institutions being brought before the courts. Is it happening? Is it not happening? If it is happening, is it being passed along to consumers as an additional cost?

These questions must be answered. The public has a right to know. Surely the Government did not mean for organized crime to be a means of foreign investment in the country. If the Government is honestly concerned about this problem, as are Canadians, it will appoint a royal commission on this very important issue.

As the Member for Trinity has stated, there are certain objections. One is that it would cost too much. I believe that the Government would recover more than tenfold what such an inquiry would cost through revenues it would be able to collect.

I agree with the Parliamentary Secretary to the Deputy Prime Minister (Mr. Hawkes) that the amendment moved by the Hon. Member for York Centre (Mr. Kaplan) may not be in the best interests of such an undertaking. Six months is a very short period of time. We need a detailed study. We do not want to embark on something which will not provide the answers we need. We, on this side, can be constructive if the Government is prepared to appoint this royal commission.

I believe that we must pursue this. We cannot allow this to go unanswered. What about the victims? We think about the crime and about financial institutions. Let us also think about the victims of teenage prostitution, which is being quarter-backed largely by organized crime. Let us think about the young people who become involved in drugs. What does it do to them? We see a successful case now and then of a young person who has been rehabilitated. However, everyone in the House knows that for each one who is rehabilitated there are many who are not fully rehabilitated. They may be able to hold jobs in society, but there are scars from their experiences. Many will never be able to take their rightful place in society.

If we believe that one of our principal roles is to give each person in this country the best opportunity to live lives that are as full and rich as possible, are we not turning our back on that commitment if we turn our back on the problems of drugs and prostitution as they affect our young people?

I hope that the Government will not deal with this in a frivolous way. We can say that the police are doing all they can. No one is blaming the police. The day of the underworld figure in a long trench coat carrying a violin case is gone. These criminals are using sophisticated means. It is a business for them. They are becoming increasingly more difficult to catch. We must pinpoint the problems the police are having.

One of the main concerns of the police is that the public does not realize the problems that exist. How can the public realize the extent of a problem if we do not make them aware of it? We cannot always give the public good news. Sometimes we have to point out the problems which exist.

There must be the political will to deal with this very serious problem which permeates our whole society. This is no time for trite excuses for why this royal commission cannot be put in place. The public deserves to have this question investigated. The public deserves answers. Our young people deserve answers. We are constantly putting this problem off but it is getting more serious all the time.

I ask the Government to form a royal commission as requested by the Member for Trinity. This is an important resolution which will become more important for the country as time passes. If we let it go, the problem may become almost impossible to deal with. If we do not do this, we will send a message to organized crime that the Government is turning away and will give them a free rein. We cannot leave this to the police alone. They need our help. The country deserves to be informed. I ask the Government to approve the establishment of royal commission.

Mr. Cyril Keeper (Winnipeg North Centre): Madam Speaker, I would like to speak in support of the motion before the House which is in part as follows:

> That, in the opinion of this House, the government should consider the advisability of appointing a Royal Commission to investigate organized crime in Canada—

This motion deserves the support of all sides of this House. We can debate whether the commission needs longer than six months to carry out its investigation, but the usefulness of having a royal commission to investigate organized crime in Canada is something which we should all support. I and, I believe, most Canadians are mere innocents with regard to organized crime. The movie released a few years ago, *The Godfather*, was a portrayal of organized crime in a rather flattering way. That was an American film set in an American context.

I think most Canadians consider organized crime to be something that happens south of the border in the big American cities. We have no appreciation of it being among us. I think that if you asked people in Winnipeg, from where I come, whether there was organized crime in their city, most of them would be unaware of it or have no knowledge of it. I

believe most Canadians are not aware of what is happening in this whole area. I think that is a dangerous situation which calls for attention.

• (1740)

Let me refer to an article in the *Toronto Star* issue of March 3, 1984. It dealt with organized crime in this country and made three points that I believe are good arguments for the establishment of a royal commission in order to become more knowledgeable about organized crime and how to deal with it.

First, the article states that profits from organized crime in Canada are estimated to be $10 billion. Most of it is earned from drug smuggling, gambling and prostitution. Surely a statement such as that in a major daily newspaper calls for investigation. We require more than newspaper reports to evaluate what needs to be done.

Second, the article states that anyone in Metropolitan Toronto having clothes dry-cleaned, who is shopping on Bloor Street or buying a pizza could be contributing to the underworld coffers. Customers may not realize it, but some of the businesses they patronize have mob connections.

If this article is accurate, as interviews with police who investigate these matters would indicate, ordinary Canadians who buy goods and services may be supporting organized crime. Surely there should be a formal investigation because I am sure every Canadian does not want to be used by organized crime to make its profits.

Finally, the article states: "The number of killings, robberies and scams linked to organized crime in the last decade is staggering".

Not only must we recognize that organized crime is a large industry in this country which is corrupting our society, and that we can unknowingly be used by this industry for its profits, it involves murder not only of those connected to organized crime but also of innocent victims. This article documents some of those innocent victims as well.

It is time for us to remove our rose-coloured glasses and take seriously some of the press reports that indicate the size of the criminal sector in Canada.

I am sure that every Canadian would support the objective of investigating organized crime in order to do away with it or at least control it. The Government should not only act on what is on the front page of *The Globe and Mail* each day or respond to what is dealt with by *The Journal* each night, it should respond to other serious problems that arise and need investigation and attention.

The motion of the Hon. Member for Trinity (Miss Nicholson) states that the Government should consider the advisability of appointing a royal commission to investigate organized crime in Canada. I think it is time that we had a thorough investigation of organized crime. I am confident every Canadian would want us to do everything within our powers in order to reduce and eliminate organized crime in this country.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the amendment standing in the name of the Hon. Member for York Centre (Mr. Kaplan). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

• (1810)

And the division bells having rung:

Mr. Gauthier: Madam Speaker, I rise on a point of order. In keeping with our practice this session when dealing with recorded divisions in relation to Private Members' Business, and after having discussed this matter with my colleagues in the other Parties, I think you will find that there is unanimous consent to proceed with the taking of the vote by rows.

The Acting Speaker (Mrs. Champagne): Is the House in agreement with the division being taken by rows?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): Order. At this point I should like to remind Hon. Members that the voting will begin with those Members in favour of the motion in the rows to my right, and I ask them to rise row by row. Those Members in the rows to my left will then rise. Later, I will ask those Members who are opposed to the motion in the rows to my right to rise. Finally, those Members who are opposed to the motion will rise in the rows to my left.

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

(Division No. 293)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Copps
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—27

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCurdy
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—75

• (1820)

The Acting Speaker (Mrs. Champagne): I declare the amendment lost.

Mr. Gauthier: Madam Speaker, I rise on a point of order. I think you would find a disposition among all Members to apply the results of that vote just taken to the vote on the main motion, and that the vote be recorded as taken.

Mr. McCurdy: Madam Speaker, I rise on a point of order. I want my vote recorded in the affirmative on the main motion.

Miss Carney: Madam Speaker, I would like to vote in the negative on the motion.

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): It is so ordered.

The next question is on the main motion standing in the name of the Hon. Member for Trinity (Miss Nicholson).

The House divided on the motion (Miss Nicholson), which was negatived on the following division:

(Division No. 294)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Copps
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—28

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—75

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Friday, December 4, consideration of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, as reported (without amendments) from a legislative committee.

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 13(5), the House will now proceed to the taking of the deferred division at the report stage of Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof.

Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

Mr. Hawkes: Madam Speaker, I rise on a point of order. I presume the predisposition is to use the normal course of voting on government legislation which would be different from that which we have just used for Private Members' Hour. I think there is also a predisposition to dispense with each of the amended motions.

Mr. Gauthier: Madam Speaker, I do not agree with that at all. We would like to vote on the amendments and, if the House so decides, we may apply the results of the vote taken in a few minutes to the others, but before we do so, we would like to proceed with the vote on the first amendment as deferred.

The Acting Speaker (Mrs. Champagne): The first vote will be on Motion No. 1.

Mr. Cassidy moved:

Motion No. 1.

That Bill C-87, be amended in Clause 15 by adding, immediately after line 26 at page 4, the following:

"(3) Notwithstanding any regulation made under subsection (2), goods wholly or partly produced in Mexico shall not be deemed to originate in the United States."

The House divided on the motion, which was negatived on the following division:

(*Division No. 295*)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—27

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—77

• (1830)

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

Mr. Cassidy: On a point of order, Madam Speaker. I think you will find there is unanimous consent to apply the results of the vote just taken to the remaining amendments, and reverse the results for the motion to concur in the Bill at report stage.

Mr. Gauthier: Madam Speaker, I agree with what the Hon. Member for Ottawa Centre (Mr. Cassidy) says, except that the Official Opposition would like to concur with the Government in the Bill.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 2.

That Bill C-87, be amended in Clause 19 by striking out lines 43 and 44 at page 5 and substituting the following therefor:

"other Act of Parliament.

(3) The rates of customs duty set out in Schedule I and section 46 and the customs duties imposed by this Act are further subject to such increases, reductions, removals or other exceptions as may be specified in any regulation or order made under this or any other Act of Parliament, provided that no such regulation or order shall have effect for more than sixty days unless it is adopted by resolution of both Houses of Parliament."

The House divided on the motion, which was negatived on the following division:

(*Division No. 296*)

YEAS

Members

Berger	Jewett	Parry
Blackburn (Brant)	Kaplan	Robichaud
Boudria	Keeper	Rodriguez
Cassidy	Killens	Rossi
Dewar	MacLellan	Skelly
Fulton	Manly	Waddell
Garneau	McCurdy	Young—27
Gauthier	McDonald (Broadview—Greenwood)	
Hopkins	Nicholson (Trinity)	
Hovdebo		
Isabelle		

NAYS

Members

Andre	Graham	Minaker
Belsher	Gray (Bonaventure—Îles-de-la-Madeleine)	Nickerson
Bernier	Greenaway	Nowlan
Bertrand	Hamelin	Oberle
Blackburn (Jonquière)	Hamilton	Pietz
Blouin	Hardey	Plourde
Bouchard	Hawkes	Porter
Bourgault	Hees	Price
Brisco	Hnatyshyn	Reid
Cadieux	Holtmann	Ricard
Carney	Jardine	St. Germain
Chartrand	Johnson (Bonavista—Trinity—Conception)	St-Julien
Clark (Brandon—Souris)	Kindy	Schellenberg (Nanaimo—Alberni)
Clinch	Ladouceur	Schellenberger (Wetaskiwin)
Collins	Lanthier	Scowen
Comeau	La Salle	Tardif (Charlesbourg)
Corbett	Leblanc	Taylor
Côté (Lac-Saint-Jean)	MacKay	Tupper
Crofton	Mailly	Turner (Ottawa—Carleton)
Crouse	Malone	Van De Walle
Daubney	Mantha	Vézina
Desjardins	Marin	Wilson (Swift Current—Maple Creek)—77
Duguay	Mazankowski	
Ferland	McCain	
Fontaine	McKenzie	
Friesen	McKinnon	
Gass	Merrithew	
Gottselig		

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The above division also applies to Motions Nos. 3, 5, 6, 7, 9, 10 and 11.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 4

That Bill C-87, be amended in Clause 32 by striking out lines 13 to 16 at page 10 and substituting the following therefor:

"to sections 23, 27 or 28, the order shall cease to have any force or effect with respect to any period following the sixtieth day after the".

The House divided on the motion, which was negatived on the following division:

(*Division No. 297*)

YEAS

Members

Berger	Jewett	Parry
Blackburn (Brant)	Kaplan	Robichaud
Boudria	Keeper	Rodriguez
Cassidy	Killens	Rossi
Dewar	MacLellan	Skelly
Fulton	Manly	Waddell
Garneau	McCurdy	Young—27
Gauthier	McDonald (Broadview—Greenwood)	
Hopkins	Nicholson (Trinity)	
Hovdebo		
Isabelle		

NAYS

Members

Andre	Graham	Minaker
Belsher	Gray (Bonaventure—Îles-de-la-Madeleine)	Nickerson
Bernier	Greenaway	Nowlan
Bertrand	Hamelin	Oberle
Blackburn (Jonquière)	Hamilton	Pietz
Blouin	Hardey	Plourde
Bouchard	Hawkes	Porter
Bourgault	Hees	Price
Brisco	Hnatyshyn	Reid
Cadieux	Holtmann	Ricard
Carney	Jardine	St. Germain
Chartrand	Johnson (Bonavista—Trinity—Conception)	St-Julien
Clark (Brandon—Souris)	Kindy	Schellenberg (Nanaimo—Alberni)
Clinch	Ladouceur	Schellenberger (Wetaskiwin)
Collins	Lanthier	Scowen
Comeau	La Salle	Tardif (Charlesbourg)
Corbett	Leblanc	Taylor
Côté (Lac-Saint-Jean)	MacKay	Tupper
Crofton	Mailly	Turner (Ottawa—Carleton)
Crouse	Malone	Van De Walle
Daubney	Mantha	Vézina
Desjardins	Marin	Wilson (Swift Current—Maple Creek)—77
Duguay	Mazankowski	
Ferland	McCain	
Fontaine	McKenzie	
Friesen	McKinnon	
Gass	Merrithew	
Gottselig		

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The above division applies to Motion No. 12.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 8

That Bill C-87, be amended in Clause 59 by adding, immediately after line 4 at page 19, the following:

"(7) The powers conferred by this section may not be abrogated by any treaty between the Government of Canada and the government of another country except by an Act of Parliament."

The House divided on the motion, which was negatived on the following division:

(Division No. 298)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—27

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—77

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The above division also applies to Motions Nos. 11A, 12A and 13A.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 13

That Bill C-87, be amended in Clause 62

(a) by striking out line 19 at page 22 and substituting the following therefor:

"goods imported from any country other than the United States of America by way";

(b) by striking out line 26 at page 22 and substituting the following therefor:

"other than the United States of America as may be required by Canada's interna—".

The House divided on the motion, which was negatived on the following division:

(Division No. 299)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—27

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—77

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 15

That Bill C-87, be amended in Clause 139 by adding, immediately after line 6 at page 54, the following:

"(3) Where a tariff in Schedule I is charged as a consequence of an order or regulation made under this section, no additional amount of tariff shall be levied on any good which is imported between the date of coming into force of this act and the date of the order or regulation made under this section."

The House divided on the motion, which was negatived on the following division:

(Division No. 300)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—27

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—77

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

Mr. Mike Cassidy (Ottawa Centre) moved:

Motion No. 16

That Bill C-87, be amended by deleting Clause 141.

The House divided on the motion, which was negatived on the following division:

(Division No. 301)

YEAS

Members

Berger
Blackburn (Brant)
Boudria
Cassidy
Dewar
Fulton
Garneau
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Killens
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Nicholson (Trinity)
Parry
Robichaud
Rodriguez
Rossi
Skelly
Waddell
Young—27

NAYS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Gass
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Jardine
Johnson (Bonavista—Trinity—Conception)
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—77

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on the motion for concurrence.

Hon. Don Mazankowski (for the Minister of State for Finance) moves that the Bill be concurred in.

The House divided on the motion, which was agreed to on the following division:

(*Division No. 302*)

YEAS

Members

Andre
Belsher
Berger
Bernier
Bertrand
Blackburn (Jonquière)
Blouin
Bouchard
Boudria
Bourgault
Brisco
Cadieux
Carney
Chartrand
Clark (Brandon—Souris)
Clinch
Collins
Comeau
Corbett
Côté (Lac-Saint-Jean)
Crofton
Crouse
Daubney
Desjardins
Duguay
Ferland
Fontaine
Friesen
Garneau
Gass
Gauthier
Gottselig
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Hamelin
Hamilton
Hardey
Hawkes
Hees
Hnatyshyn
Holtmann
Hopkins
Isabelle
Jardine
Johnson (Bonavista—Trinity—Conception)
Kaplan
Killens
Kindy
Ladouceur
Lanthier
La Salle
Leblanc
MacKay
MacLellan
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McKenzie
McKinnon
Merrithew
Minaker
Nicholson (Trinity)
Nickerson
Nowlan
Oberle
Pietz
Plourde
Porter
Price
Reid
Ricard
Robichaud
Rossi
St. Germain
St-Julien
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scowen
Tardif (Charlesbourg)
Taylor
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
Wilson (Swift Current—Maple Creek)—89

NAYS

Members

Blackburn (Brant)
Cassidy
Dewar
Fulton
Hovdebo
Jewett
Keeper
Manly
McCurdy
McDonald (Broadview—Greenwood)
Parry
Rodriguez
Skelly
Waddell
Young—15

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

[*Translation*]

It being 6.38 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.38 p.m.

HOUSE OF COMMONS

Tuesday, December 8, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-3292, 332-3325, 332-3340 to 332-3356 inclusive, 332-3358 to 332-3366 inclusive, 332-3383 to 332-3413 inclusive, 332-3416 to 332-3422 inclusive, and 332-3424 to 332-3435 inclusive.

* * *

[*Translation*]

COMMUNICATIONS AND CULTURE

PRESENTATION OF TENTH AND ELEVENTH REPORTS OF STANDING COMMITTEE

Mr. Jim Edwards (Edmonton South): Madam Speaker, I have the honour to present the tenth report of the Standing Committee on Communications and Culture, in both official languages. The report is entitled "Accomodation Requirements of the National Archives of Canada". Our study and recommendations stem from the committee resolution adopted on June 19, 1987. Pursuant to Standing Order 99(2), the committee requests that the Government table a response to this report.

[*English*]

Our major findings are as follows. First, the Archives is short of space to store its archival holdings and government records. Second, the space now available for storage, laboratories, and offices is spread over 14 different buildings in the National Capital Region. The third and most important finding, in the committee's opinion, is that the available storage space does not meet acceptable, recognized environmental standards for the long-term preservation of our national heritage.

The unacceptable environmental conditions in which archival holdings and government records are kept accelerate the process of deterioration of Canada's archival heritage and, in some cases, have threatened their survival.

We found that 100 per cent of archival holdings, and not only 75 per cent as the National Archivist stated in June, are stored in substandard facilities with insufficient or no environmental controls, and that important records of government Departments and ministerial papers were threatened with serious damage.

[*Translation*]

In our estimation, the archival heritage, the nation's collective memory, is in danger because our national archival treasures are kept in inadequate accommodation. With a view to preserving them properly and with all the care they deserve, and so as to show future generations that we are concerned over their heritage, it has become imperative that we provide adequate accommodation.

[*English*]

The committee has considered a variety of options to rectify this unacceptable situation. The committee therefore recommends that priority be given to the construction of a new facility which would meet the accommodation needs of the National Archives of Canada until the year 2010.

Aware of the Government's policy of fiscal restraint, the committee also recommends that the Government consider entering into a lease-purchase agreement with a private sector developer for construction of the new facility.

I have the honour as well to present the eleventh report of the Standing Committee on Communications and Culture on the Order in Council appointment of Mrs. M. Elizabeth Burnham as a director of the Canadian Broadcasting Corporation.

[*Translation*]

The committee considers that this person has the titles, qualities and qualifications to discharge the duties of the position for which she was appointed.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Treasury Board): Madam Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Is it agreed?

Some Hon. Members: Agreed.

• (1110)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-64, an Act to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971, as reported (with amendments) from the Standing Committee on Finance and Economic Affairs.

Mr. Blenkarn: Madam Speaker, when the committee reported the Bill, there was an error in one of its amendments in connection with a date. I would like to move a motion which I think will be carried unanimously by the House, perhaps seconded by the Hon. Member for Kamloops—Shuswap (Mr. Riis).

I move:

That Subclause 3(7) of Bill C-64 be amended by striking out line 10 on page 4 and substituting the following:

"1987 and subsequent taxation years."

This is a highly technical amendment, Madam Speaker. It just corrects an error made in committee in recording a year.

The Acting Speaker (Mrs. Champagne): On the same point of order, the Hon. Member for Trinity (Miss Nicholson).

Mr. Cassidy: Mr. Speaker, on the same point of order we were contacted a few minutes ago—

The Acting Speaker (Mrs. Champagne): The Chair had just recognized the Hon. Member for Trinity and I will recognize the Hon. Member for Ottawa Centre (Mr. Cassidy) right after. The Hon. Member for Trinity.

Miss Nicholson (Trinity): Madam Speaker, about 20 minutes ago I received a call from the office of the Minister asking if I would agree to unanimous consent for this amendment to be introduced even though there was no notice.

Because the matter is important, I have said on behalf of my Party that we would give consent to the introduction of the amendment but naturally we would expect fuller discussion of it in the Minister's opening statement.

Mr. Cassidy: Madam Speaker, the intervention of my colleague from Trinity (Miss Nicholson) has allowed me to have a word with the chairman of the committee. I understand the proposal increases rather than reduces tax revenues. It is a technical amendment and it does not nullify changes which, as I recall, were made to the Bill by the Hon. Member for York—Scarborough (Mr. McCrossan). I was concerned that the proposal might be an attempt to have unanimous consent for the House to undo what my colleague, the Hon. Member for York—Scarborough, had succeeded in doing in committee. I am assured that this is not the case, and under those conditions we will allow the amendment to come forward with unanimous consent. I understand it will still have to be considered in the House, but it can be brought forward with unanimous consent, which we offer.

Mr. Gauthier: Madam Speaker, to clear up some misunderstanding here in my own mind, there is an amendment at concurrence stage. There could be debate. We are not at this time expecting debate but that the Minister will incorporate in his remarks at third reading why the change and why the amendment. If that is the understanding, we accept that concurrence be given at this time.

The Acting Speaker (Mrs. Champagne): Is the House ready to accept the amendment?

Some Hon. Members: Agreed.

Miss Nicholson (Trinity): On division.

Motion (Mr. Blenkarn) agreed to.

Hon. Tom Hockin (for Minister of Finance) moved that Bill C-64, an Act to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971, as amended, be concurred in.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: On division.

Motion agreed to.

The Acting Speaker (Mrs. Champagne): When shall the Bill be read a third time, by leave now?

Some Hon. Members: Agreed.

Mr. Hockin (for Mr. Wilson (Etobicoke Centre)) moved that the Bill be read the third time and passed.

He said: Madam Speaker, I am very happy to give the explanation requested by the Hon. Member for Trinity (Miss Nicholson).

Having regard to the amendment to subclause 3(7), we were faced with a need for some grandfathering of shorter debt instruments than was accommodated originally. Subclause 3(7) provides the effective date for the extension of the grandfathering from the interest accruals for debt instruments

acquired before 1982. The motion changes this effective date from, as it read, 1990 and subsequent tax years to 1987 and subsequent taxation years. This change ensures that the additional grandfathering will benefit debt instruments having a term of less than 10 years as well as those having a term of 10 or more years. It is a technical change. I think all Members of the House will want to accomplish this grandfathering so I will not speak any further on the motion.

Miss Nicholson (Trinity): Madam Speaker, on a point of clarification now that we have passed the motion, is the Minister proposing to open third reading debate or are you prepared to recognize other speakers? I am not sure what is happening, Madam Speaker.

Mr. Hockin: Madam Speaker, in the interests of time and the importance of this, I will forego my opportunity to speak at the beginning of third reading.

Miss Aideen Nicholson (Trinity): Madam Speaker, the Bill before us is a major tax Bill. the government has handled it in a very unusual fashion or, shall we say, attempted to. On June 30 there was an attempt to get agreement between the Parties to deal with all stages of this Bill in one day. That was totally unprecedented approach to a major tax Bill. The Official Opposition took the view that a major tax Bill of this kind should be referred to a standing committee where witnesses could be heard and the Bill receive the normal examination. The Government acceded to that and also agreed to refer it to the finance committee, whereas the plan had been to send the Bill to a legislative committee after the negotiations to get it passed at all stages in one day failed. The next was to send it to a legislative committee.

With the new rules in the House, it has often been the case that Bills should go to a legislative committee which would deal with them promptly. However, the underpinning for that was that the standing committee would have done a pre-study of all the major issues and heard witnesses.

• (1120)

As I said, following the objections the Government did agree to send the Bill to the Committee on Finance and Economic Affairs. At the finance committee I had a long list of witnesses and the Chairman then made the proposal that, since we would be hearing from many of these witnesses on the White Paper on tax reform in any case, rather than bring the witnesses twice, we might deal with the White Paper first and then return to Bill C-64. That suggestion was accepted.

In that event, we examined this Bill for two days without witnesses other than departmental officials, but we had by that time received the benefit of many witnesses on closely related issues.

Bill C-64 is a mixture of income tax measures from budgetary papers, technical notes and press releases dating back to the February 18, 1987 Budget. Clause 10 acts as the fulfilment of a government election promise to increase the status of two key cities.

The Bill has proposed a change to the investment accrual rules which would allow the owners of 1981 Canada Savings Bonds to defer reporting their interest income until the bonds have actually matured. People who bought bonds on a different basis prior to 1981 would otherwise have been forced to pay tax on their interest before they had any cash in their hands.

This clause in the Bill received a good deal of discussion in committee because, although the Government was moving to remove an inequity from holders of Canada Savings Bonds, the holders of Quebec Savings Bonds were not being covered by this and an amendment put by the committee dealt with that.

There are several very complicated problems in relation to retirement compensation arrangements. A number of the Bill's clauses were meant to remove the tax benefits of off-side pension plans. The committee found it necessary to do a good deal of questioning on who was covered and who would stand to gain. It really seems as though the main group to be excluded were deputy ministers. Some questions were raised about special treatment of people by people who were designing that same plan. This is an issue that still warrants further attention. Presumably, when we return to deal with the pension Bill we can look further at it.

To revert back, in June the Government was all for rushing this legislation through and I would point out that at the committee stage the Government, not individual members of the committee, introduced about 69 amendments designed to clarify matters or to remove inconsistencies between this Bill and other legislation. In other words, last June the Government was not ready with this legislation. It had not done its drafting properly. It had not done its homework properly. If we had agreed to pass the Bill through in the stage it was in then, indeed the Government would now be coming back with amendments. As it is, 69 of the amendments were brought by the Government itself to committee.

Two of these Government amendments applied to Clause 15 and dealt with the Saskatchewan Pension Plan in particular. These are technical amendments and I will not take the time of the House to go into them. However, I will say that they were necessary because of numerous government oversights in the original drafting of the legislation. That is yet another example of why this Bill should not have been rushed.

Clause 18 also posed some difficulties for the committee. It was meant to deal with successor corporations in the resource sector. The effect of the clause was to prevent companies from renouncing their flow-through rights up to parents, and parent holding companies to further renounce them and then be able to issue shares on an exchange basis. There was some suggestion that it was not within the scope of the committee to deal with this amendment but, in fact, an amendment was passed in committee.

There were further changes to Clause 38 concerning the ways in which an individual can generate a taxable benefit from an employee stock option. The clause was passed on division and it remains an issue to which we might want to return.

Clause 66 deals with the question of source deductions. This has been quite a contentious issue. The Government, in an effort to improve its cash flow problems, has twice increased the rates at which employers remit the compulsory deductions for income tax, for Canada Pension Plan and for unemployment insurance. Originally we saw the requirement to remit these being moved up from monthly to fortnightly. More recently they have been moved up to weekly.

This is a nice bit of smoke and mirrors. It makes the government books look better by over $1 billion in each of two successive years. However, it is not a real answer to the question of the deficit or to the question of reducing expenditures. It is causing problems for employers. It is an additional expense in their payroll operations.

Moreover, in this Bill, we now find that the Government also has plans to garnishee employers who do not meet with this requirement to remit promptly. There was a considerable amount of discussion of this clause in committee. The Crown gets a super priority over all other creditors in the case of unremitted source deductions. Correspondence was received by most Members from the Canadian Insolvency Association and the Canadian Bankers' Association which took exception to this super priority. However, at committee, officials took the line that the Crown was not looking for a super priority over other creditors except in the case of unremitted deductions. Therefore, money which did not belong to the employer, money which in effect belonged to the employee, should have been remitted. While I do not think that members of the committee were entirely satisfied that the clause was drafted tightly enough to exclude abuse, that clause was also passed.

There are a number of other areas addressed by this Bill. Regarding co-operative corporations, the classification of co-operatives eligible for meeting the 90 per cent co-op membership and share ownership rule has been broadened to include farm corporations and partnerships. Co-ops have been given increased flexibility in paying dividends to their Members.

• (1130)

The Bill has also taken some steps to prevent double taxation in the operation of Canada's tax treaties.

The Bill allows interest owing on late or deficient tax installments to be calculated using an interest offset method. This lets taxpayers eliminate interest charged on a deficient tax installment by prepaying or overpaying other instalments. The administrative burden of master trusts has been lessened by easing some tax rules. In addition, master trusts may use the three-for-one small business investment provision. When that provision was introduced in this House, I think many of us had reservations about it, and those reservations continue. The rules allow pension funds three dollars of additional investment in foreign property for every dollar invested in small business in Canada. The program is not moving very fast and probably for good reasons.

Then there were several proposals in Bill C-64 concerning RRSPs and registered pension loans. The foreign holding property rules are changed so they are not subject to penalty because of corporate transactions they are unable to influence. The Bill also provides for the prorating of resource deductions when a corporation has a tax year of less than 12 months. This step was taken because some companies, due to takeovers, mergers or start-up dates, found themselves in unusual situations with a short tax year.

The Bill introduces a number of measures to reduce tax avoidance. Rules for the federal sales tax are tightened so that only one person may use credit for a particular dependant. It is very interesting that at the same time the Minister of Finance (Mr. Wilson) criticizes the federal sales tax, calls it a silent killer of jobs and says he intends to remove it and reform it and move to some form of consumption tax, we are seeing increased reliance on the federal sales tax.

There are a number of amendments in this Bill which will prevent companies from getting preferential capital gains tax treatment by distributing profits as a capital gain rather than a dividend. There are also some changes relating to venture capital corporations, and stricter measures concerning the forgiveness of employee debt in order to ensure that the full face value of what is owing is taxed. The rules concerning treatment of income interest in a trust are tightened to restrict such deductions to testamentary and certain commercial trusts. Scholarships, fellowships and sales achievement prizes are still subject to tax, although something called "widely recognized prizes for meritorious behaviour" are given a tax exemption.

I think this is probably a matter that should be studied further and would have been had there been the normal climate of calm, reasonable examination of an important tax Bill. What we saw was not such a normal climate. We saw something that we have not seen since reform of committees. We saw the membership of committees changed. We saw additional committee sessions being planned without consultation with opposition Members because the Government was so desperate to pass one particular clause, Clause 10. That clause sets up the international banking centres. This one clause in a major tax Bill became the Government's be-all and end-all and seriously interfered with the normal calm, reasonable scrutiny of a major tax Bill.

I would like to talk now a little bit about the history of international banking centres. In the 1970s New York banks feared that they were being closed out from the Eurocurrency market. They had a number of reasons for their concern. First there was their lack of familiarity with the market, the competitiveness. Second, they felt that in New York City they were limited by the very high city taxes, the very high state

taxes, and certain regulatory requirements of the Federal Reserve. So the New York banks at that time thought that the establishment of international banking centres would help them compete in Europe. It was the bankers who began the movement for international banking centres in the U.S. That was not the case in Canada. Canada did not have to feel closed out for the same reasons as the U.S. In fact, our banks are really quite competitive in international markets.

As part of the effort to persuade New York City and the State of New York to reduce their taxes, and as part of the effort to get the federal banking regulations changed, those banks in New York City started a very impressive public relations campaign. All kinds of estimates were floated about the number of jobs that would be created and the economic benefits that would accrue. Last year a banker told me about his experience at the time this effort was at its height. He was asked to go on a television program describing the advantages that an IBC would bring to New York. He was being coached for his interview by someone from a public relations firm. One of the questions he was told to expect was how many jobs this would create. He said he had no idea and the PR person said the figure that is being used is 150,000. You can use that figure safely, he said. Here is an example of a figure pulled out of the air and people being encouraged to use it.

In actual fact, what the banks really wanted they got because the federal regulations changed, which was their main wish; local taxes were reduced; then the question of the economic activity that was to have followed was just quietly dropped.

The chronology was dealt with rather well in an article by Mr. McKie, a very well-known bank tax expert. I will quote from Mr. McKie's paper in a minute. From my own recollection I know that twice in the last Parliament the Government was requested to approve international banking centres. The request originally came from Montreal and later from Toronto and, I believe, Edmonton. On both occasions the Government studied the proposal and decided that it would result in no significant advantage to Canada but might result in tax loss. Therefore, on both occasions the Government refused to establish an international banking centre.

• (1140)

However, when the present Government came to power, and even before it came to power, it made some promises. In 1984 or 1985 Mr. Louis Rasminsky, the former Governor of the Bank of Canada, was commissioned by the Department of Finance to do yet another study on international banking centres. I will quote from the last paragraph of that report as follows:

> —IBFs are not going to generate the large increase in employment in New York or elsewhere in the United States that some earlier advocated. Suggestions that they would create, directly or indirectly, 5,000 to 6,000 new jobs have turned out to be substantial overestimates. The experience has been that moving even large amounts of Euro-dollar business from the books of one bank office to another involves very little movement of staff.

The final conclusion of the Rasminsky-Lawson report released in 1986 was that there would not be significant benefits to Canada but there was the risk of loss of tax revenue. Nevertheless, IBCs in Montreal and Vancouver are what we have in this Bill before us. Studies were done for the previous Government as well before it declined to go ahead with IBCs. The conclusion of those studies was that the benefits would be marginal and the risk of loss to the treasury quite high.

Another interesting factor is that when the present Government decided to go ahead with international banking centres it did not consult the banks which, incidentally, had never asked for this. The Government did consult with chambers of commerce in a number of cities but these negotiations went on for months before the banks were ever made aware of them. When the banks were made aware of them they pointed out that they could see no great advantage to this proposal.

Unlike the U.S. banks the Canadian banks were not inhibited by banking regulations in their international transactions. Also the Canadian banks were not complaining about income tax or asking for changes at that time. If the Government were serious about bringing new business to Canada it would move in the direction of changing withholding tax.

I would like to refer to evidence which was received by the Standing Committee on Finance and Economic Affairs in January, 1987, from the President of the Canadian Bankers' Association. Mr. MacIntosh stated:

> It should be stated at the outset that the chartered banks have never asked for legislation to create international banking centres. However, we have said also that we are prepared to go along with the government's initiative, provided that two basic conditions are met. The first condition is that the implementation of any IBC proposal must not cause banks to be worse off than they are now from a taxation and business operating point of view.
>
> The second condition—is that market forces should be allowed to determine the location of IBCs.

In the measure before us there is no question of market forces determining the location of IBCs. The IBCs are to be established in Montreal and Vancouver only. No other country in the world has limited the development of banking facilities on the basis of geography in this way.

The session of the committee on January 29 was long and very interesting. It gave some quite interesting history. As far back as 1981 the City of Montreal approached the federal and Quebec Governments to consider an IBC. The federal Department of Finance carried out an internal study which concluded that such centres would be of little benefit to the Canadian economy or any particular region of the country. At the same time, the proposal eventually would lead to a significant erosion of the federal tax base.

As I mentioned, after the change of Government the new Minister of Finance requested Mr. Louis Rasminsky and Mr. Lawson, the former Governor and Senior Deputy Governor of the Bank of Canada, respectively, to re-examine the issue.

During the Rasminsky-Lawson study representatives of the Canadian Banking Association met with them on several occasions. The study was delivered to the Government in May, 1985, but not released until March, 1986.

The study concluded that Canadian efforts to develop an international banking centre would meet intense competition from the existing centres and from other places with potential as great as ours, and that it would be unwise to force the issue by vigorous tax competition. If the view is taken that rich priorities should be given to increasing Canada's role in international financial affairs, it was their opinion that the way to pursue that goal is to take care that the tax arrangements in Canada are no less favourable than they are in the major international banking centres and that foreign banks in Canada are given as much flexibility for their international operations as they are given in those centres.

Following on that point, many observers have suggested that if Canada really wants to increase the activity of our banks in foreign affairs and if some of the business now done in the Caymans and such places is to be brought back to Canada, the real answer is to make some changes in the withholding tax. There is no mention of that in this measure before us. It is a very simple, limited measure that will give a tax break to Canadian banks in respect of deposits from or loans to foreign customers, transacted in an international banking centre. It is a measure that excludes most of the paper, where the real activity is at the present time. In fact, it is a boondoggle, not any kind of enhancement of the roles of those two cities.

• (1150)

The measure before us will not enhance the role of our banks in international banking. If the Government really wanted to bring back offshore business, it would negotiate the bilateral tax treaties providing for exemption from source country taxation on commercial loan interest payments flowing between the two contracting states.

Let me quote from the expert I mentioned before, Mr. McKie. In a recent interesting article on European taxation, he also gives the history of IBC's. Let me quote a little of the history to point out how different the situation in New York was before the establishment of international banking facilities there, and our present situation. Mr. McKie refers to the efforts of New York state bankers between 1978 and 1981 to obtain legislative authority for the creation of a free banking zone in the state so they could compete with the so-called cubicle banks abroad. He said:

> Under the proposal, banks would be allowed to establish special facilities in New York to conduct foreign transactions without paying state franchise taxes or being subject to federal reserve rules or deposit interest ceilings.

I would emphasize that those were the key changes that the American banks wanted at that time, but the proponents were not seeking any federal income tax concessions. Somehow, with this strange measure before us, we find federal income tax concessions being offered to banks who do not want them, and never asked for them, as an encouragement to do a very limited amount of business which is very finite, while there is no incentive here to do the really profitable business.

I return to Mr. MacKay's account of what happened in New York:

> Persuaded that these international banking facilities would generate jobs and spillover benefits, even the state's tax commissioner became an advocate of the proposal. The inevitable outcome was that in December 1981 appropriate legislation was enacted, bringing IBF's into existence, not only in New York but in many other states as well. Foreign banks, including Canadian banks, created IBF's in the U.S. The development and growth of U.S. IBF's is interesting, but it is generally agreed that the great expectations of the advocates have not been realized.
>
> That, however, is another story which seemingly escaped the notice of the Canadians who were enthusiastically advocating international banking entities in Canada using all the U.S. hyperbole that so soon proved to be illusory.

Mr. McKie goes on to discuss various meetings in 1981 and so on. The banks continued to be less than enthusiastic about the IBC proposals. The requests for IBC were coming from chambers of commerce and others. People who had heard all the New York estimates of job creation naturally wanted this good thing for their communities.

According to Mr. McKie, as far back as 1983, the banks explained that:

> —unlike the U.S. banks, they were not inhibited by banking regulations in their international transactions, and that freedom from Canadian income tax on an IBC's profits would not be any great incentive when the major hurdles to handling international operations from a Canadian permanent establishment were Canada's foreign tax credit procedure and the gross withholding taxes imposed by foreign countries on loan interest flowing into Canada.

That was the position which the Finance and Economic Affairs Committee took. The finance committee examined the whole issue of international banking centres. We went to New York, where we had extensive consultations with bankers, with people in various commercial institutions, and with the New York tax authorities. The finance committee's unanimous report was that this measure before us, which gives federal income tax concessions to banks, which either in Vancouver or Montreal make loans to or take deposits from foreign customers, is unlikely to do very much to bring back offshore banking business to Canada or unlikely to do anything to enhance economic activity in those two cities.

Montreal and Vancouver have very interesting geographical positions; Montreal in relation to Europe, Vancouver in relation to the Pacific Rim countries. They are both cities with high rates of unemployment. I am sure that every Member in the House would support the Government's desire to help those cities revitalize their economies and create jobs. This measure will not do it. This is a boondoggle which has been sold to people in Montreal and Vancouver as a job creator, which it is not. The Government has set city against city, region against region, for no reason whatsoever.

There is a long list of people who advised the Government that this measure would not do anything constructive, but did advise the Government on ways to bring international banking business to Canada if it wanted to do so. All this advice has been ignored.

It is understandable that municipal associations and boards of trade want more economic action in their cities. What is not understandable is that the Government is selling and misrepresenting the program which will result in tax leakage without any compensating benefit.

• (1200)

Among the inconsistencies in the Government's position, we have recently had a White Paper on Tax Reform which proposes to reduce corporate taxes by broadening the base. Base broadening is being done by eliminating or reducing tax expenditures. Yet with this IBC measure the Government is introducing new tax expenditures, and it has failed to provide us with costs or even forecast the costs. No one knows what the benefits, if any, will be. The Government has been unable to produce evidence of benefits. This is a wide open program; it is demand driven. We have no idea what we are getting into. It affects banks, but the banks do not want it and have not asked for it.

During the whole year that this matter has been before us, the Department of Finance has failed to come up with any benefit cost analysis. We do not know how much these international banking centres will be used; perhaps they will not be used at all. It may be that the banks will continue to do what the Government says that all businesses should do, which is make their business decisions on a business basis, not on the basis of tax incentives.

Interestingly, quite some time ago one of the Ministers announced an IBC in Vancouver as part of a regional development plan. If any economic impact studies were done, they were never made available to Members. Someone described the international banking centre proposal in Clause 10 as the "bankers' relief act". Indeed, the banks do stand to gain a lot from such an open-ended measure, if they use it creatively.

In fairness to the banks, I should say that they have never asked for the legislation. But up to now the evidence has always been that when the Government designs an open-ended demand-driven tax incentive, the tax lawyers and the tax accountants are much more ingenious than the Government at finding ways to get maximum use out of it.

What do we know about IBCs and job creation? The banks say that they might create 25 jobs. The Department of Finance say that they might create 11 jobs. What do we know about costs? The Department of Finance estimated the cost to the Treasury at $100,000 maximum. Nevertheless, it became very worried at the thought of our putting a cap on it. In committee, amendments to hold the cost to the treasury to $100,000 were met with great panic. An amendment that would hold the cost to several million dollars was met with similar panic. Obviously, the Government does not know what are the costs. In New York State they suspect, but they had not completed a full audit when I talked to them, that there had been a leakage in the amount of $200 million.

Let me repeat the three essential points about the international banking centres. They are being sold as a benefit to Montreal and Vancouver, and there is no proof that there will be any benefit whatever. Montreal and Vancouver, with high unemployment rates, could certainly benefit from government assistance, but why not do it in a logical fashion with export development assistance, or in other ways. This is a sham. There is no cap on the program, there is no assessment, and we have no idea of what are the costs. There is no guarantee that it will not run out of control. The Government has badly mismanaged this whole affair. The IBCs have been introduced as a regional development measure. They are not. It is a boondoggle, but it is not regional development.

How does the legislation fit with the Government's Canada-U.S. trade agreement? We are told the financial institutions will be wide open; there will be full reciprocity. How can the Government justify that position with a measure that is attempting to introduce banks to doing certain types of business in one city or another? It cannot. The Government keeps prattling to us about the importance of market forces. Yet the Government attempts to get banks to do certain types of business in two cities only. There is no other country in the western world which has produced this type of geographical limit.

We will watch with great interest. If I am wrong and this measure does bring prosperity to Montreal and Vancouver, nobody will be happier than I. But the onus is on the Government to produce some facts, and up to now it has totally failed to do so.

Mr. Mike Cassidy (Ottawa Centre): Madam Speaker, I would like to participate in the debate on Bill C-64. I must say that I am a bit surprised at the Minister. Bill C-64 is largely a technical Bill, but it also includes some measures on which the Government has been priding itself. In fact, the other day in Montreal the Prime Minister (Mr. Mulroney) had a great deal to say on Clause 10 which provides for the international banking centres.

[*Translation*]

According to the Prime Minister, international banking centres would bring prosperity to Montreal. The plan would benefit everyone in Montreal. It would absorb unemployment which is still at 11 per cent in the Montreal area, and so forth. I wonder why the Minister of State (Finance) failed to mention the advantages of this Bill and why he apparently instructed his Conservative colleagues to refrain from taking part in this debate and defending a measure that would not be effective, would be very expensive, would not provide any benefits in terms of jobs and which, I repeat, legitimizes the efforts of our Canadian chartered banks to avoid paying taxes to the Canadian Treasury.

[*English*]

The Minister of State for Finance (Mr. Hockin) might have been more forthcoming, given the proud boasts of the Prime Minister that this single measure will bring prosperity and

banking jobs back to Montreal. I am sure he probably said that thousands upon thousands of banking jobs would be moved, despite all the evidence to the contrary.

First, I wish to comment on some more general provisions related to Bill C-64. It is an Act to amend the Income Tax Act, the Canada Pension Plan, and the Unemployment Insurance Act, 1971. It is the annual hodgepodge or grab bag of different measures that have to come forward in order to stop tax avoidance and to put into force a number of technical measures announced at the time of the Budget in February, 1986.

One of the things that I feel strongly about now, in terms of the Department of Finance playing fair with people in the tax field, is that there should be a better means of handling legislation that relates to tax avoidance, which may well be necessary—it often is—than ministry press releases which may or may not be adequately reported across the country, in many cases followed some months later by legislation.

Where these measures are taken, and often there is no choice but to move very quickly, they should be gazetted, tabled in the House of Commons, or there should be some other means to officially notify those taxpayers who may be affected.

I do not wish to defend those particular taxpayers. Many of them are wolves, sucking the Canadian taxpayer and the Treasury dry with all types of elaborate schemes which, although legal, are certainly designed to take money out of the pockets of average Canadians and put them into the pockets of well advised rich Canadians.

• (1210)

I must say as well that there are a number of sections in the Bill which at least deserve some attention. The Bill perpetuates the refundable sales tax credit at a level which is fairly inadequate. It is meant to compensate people for what they spend in terms of sales tax if they are very poor, but the amount of credit is reduced by five cents for each dollar of family income in excess of $15,000. Therefore the effect of that is that by the time the family gets just above the poverty level it gets no more refundable sales tax credit at all. In fact, I believe the present level is $50 per adult and $25 for each child. If we reduce that by five cents for each dollar of family income, this means that by the time a family reaches an income of $16,000, which is far below the poverty line, there is no sales tax credit.

We all know that the sales tax is a regressive tax. We know that it bears more heavily on people who have to spend all their income on consumption than on people who are able to save part of their money because they are well off. Nonetheless, the sales tax credit remains inadequate.

The Government is also continuing the 3 per cent surtax which came into force in the 1986 Budget. That particular surtax of 3 per cent a year applied to all taxpayers and, as a consequence, it had the impact of being a tax increase of $104 per year for an individual earning $30,000 per year, a tax increase of $177 per year for a $40,000 income earner with a wife and two children, and a tax cut of $450 for the same individual if he happened to earn $100,000.

Once again an unfair tax measure is being perpetuated by a Government whose tax policies are unfair and whose tax reform proposals which will come before the House in a few days, will be unfair. It is a Government that does not understand what fairness is all about, which is one of the reasons it stands so low in the opinion polls. It is a matter of shifting the burden from rich to low and middle income Canadians.

The Bill also has a number of other measures which are at least interesting. Clause 57 it provides for advance tax on corporate distributions of corporate surplus. This is an anti-avoidance measure. It interests me that the Government has stated that it is opposed to the advancement of the margin tax which was proposed by the finance committee in its recommendations to the Government and in its report tabled about a month ago, yet, at the same time the Government is not above using a refundable tax on corporate distributions. In other words, it is not the instrument to which it objects. It objects to a tax which would start to collect adequately from the banks that only pay 1 per cent or 2 per cent of their profits in tax right now, because of the inadequate tax policies of the Government and because of the inadequate tax policies of the former Government headed by the Hon. Member from Bay Street, who also happens to represent Vancouver-Point Grey. He and his adversary, who is our adversary as well, the Hon. Member from Cleveland or the Hon. Member for Manicouagan worked together to ensure that Canada's banks pay next to no tax. As the finance committee pointed out, they only pay 1 per cent or 2 per cent of their income in tax. That has been the picture over the last few years.

This year the banks are incurring a loss, but in one year they will be able to offset almost all the hit they are taking at the direction of the Superintendent of Financial Institutions because of bad loans which were made to Third World and developing countries. In fact the banks, in their annual reports, are priding themselves on an exceptionally high level of operating profits, which would have resulted in record profit levels had it not been for the need to accommodate and write off some of the foreign loans that have turned bad.

At the same time Canadian taxpayers will be paying their taxes for 1987, and that means the shipbuilders in Lévis, if they have jobs; the fishermen on Vancouver Island whose jobs are now threatened, or fish processors whose jobs are threatened because fish may be sent in raw form to the United States under the recent GATT ruling; and the farmers in western Canada who can barely survive because of the situation of the agricultural industry. Those taxpayers will be paying tax for 1987 at the same time as the banks are being allowed to have their profits written off against bad debts because of imprudent loans which they made a few years ago.

Of course if those same taxpayers turned around to the bank and asked for consideration because they have had trouble, we know what would happen. We can tell that from the number of forced bankruptcies and forced seizures of farm property by banks in western Canada.

I should like to focus now on the question of banking centres. This is mainly a technical Bill, but the IBCs are in fact a very costly tax break which may be of great benefit to financial institutions in Vancouver and Montreal that make use of it, but will be of little use to the economies of those two cities. Like many other corporate tax preferences, the cost of the measure is unknown. When the Department of Finance, through its Assistant Deputy Minister, came before us we asked for it to justify this IBC measure. Members of the committee from all Parties said, "we have questions about this matter". That was not because my Party is opposed to looking for ways to develop banking and financial business in Montreal or Vancouver. We are not opposed to that. We are looking for ways by which that could be done, but we are questioning this particular measure because it is an open-ended tax measure with questionable benefits in terms of jobs.

We asked the Finance Department how many jobs might be produced, and in the end it came up with an estimate which was equivalent to approximately 11 jobs in Vancouver and Montreal. I see the Hon. Member for Kamloops—Shuswap (Mr. Riis) who is looking rather questioningly at me. I think that is to be questioned as well.

The Hon. Member for Mission—Port Moody (Mr. St. Germain) has just come into the House, because he presumably thinks that this might be a good arrangement for his community. When he goes back to his constituents in the 1988 election campaign he should explain to them why the major measure for job creation and economic development in Vancouver, for which he voted, was a measure which gave Vancouver maybe 20 per cent or 25 per cent of 11 jobs through international banking centres. That was all he was able to do for his constituents. At the same time the unemployment rate in Vancouver remains at a level of 10 per cent or 11 per cent, or some such level. It has not come down appreciably to levels that would have been seen to be tolerable in Vancouver and in British Columbia. The Hon. Member for Mission—Port Moody should answer that kind of question, because it is the ridiculous kind of thing we are facing, but at what cost?

When the finance committee looked at the particular measure we looked at the tax implications because of what could happen if the banks were to transfer funding into Canada from just their Bahamian branches. We did not touch the business of Canadian banks in other tax havens or other *paradis fiscal*. It was clear that the excess of Canadian tax that would be paid, over the foreign taxes paid in The Bahamas, amounted to $32 million in 1985 and $20 million in 1984.

The banks may have avoided paying that tax for other reasons, but they incurred a Canadian tax liability through those foreign branches, just in The Bahamas, of $32 million in 1985 and $20 million in 1984. This does not count elsewhere.

We pointed out to the Finance Department that we could see a very natural incentive for the banks to transfer enough business to Montreal and Vancouver that they would in fact be able to extinguish Canadian tax liability on the business which now takes place in The Bahamas. However, business would still be sought and marketed abroad. Any decision about the business made in Canada now would continue to be made in Canada, but there would not be new jobs created to manage the particular business. It would be mainly just a bookkeeping entry. It was pointed out—and the banks and the Finance Department agreed—that foreign business in The Bahamas does not create any substantial amount of economic activity by those banks in The Bahamas. Their branches are just that. They have a handful of employees. There is no big deal about it and only a portion of that business might be moved back to Canada.

• (1220)

What will be get, Madam Speaker? We will not get any money for Canadian purposes. We will not get any additional liquidity to be used for investments in Chicoutimi or in the Fraser Valley or places like that. By definition the money which is put into banking centres has to be relent abroad. The rules laid down in this Bill are so narrow that the only money which will come into banking centres will be money in sovereign risks, money in the giltest of the gilt edge investments in which there is absolutely no risk at all and in which the margins tend to be extremely limited.

What will the tax loss be? As I say, $32 million is a good estimate. What other estimates are there? We asked the Department of Finance and it was not able to tell us. What we have is a precedent. The Department of Finance was asked to estimate the cost of the scientific research tax credits back about five or six years ago. That program was brought in by the Liberals and perpetuated for a while by the Conservative Government. The department said the cost would be about $200 million, but it wound up being some $2.5 billion to $3 billion in tax expenditures. Most people understand that concept now. Instead of sending a cheque to an individual, a tax expenditure allows that individual to save the equivalent amount through not paying tax that would otherwise be payable. The Finance Department underestimated by a factor of 10 times the loss on the SRTCs. The Department was unable to tell us what the tax loss would be, but we had an estimate of $32 million.

Suppose that $32 million was a correct estimate. Suppose we got 11 or maybe 25 jobs, which is what the bankers estimated. You are talking about $1 million to $3 million of lost tax revenue every year in order to create a handful of jobs in Vancouver and Montreal under a banking centre concept which, regrettably, will have no spin-off effect that I can imagine or that anyone else can imagine in those particular communities. If we wanted to create 11 jobs it would be a heck

of a lot cheaper to have a budgetary item in the House of Commons dealing with that creation. These are bankers so let us give them a salary of say $50,000 on average a piece, a substantial salary according to most Canadians. That cost would be in the order of $500,000 or $600,000 a year. If my hon. friends from Montreal and Vancouver want to see 12 jobs created in those communities at much less cost to the taxpayer, then let us do that and save most of $32 million a year which will be the cost of creating those jobs according to the proposals that we have from the Government right now.

It has been pointed out that the Canadian Bankers' Association does not want this particular measure. In fact, the bankers have had a bit of a conversion about tax expenditures and tax deals that benefit them. I think they shed crocodile tears because they have benefited from the biggest tax boondoggle this country has seen in its history in basically exempting banks from tax over most of the last decade. Alas, the banks are now saying "Gee, we really have too much with those tax exempt shares and the various other deals that allowed us to avoid tax. We do not want that again. In terms of our public relations, it is not good." This they have begun to recognize after having pocketed huge amounts of taxpayers money.

The bankers' reticence on this measure has not cut any ice at all. The Government has decided to go forward. It has provoked what can only be described as a nasty little fight between the three communities that are mainly affected, Toronto, Montreal and Vancouver and, frankly, as a Canadian who has worked in Montreal, grew up in Toronto and was born in British Columbia, I do not think that that kind of thing is good for national unity.

[*Translation*]

Many times, in discussions with the banks and chambers of commerce in the three communities in question, I suggested and I said so in committee when witnesses came to testify, that there should be a better distribution of jobs in our economy, specifically in banking and financial services. This is a very important point. If the Governor of the Bank of Canada during the seven years preceding the appointment of John Crow had been doing his job, perhaps the banks would not have abused the system and would not have been allowed to abuse the system the way they did.

Madam Speaker, if we had had a governor and a government worth their salt, they would have insisted on having a better distribution of jobs in the banking sector than is now the case.

[*English*]

The situation we have right now is that financial jobs have been migrating to Toronto in large numbers. The banks have been moving different sections and so on there, even if they have kept a shell of their head office operations in Montreal. Efforts to establish regional banks in western Canada have not been particularly effective. Vancouver has also seen financial activity migrate to Toronto.

I would like to see a task force established between the Chamber of Commerce and the municipal authorities in Vancouver. Maybe some Members of Parliament from the banking industry and the Department of Finance could look at ways of developing financial and trade related service activities in Vancouver in a way that will be far more effective than a small proportion of 11 or 12 jobs which is all that this measure proposes to us.

[*Translation*]

I would like to see a similar exercise for the Montreal area, Madam Speaker, where chambers of commerce, municipal authorities, even Members of Parliament, private citizens, companies involved in world trade and the Government, the Department of Finance, would work together to try and create the climate for the kind of financial service that does not exist at this time.

[*English*]

I regret with relation to this particular measure the degree to which the Government has, for reasons which I believe are inadequate and unjustified, subverted the parliamentary reform process. Our committee recommended against this measure. Perhaps my colleague would like to ask me about the committee. I think this is a matter which should be laid on the record before the House during this debate on third reading.

We will oppose the Bill for the reasons I have given because we think the Government is wasting taxpayers' money with no discernible benefits. It is unfortunate.

Mr. Baker: Madam Speaker, could the hon. gentleman enlighten the House on the committee?

Mr. Cassidy: Madam Speaker, that is a very intelligent and perceptive question. I will be brief because I know other Members want to speak.

The finance committee has been a pioneer in parliamentary reform. Our work on tax reform demonstrates that; for example, our work on credit card interest rates and on the banking centres. We went to New York and prepared a report, which we knew the Government would not like, but it represented the collective judgment and wisdom of the committee. In addition, the committee has shown that you can have a solid group of Members of Parliament from all Parties who can develop the technical competence and expertise to handle extremely difficult legislation. That is why we have insisted, and it has been accepted, that rather than having legislative committees deal with financial legislation the finance committee does.

The other day when Bill C-64 came before the committee, instead of allowing the committee to do what it would have done—because we know what the report had been on this measure—the Government packed the committee. The Government sent in a number of Members whom we had never seen before. They subverted the integrity and the ability of the committee to work together in future under the reform process

to get a positive vote on the measure in Clause 10. They got it, but the cost, I suggest, is a very high one.

If the Government were really committed to the parliamentary reform process, it would be prepared, as say the British Government has been prepared to do from time to time in the House of Commons, to accept that the wisdom of the parliamentary committee, which has studied a matter very closely, is greater than the wisdom of a Prime Minister who has made a silly promise, or of one or two officials in the Department of Finance, or of political advisors who have made a particular recommendation which does not wash in the light of close scrutiny. I regret that the committee's advice was ignored and that it was subverted by a bunch of parachutists who came to the committee at the last minute in order to ensure that it voted the way the Government wanted it to do. Perhaps the Hon. Minister would like to justify those actions. He has been notoriously silent on the IBC question during the course of this debate.

• (1230)

Mr. Riis: Madam Speaker, it is an unfortunate turn of events that the committee has been manipulated to facilitate the Government's policies as opposed to the implementation of the recommendations the committee worked so long and hard to develop.

My question to the Hon. Member deals with his suggestion of a task force that would be made up of the obvious players who are interested in improving the banking and financial facilities in both Montreal and Vancouver. Perhaps my hon. colleague could elaborate on what might be some of the avenues that Montreal and Vancouver could pursue to develop a more comprehensive financial community, particularly recognizing the need for taking steps to initiate an increased trade function as well as a financial function for both these Canadian cities.

Mr. Cassidy: Madam Speaker, some of that, of course, will come from those communities if they are consulted. I know from my contacts with members of the new municipal administration in Montreal that they are anxious to develop many new initiatives in order to solidify the position of Montreal as the trading centre for Canada, the centre that can provide services for trade with Latin America, Africa and of course particularly Europe. Perhaps, in the near future, if the summit talks in Washington this week go well, it will increasingly provide services for trade with Warsaw Pact and Soviet Bloc countries in eastern Europe.

It seems to me that we need to work systematically through the services in terms of factoring, financing, export and trading information and market intelligence. I learned the other day that there is a franchise service called the World Trade Centre which is trying to establish itself here in Ottawa. I am afraid it is just a kind of a club where a few people meet from time to time.

When we talk about a world trade and financial centre in Montreal or in Vancouver, it seems to me we should be talking about something much broader than that. I believe that a wide range of interests in Montreal are able to contribute toward developing that as they are in Vancouver as well. I find it ironic that at the time we are entering into this legislation for international banking centres the Government is introducing a trade deal with the American Government which will allow the Royal Bank of Canada centered in Montreal to be 100 per cent American owned. It will allow—

[*Translation*]

This means that the Bank of Montreal would be 100 per cent directed and controlled by American interests. In the past, we insisted that our chartered banks be headed by Canadians and that not more than 25 per cent of Canadian banks should be controlled by foreign interests. Now this is going to change, and it is a strange about-face. How can the Government both insist on creating small international bank centres in Montreal, for instance, and make it possible for chartered banks such as the National Bank to be controlled by American interests as a result of the Free Trade Agreement between the Prime Minister and U.S. President Reagan?

[*English*]

It is a very curious kind of contradiction, but this Government has been intent on adopting American standards and selling this country to the Americans ever since it came to power in 1984.

Mr. Parry: Madam Speaker, I would like to hear a bit more of the Hon. Member's analysis on the use of the goon squad by the Government in committee. I think this is something worth putting on the record. Perhaps the Hon. Member would go into a little more detail about what happened on the committee.

Does the Hon Member think that the public disputes between members of the Government on a regional basis was simply an opportunity the Government offered its own backbenchers to get themselves some good publicity back in their own ridings where of course it would be their comments and their opinions rather than those of their colleagues which would receive attention?

Mr. Cassidy: Madam Speaker, what I noted was the number of members we had never seen who suddenly popped up. For example, I believe that the Hon. Member for Fraser Valley East (Mr. Belsher) was substituting for another Member. I also believe that arm-twisting took place.

Members who could not be present but were regular members who participated very actively in the committee were absent, including, for example, the Hon. Member for Edmonton West (Mr. Dorin). Did he have his arm twisted? Did the Government tell him that he is an up-and-coming Member, there is still hope the Government will stay in power for a bit longer and a Parliamentary Secretaryship or some other glittering prize would be his provided he did not rock the boat

on this particular issue? Of course, the Government understood that he had signed the finance committee's report, but perhaps he could make himself absent on that particular day in order for the Hon. Member for Fraser Valley East to take part.

Is that what took place? I am not sure what exactly happened because I am not privy to the things that happen on the back-benches of the Government.

The Hon. Member for Beauharnois—Salaberry (Mr. Hudon) has never, in my three years in this House, shown the slightest interest in matters which touch upon the finance committee or on any economic matters at all. I am not permitted to comment on whether or not he is in the House, but I am sure if he is he will pop up to explain his sudden attendance at the committee and his sudden insistence at the time the vote was taken on replacing some other member on the committee.

The Hon. Member for Capilano (Mrs. Collins) popped up as well. I am not sure if she was recently appointed to the committee or not, but she too had not been involved with the committee until it came time to vote on this particular measure. Since she represents many people from the Chamber of Commerce and the banking community in Vancouver who live in her constituency in West and North Vancouver, she hastened to vote the way the Government wanted her to vote. So it went.

I say that that was a shameful day in the life of the Commons finance committee and I say it is shameful that the Government packed the committee in the way it did.

Mr. George Baker (Gander—Twillingate): Madam Speaker, I have a few words to say concerning this Bill. I was surprised to hear members of the New Democratic Party talking about the goon squad. I would like to have listened to more of the information the hon. gentleman was imparting. The only goon squad about which I thought he would talk was the goon squad that some people say will exist in a section of the Unemployment Insurance Act which is to be amended by this Bill under which persons are identified as collecting unemployment insurance when they are not supposed to be collecting it.

The title of the Bill is an Act to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971. This big Bill is supposed to create jobs in Montreal and Vancouver. I think it is supposed to create 26 jobs. No, according to the Deputy Minister for Tax Policy Division, Department of Finance, 11 jobs will be created. That is so, but Mr. MacIntosh, the President of the Canadian Bankers' Association, estimated that some 26 jobs would be created, not 11.

I imagine that more than 26 jobs were required to print this Bill. I suppose the purpose of the Bill is to create 26 jobs. I do not know where the jobs will be. How many jobs will be created in Montreal and how many jobs will be created in Vancouver? I imagine that will be the subject of the next cabinet meeting. Will 15 jobs be created in Montreal and the rest created in Vancouver? Where will the jobs be? According to the Canadian Bankers' Association, there will be 26 jobs, but there will be 11 if we accept the word of the Assistant Deputy Minister and the word of the hon. gentleman who spoke a few moments ago.

• (1240)

One would expect this Bill would deal with the Unemployment Insurance Act and the Canada Pension Plan. It does. It makes more amendments to more sections of the Unemployment Insurance Act than I would have time to mention.

If we are going to amend the section of the Unemployment Insurance Act that deals with eligibility or overpayments to recipients, one must wonder where the priority of the Government is. Those sections of the Act are being amended here today. If you were to say to someone affected by the overpayment section of the Act that it is being amended today in the House of Commons, somebody would say, my goodness, is it being amended so that at least I get a chance to appeal the decision made by the Government on my unemployment insurance? You say no, that is not what is being amended. Well, they say, what is being amended, because that is what it deals with?

If you said to someone else that the section that deals with undue hardship is being amended today in the House of Commons, somebody would say, my goodness, it is being amended today! That section of the Unemployment Insurance Act says that a person will not have to pay monies back to the treasury if it creates undue hardship to that person. Somebody would say, my goodness, that is a very good thing to amend to make it clear at least that the Government would be able to give us more of a break. I mean, we have not seen the Government of Canada use that section for ages, perhaps simply because the Minister or the commission did not want to forgive the debt.

Let us not forget, we have a system in place in Canada today where all of the bureaucrats, all of the managers, all of the fellows receiving big salaries can receive a big Christmas gift now if they cut back more, and collect more money for the Government of Canada.

If you were to say to somebody that section is being amended today in the House of Commons by Bill C-64, somebody would say yes, that is what Members of Parliament should be talking about today in the House of Commons. That is, to give us a break so that perhaps we will not have to pay back as much.

After all, they did not make the mistake under this section that is being amended. The people who made the mistake were the employees of the Unemployment Insurance Commission. The computer made the mistake. It was not their error but they have to pay it back. Well, it is nice that the section is being amended today. Perhaps the Government of Canada is

doing what we want it to do, and that is to say, look, this is unfair, you should not have to be the ones who have to pay that back. However, if they do not pay it back, they go to jail. Perhaps somebody would say the Government of Canada is amending that section so they do not have to go to jail. In other words, if they owe money to the Unemployment Insurance Commission, if they owe money to a bank or a loan company, they could quite conceivably end up in jail under our system if the right levers are pulled and if the right things are done. The hon. gentleman who is talking should have a few words to say after me because I imagine he has individual cases as well.

I suppose you will find similar sections of the Canada Pension Plan Act that are being amended. If you said to someone collecting that pension, my goodness, this section or that section is under review and is being amended today in the Parliament of Canada, someone would say, hurrah, because perhaps something useful is being done. Perhaps the Government of Canada has now changed its tune for the first time and is saying those sections are wrong, the law is wrong, it is unfair to those people to say you must do this and you must do that when it is not their fault in the first place that they are in the situation they are in.

That is why I decided to have a few words to say today. Instead of doing these things, the Government of Canada has embarked on another policy. Yes, it will change the Act. It will change a whole whack of sections today. Yet it has nothing to do with benefits to the people of Canada. It is to make sure that the changes the Government of Canada has made as far as increased taxation is concerned are carried through into the various other Acts that relate to it. In other words, to make sure again that the recipient cannot get away with what is already in the Act.

One would question as well the intent of the Government of Canada in this particular Bill to extend the 3 per cent surtax. One would question the intent and purpose of the Bill to create jobs on the principle that has been used many times throughout this country; that is, to have an area of the country set aside in which something would happen because you have set it aside for a particular purpose, either for taxation purposes or trade purposes.

The Bill will accomplish very little as far as what the Government has said it will accomplish. It is very discouraging to see Acts such as the Unemployment Insurance Act amended by the Government in this way when it could be doing so much, and when it is acting in a manner to further penalize the poor in this country and to take whatever it can out of their pockets.

Miss Nicholson (Trinity): Madam Speaker, the Hon. Member who has just spoken so eloquently mentioned the 3 per cent surtax. That tax was announced in February, 1986, and made permanent by this Bill. I wonder if the Hon. Member would care to comment on some of the other taxes introduced by the Government.

For example, if you add up the income tax on individuals and sales taxes they find an astonishing $36.8 billion which is expected to flow to the Government. Looking at the effects on a married couple, two wage earners, two children, earning $15,000 a year, their total tax increases add up to $470 in the taxation year 1987. I wonder if the Hon. Member would care to give the House his views on the taxing record of the Government since it has been in office.

Mr. Baker: Madam Speaker, that is an excellent question because it gets to the very heart of the matter of the general direction of the Government. One would have to wonder whether there has been an intentional effort by someone behind the scenes to scuttle the Government of Canada ever since it came to power in 1984. Some of the measures which were introduced to increase the recovery of money from Canadians were absolutely incredible. We recall the measure which was brought in to charge a fee if you telephoned the weather office. That was pure insanity. There was a measure to lay off tour guides in national parks and other such things.

• (1250)

Those measures are ill-advised for anyone trying to run a government sensibly. In order to collect money from the people of Canada a government should not tax popsicles, potato chips, and ice cream bars which young people purchase in the corner store at recess time. That all-important treat for a young child should not be taxed. With all the big banks, financial institutions, and cozy millionaires, the Government need not tax the snack foods of little children, but that is what the Government did.

In response to the Member's question, the over-all impact of the government charges has been to alienate ordinary people. After seeing the Government's sneaky summer snack attack they believe that the Government does not care about them.

The Government of Canada is now considering a tax on groceries. I suppose since they are taxing individual Granola bars which you purchase in the corner store they believe they should tax the large packages of Granola bars which you buy in the grocery store. I suppose that is the rationale. The Government even taxes popcorn. If you want to alienate a whole group of people you put a tax on popcorn, and that is what the Government did.

Therefore, one would suspect that there is someone behind the scenes who is advising the Minister of Finance to impose taxes such as that on little children's snack food which will destroy this Government for all time. It will never get past the next election if it follows such advice. However, that is what the Government of Canada did. I believe that there is someone behind the scenes scheming and conniving to destroy the Government of Canada with tax policies.

Mr. Lewis: Madam Speaker, I rise on a point or order. I want to advise the House that Thursday will be an allotted day.

Mr. Parry: Madam Speaker, I am glad to have the opportunity to speak on Bill C-64, although it is always difficult to follow the Hon. Member for Gander—Twillingate (Mr. Baker) whom I admire—

Mr. Brisco: Madam Speaker, I rise on a point of order. I understood that questions and comments were permitted and that there was still time for them. I am not sure whether the Hon. Member is speaking on debate or is speaking on questions or comments.

The Acting Speaker (Mrs. Champagne): There were two minutes remaining for questions and comments. I recognize the Hon. Member for Kenora—Rainy River (Mr. Parry) on a question or comment.

Mr. Parry: Madam Speaker, I had risen on debate and I would be perfectly willing to yield the floor to my hon. friend if he has a question or a comment.

Mr. Brisco: Madam Speaker, I will seek an opportunity to expand upon concerns which I have arising from the contribution to debate of my colleague from Newfoundland. I suspect that he is having a "Mac attack" and not a "snack attack". I believe he is in league with the dentists, some of whom are delighted to see children eat junk food to contribute to their cavities.

Some Hon. Members: Shame, shame.

Mr. Brisco: Well, I am stretching the point not quite as far as my colleague stretched his.

My colleague should consult with the NDP which as a matter of policy some years ago said that all junk food should be taxed out of existence leaving available to young growing children only those foods which have a healthful contribution to the diet.

I would like to asked some technical questions of the Hon. Member. However, other speakers from his Party will probably be making the same kinds of supportive comments in terms of trying to cover the backside of the City of Toronto on behalf of their Leader. Therefore, I will raise my questions later.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has now ended. Resuming debate, the Hon. Member for Kenora—Rainy River.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I am glad to have the opportunity to speak on Bill C-64 which, as has been remarked upon by other speakers, consists in part of the rearrangement of some tax loopholes, principally those which refer to corporations, and in part to the institution of the notion of international banking centres within Canada.

There are numerous other amendments of a consequential and a detailed nature. I had to admire the ability of my colleague, the Member for Gander—Twillingate, to bend the subject under discussion to his desired theme, that of the turpitude of omnibus Bills, something, I think we should point out, which was not invented by the present Government.

Our tax system is complex. This Bill does nothing to simplify it. In my view in the long run complexity equates to unfairness in Canada's tax system. There is complexity to such a degree that the ordinary accountant or lawyer has absolutely no chance of understanding the Income Tax Act. Rather than further rearranging loopholes, shuffling deductions, and complexifying what we have, we should be lending all our efforts to the simplification of the tax system.

The amendments foreseen by this Bill as they relate to the refundable sales tax credit have been condemned, and I believe rightly so, by the National Council on Welfare. The refundable sales tax credit threshold is too low. The sales tax credit disappears too fast at the rate of 5 cents on the dollar above that threshold. The 3 percent surtax which is perpetuated by this particular Bill is, of course, an inequitable tax measure which has no degree of progressivity.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member will want to continue his exposé after Question Period.

It being 1 p.m., I do now leave the Chair until 2 p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

AEROSPACE

SITE OF SPACE AGENCY—URGENT NEED FOR GOVERNMENT TO DECIDE

Mr. Jean-Robert Gauthier (Ottawa Vanier): Mr. Speaker, according to a headline on the front page of the newspaper *Le Droit* today, the space agency will be located in Ottawa. As everyone knows, in the hesitation waltz, the heart of the Prime Minister is swinging between Montreal and Ottawa and the location of the space agency changes according to his humour. While the Prime Minister wallows in uncertainty, the National Research Council is working. Tired of waiting for the Prime Minister, the NRC began last weekend to recruit the scientific and administrative staff for the space program by placing a full page ad in the newspapers.

The NRC published in Ottawa and Montreal newspapers a hiring advertisement giving full details on the number and designation of positions, the qualification and hiring criteria, job descriptions, position classifications and even linguistic requirements. Everything is there; everything is ready. Only

one detail is left out, namely where the candidates will work, in Ottawa or Montreal. Yet, this is a major detail!

The uncertainty of the Prime Minister is becoming ridiculous. Make up your mind, Mr. Prime Minister, because, by the time you do, those responsible for the program will probably have put the space agency in orbit somewhere between Ottawa and Montreal!

* * *

[*English*]

DISARMAMENT

SIGNING OF U.S.A.—U.S.S.R. AGREEMENT

Mr. Alex Kindy (Calgary East): Mr. Speaker, the eyes of the world are on Washington today and the visit of the First Secretary of the Communist Party of the U.S.S.R. to that city.

The event is the signing of a treaty to ban intermediate nuclear missiles. Some people see it as a move in the direction of nuclear disarmament. Who would quarrel with that proposition?

The only problem is that the United States, a democracy, is signing a treaty with the biggest colonial power of the twentieth century. The record of the Soviet Union in respecting treaties is dismal. Let us mention just a few. Yalta is an agreement to hold free elections in Poland and other satellite countries. We are still waiting 40 years later for those free elections.

What about the Helsinki Convention on Human Rights and the free flow of people between countries? The Soviet answer to this question is the continuing maintenance of the Berlin Wall.

What about the presence of the Soviet Armed Forces in Afghanistan, and the killing of innocent villagers, including women and children, by attack helicopters?

Let us put the signing of the treaty in its proper perspective.

* * *

EMPLOYMENT

AIR CANADA STRIKE—ISSUANCE OF WORK PERMITS TO NON-CANADIANS

Mr. Rod Murphy (Churchill): Mr. Speaker, yesterday, in answer to a question raised by the Member for Hamilton Mountain (Ms. Dewar), the Minister of Employment and Immigration (Mr. Bouchard) said that he was authorizing non-Canadian workers to do the work that is normally done by people who are on strike at Air Canada because no Canadians applied.

S. O. 21

Again the Minister of Employment and Immigration is refusing to enforce the laws of the land. Manpower directive, Chapter 17, states that temporary work authorizations cannot be issued to people from outside Canada to take the jobs of striking workers. The manpower directive is very clear. Chapter 17 is very clear.

It is obvious that the Minister of Employment and Immigration is refusing to live by his own regulations. I call upon the Minister to stop this illegal act and to enforce the laws and regulations of this land.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—QUOTATIONS FROM SOVIET LEADER'S BOOK

Mr. Gordon Taylor (Bow River): Mr. Speaker, in a book written by Mikhael Gorbachev entitled *Perestroika*, the Communist Leader says:

> We want freedom to reign supreme in the coming century everywhere in the world—

In the same book he states that:

> We are not going to change Soviet power, of course, or abandon its fundamental principles, but we acknowledge the need for changes that will strengthen socialism—

As one reads these words, remember that the Soviets signed the Helsinki Final Act in 1975 which pledged to protect human rights and fundamental freedoms. Just two years later the Communists marched into Afghanistan and ruthlessly killed children, women, and men, and they are still at it. Remember also that one of the fundamental principles of the Communists is the domination of the world.

It will be time enough to believe Gorbachev's "freedom to reign supreme" talk after he takes his army out of Afghanistan, after he permits the Ukrainians, the Poles, the Yugoslavians, the Hungarians to have free elections, after he removes the Berlin Wall, and stops persecuting the Jews in Russia. Until then, let us keep our powder dry.

* * *

[*Translation*]

DISARMAMENT

REAGAN-GORBACHEV MEETING IN WASHINGTON—OPEN-MINDEDNESS OF SOVIET UNION

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, it gives me great pleasure to say a few words, if only to balance the first three statements we have just heard about the summit meeting in Washington. I find the opinions just expressed so negative that I would like to have more time to say that, for my part, like millions of other human beings, I rejoice at the

fact that the two most powerful men on this earth can come to an agreement.

I publicly applaud the open-mindedness which now exists in the USSR thanks the new Soviet leader Mr. Gorbachev. I hope that this openness to new ideas will meet a corresponding attitude in the Western world.

[*English*]

I hope that this would only be the first step toward the real summit of total disarmament, the real summit toward better comprehension and a better world.

By being negative that we will not help bring sanity to this planet that we want to see survive. We must concentrate first on disarmament. I do not think it is fair to be negative, negative, "niet, niet", when Gorbachev says he would like to restructure his country and show openness to the West. Some say it is a bluff. I say let us it and see how far we can go in co-operation at this most important time.

I can assure my colleagues who spoke before me that millions of young people see this as a hope. When there is a hope, I join in sharing that hope.

* * *

[*Translation*]

EXTERNAL AFFAIRS

POSITION OF HAITIAN COMMUNITY IN MONTREAL

Hon. Suzanne Blais-Grenier (Rosemont): Mr. Speaker, on Sunday, November 29, more than 700 people lost their lives in Haiti. The *Front national de concertation*, consisting of members of the Haitian community of Montreal, has asked me to speak on their behalf today in the House.

The Haitian people have lost all confidence in Colonel Namphy's National Council and ask that he be immediately replaced by a national coalition government consisting of the five major opposition leaders.

Furthermore, the Haitian community in Montreal asks that the nine-member Provisional Electoral Council that was dissolved by Colonel Namphy be reinstated. Only then will our community in Montreal be able to trust our Government and have faith in its firm resolve to promote and work out a democratic solution to defuse the present crisis in Haiti.

The Government of Canada is asked to terminate all financial aid to Haiti until it is convinced this aid is not being diverted by the present government to purposes other than originally intended.

Furthermore, the Haitian community has lost confidence in the Canadian Ambassador, Mr. Laverdure, and prefers to see the political situation in Haiti assessed by grass roots groups and the Church, and it wants the Canadian Government to demonstrate its clear intention of supporting these organizations.

* * *

[*English*]

DISARMAMENT

SIGNING OF U.S.A.—U.S.S.R. AGREEMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would have thought that today would have been a day on which we could all join together in welcoming and celebrating what is happening in Washington. I remind those who want to keep their powder dry that there are still enough nuclear weapons in the world to kill us all 10 times over.

I was to begin by saying that I hoped I spoke for all Members of Parliament. Perhaps I should revise that by saying I hope I speak for most Members of Parliament when I say that we join with people all around the world who today are looking to the meeting between Ronald Reagan and Mikhael Gorbachev as the beginning of a new day in Soviet-U.S. relations and new hope for the future of the world.

The agreement to be signed is a first, in that it eliminates a whole class of nuclear weapons, but it must become the building block upon which future agreements to rid the world eventually of nuclear weapons are built. Otherwise, it will have been an occasion for false hope.

Congratulations are in order to both leaders, both of whom seem to have transcended, hopefully for good, the traditional thinking which has so imprisoned them and their military industrial complexes. I hope Mr. Reagan will be able to transcend his current view on star wars as well.

I am not a fan of the President, as is well known, but give credit where credit is due. It is in the recent attacks by the maniacal American right against President Reagan for signing this agreement that we see the "evil empire" that still lurks in far too many American hearts and minds. President Reagan should pay no more heed to them than General Secretary Gorbachev should pay to those who oppose *glasnost* or *perestroika*.

• (1410)

Now, if they would each agree to be as wise about Nicaragua and Afghanistan, respectively, we would have something else to celebrate.

Some Hon. Members: Hear, hear!

SPORTS

SLED-DOG RACING—PRE-OLYMPIC EVENT IN CANMORE, ALTA.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, one of our fastest growing sports is sled-dog racing. Canada has an enviable reputation, both for its dogs and the athletes who contest the events.

Top Canadian racing dogs are in demand not only in the United States but also in European countries such as Germany and Switzerland.

An international circuit of important races is being developed in North America.

Sled-dog racers, wishing to encourage better support and recognition for their sport, are organizing a major race at Canmore, Alberta, just prior to the Olympic Games. The hope is that within the not too distant future sled-dog racing will itself become an Olympic sport.

* * *

[*Translation*]

THE ARTS

QUEBEC DANCE GROUPS—OPPORTUNITY FOR GOVERNMENT TO GIVE GRANTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, this morning, there was a demonstration in Ottawa in front of the National Arts Centre. It was a joint demonstration by three Quebec dance groups: Eddy Toussaint, Ballet Jazz and Les Sortilèges.

These groups are asking for more generous grants from the Canada Council. All three are nationally and even internationally known. They are loved and appreciated by everyone except, it seems, the Government of Canada. The Government, through the Canada Council, has refused to increase their grants. This, while we so often hear about the need for preserving our Canadian culture!

Well, gentlemen, here is your chance! Considering the Conservative Government's interest in the arts, Mr. Speaker, I would ask this Government to listen to these Quebec dance groups and meet their requests, to help promote Canada's culture and the arts through the medium of dance.

[*English*]

WINTER OLYMPIC GAMES

OLYMPIC TORCH—DECEMBER 16 ARRIVAL ON PARLIAMENT HILL

Mr. William G. Lesick (Edmonton East): Mr. Speaker, may I remind all Hon. Members that Parliament Hill will welcome the Olympic Torch on the morning of December 16.

I urge all Members, people from the other place, and staff, to take an active part in the planned festivities. Most of us have received an invitation from the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) to a unique reception that will take place on the evening of December 15 in honour of the Torch.

I look forward to sharing the spirit with the Minister, and meeting members of Canada's national sport governing bodies, Olympians past and present, Torch carriers, and many other interesting personalities.

In Edmonton we are very excited that the Torch will be arriving on February 10, one of its last stops before reaching the Fifteenth Winter Olympics in Calgary.

I congratulate the Minister on the success of the relay to date. The Torch has given Canadians an issue around which to rally. We all want the Calgary Winter Olympics to be the best of all. It is simply a matter of national pride!

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON CANADIAN WINE INDUSTRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Minister for International Trade (Miss Carney) in a letter to Mr. Alan Brock, the Chairman of the B.C. Grape Marketing Board, indicated that the Government was providing assurances "that changes arising from a Canada/U.S.A. Trade Agreement would not be implemented overnight". She went on to say that "full consultation" with the industry would occur.

In a letter to the growers from the British Columbia Grape Marketing Board, the Chairman said the following:

> What we now have in this agreement bears absolutely no resemblance to the recommendations put forward by our provincial trade negotiators. We do not have an adjustment period here; we have the premature death of an entire Canadian industry. There is no doubt in our minds that the Canadian wine industry was used as a bargaining chip by our federal officials in their attempts to cut an eleventh hour trade deal. Either that, or we had already been sold out long ago to President Reagan and his powerful southern California wine lobby.
>
> The Canadian wine industry has undoubtedly been singled out in this trade agreement. We are the hardest hit industry within the Canadian economy and we grape growers are by far the most vulnerable segment within this industry.

The British Columbia Grape Marketing Board further states that an immediate compensation package must be

structured to provide compensation for literally every grape grower in Canada who, by this agreement, will be out of business within two years.

* * *

[*Translation*]

THE ECONOMY

POSITION OF LIBERAL PARTY LEADER

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, in 1976, the present Leader of the Liberal Party (Mr. Turner) resigned from his Party because in his opinion its policies were leaning too much towards socialism and were contrary to the basic principles of a healthy economy. He left because he considered that the Government was intervening far too much in the economy, was accumulating too much of a deficit and was showing an obvious lack of respect for the free market forces.

From 1976 to 1984, Liberals kept on increasing governmental control of the economy, making Canadians more and more dependent on interventionist policies, resulting in the private sector getting discouraged when faced with ever rising interest rates and increasing unemployment.

In 1984, Canadians saw the light and gave us the mandate to reduce the deficit, to put the economy back on track, and we are doing well. However, the Liberal Leader is now changing his mind again. His new creed is that the State must take charge of the management of the economy.

The Liberal Leader is afraid of the Socialists. If you cannot beat them, join them. He will embrace them, Mr. Speaker, the better to stifle them, hopefully.

* * *

[*English*]

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON ENERGY INDUSTRY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, the Government is not satisfied to give away energy in the trade agreement, now it wants to deregulate energy sales to the United States.

At the present time energy has to be offered to dependent provinces at a comparable rate before it is sold to the United States. To do away with this system would leave quite a few of the provinces dependent on energy without an assured supply.

Why is the Government doing that? The Province of Prince Edward Island will be the hardest hit. It will not have that assured supply. Why is the Government abandoning its responsibility and taking away the power of the National Energy Board? Why is the Government again abandoning its powers to the provinces?

* * *

DISARMAMENT

SIGNING OF U.S.A.—U.S.S.R. AGREEMENT

Mr. Alan Redway (York East): Mr. Speaker, in spite of concerns about the Soviet Union, all Canadians yearn for peace. Because of that, we warmly welcome the Intermediate Nuclear Arms Reduction Treaty signed today, and we look forward with anticipation to further discussions taking place this week that are aimed at reducing long-range arms by 50 per cent.

The credit for this obviously goes to Mr. Gorbachev and Mr. Reagan. But credit is also due to millions of Canadians and others around the world who continue to press for peace and balanced multilateral nuclear arms reduction.

Three years ago no one would have predicted that any agreement was possible. However, it is interesting to note that when the Government took office three years ago Canada's approach to defence and disarmament changed significantly. That change obviously did not hurt the disarmament process. I personally believe that process was helped when Canada started putting pressure on the United States privately instead of berating it publicly, as was done in the past.

Hopefully very soon more progress will be made in our quest for peace on earth to men and women of good will.

ORAL QUESTION PERIOD

[*Translation*]

HEALTH

TOXIC MUSSELS AFFAIR—QUERY WHY MINISTER DID NOT INFORM POPULATION PROMPTLY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have reviewed in detail the answers made yesterday by the Minister of National Health and Welfare. I was present in this House when he was trying to explain his action concerning the problem of toxic mussels that poisoned Canadians, and I am appalled.

Mr. Speaker, here are the facts: His department was first notified of poisoning evidence on Wednesday, November 25th. Laboratory animals died on Friday when poisoned by mussels. Mussel shipments have been stopped on Sunday. However, the Minister only issued a public alert on the following Tuesday, almost a week after the existence of a problem was first suspected.

Why did the Minister not recommend to the public to stop eating mussels on Friday? Why not on Saturday, on Sunday, on Monday? Why did he wait until Tuesday before alerting the public? How many Canadian men and women were hospitalized because of the Minister's negligence?

• (1420)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I gave the details to the House and to the country in very specific form yesterday. Those details were accurate yesterday. Those details are accurate today.

I said yesterday in the House that on Sunday, November 30, I had not been informed when the Department, with its experience, with its scientific knowledge, still did not have a health link but had what they referred to as "reason to believe" and they stopped the shipments. The laboratory tests continued.

I think the right hon. gentleman should accept that toxicologists and scientists have a responsibility to develop a knowledge base, based on their experience and their scientific abilities.

On Tuesday, when the evidence was clear to them, they came, very clearly, to me and recommended a medical alert, and I said: "Give me a medical alert and I will put it forward immediately", which I did.

I know the right hon. gentleman wants to stay with facts. His Members, again yesterday, said that I had known, and they gave the date of November 25. That is simply not true.

[*Translation*]

QUERY WHY POPULATION NOT NOTIFIED AT SAME TIME AS PRODUCERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have just related the facts as the Minister himself explained them yesterday. Public health must always have priority. Mussels producers were made aware of the problem Sunday morning, November 29, but no warning was issued to the Canadian public before Tuesday evening, December 1. Two and a half days went by between the times when producers and the Canadian public were told about the toxic mussel problem. Why? Does the Minister not realize that hundreds of thousands of mussels were on sale during those two and a half days? Why did he not immediately warn Canadians about the danger, at the same time as the producers?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have said in the House, both on this issue and on other issues, that I will always err on the side of safety and health. I have done so.

Additionally, I say to the right hon. gentleman that I think he should understand that the scientists have a responsibility to give me scientific facts. I have not questioned that. I have not tried to change that. I have not tried to influence that. I have spoken to nobody in the industry. Every time that a fact was given to me appropriate action was taken.

I say to him that surely he has to understand, as do Canadians, that some time is needed to establish a health link, whether it would be shellfish poisoning or a toxin other than the traditional ones with which the Department was familiar.

NATURE OF AVAILABLE EVIDENCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, during the period in question, hundreds of thousands of mussels were sold to the Canadian public. We are not talking here about food which looks bad or about food which smells bad. We are talking about food that was poisonous.

My question is quite simple. If the evidence was sufficient to tell the producers to stop shipping, why was that evidence not sufficient to warn the Canadian public? That is a very simple question.

I want to ask the Minister: in view of this negligence on the part of his Department, and on the part of the Minister, why doesn't he seriously consider resigning that portfolio?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Department was not negligent. My scientists were not negligent. The doctors were not negligent. The toxicologists were not negligent. Any information that I received—that's why the medical alert came forward on the Tuesday, as he is aware, and I was not negligent.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): I would like him to understand very clearly that on Sunday, where there was not a clear medical link established for a health alert, as a precautionary measure the Department put forward the "reason to believe" and stopped shipment. Surely any reasonable, fair-minded person would understand that and then expect scientists to put the information forward.

MINISTER'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, quite surely the caution should have been to tell Canadians to stop eating the mussels, not to tell shippers to stop shipping them.

Some Hon. Members: Hear, hear!

Ms. Copps: This afternoon we hear another contradiction. The Minister now says that he learned about it on Sunday, November 30. Of course Sunday was not November 30, and I would like to ask the Minister how can he deny a telex from his own Department in which his Department had first notified of an illness on November 25, 1987? Quite clearly, if the

Minister did not personally find out about the illness until Monday, he was negligent. If in fact the Department had known Friday mice were dying, Saturday mice were dying, and Sunday morning the shippers were told to stop shipping, how can the Minister possibly stand in the House and claim that he should not have told consumers until Tuesday night?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again if you take a look at the chronology which I have here and which I made available yesterday, the Hon. Member persists in saying something that isn't true. She persists in saying that I knew. The answer is that I did not know.

Mr. Gauthier: You should have known.

Mr. Epp (Provencher): Surely somebody has to understand what we are dealing with in respect to this issue, that is, that there are food inspectors with Health and Welfare across the country. In terms of illnesses, for example a person accessing a medical clinic in Quebec or Moncton or Prince Edward Island, the Department of Health would not necessarily be notified instantaneously.

For example, a Member of the House could be ill tonight. Surely the Health and Welfare Department would be notified tomorrow morning because of something he might have had for lunch today.

I am just asking Members to think through what they are saying, and what they are saying is that somehow every time the Department of Health and Welfare, with its inspectors across the country, is looking for an issue, immediately I have to put forward a health alert or that immediately I would know, as Minister, of every matter they are inspecting.

The point that I make to the Hon. Member is this. The facts I gave her yesterday were accurate yesterday. Those facts are the same today. I suggest to her, stay with the facts.

[*Translation*]

QUERY WHY MINISTER DID NOT WARN PUBLIC EARLIER NOT TO EAT MUSSELS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the fact is that on November 25 his Department was aware of problems associated with mussels and that people in Montreal, Moncton and Charlottetown were sick. The fact is that, according to the Minister's own words, the matter was serious enough Saturday morning to ask all companies to stop mussel shipments. On Saturday morning, the moment it became clear that it was serious enough to stop mussel shipments, why did he fail to warn consumers? Being responsible for consumer health, why did he not tell Canadians not to eat mussels?

• (1430)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the answer is the same in both languages. The Member talks about Saturday. Dr. Todd received those samples from Prince Edward Island at 8.15 p.m. upon which testing began that evening, Saturday. Yet the Member stands up in this House and says somehow that I should have an alert on Saturday.

On Sunday, after the testing through that night—again not fully established as a medical link—the shipments were stopped, an additional medical examination took place, and the alert on Tuesday. I say to the House and to Canadians very clearly that every step was followed by the Department. My Department did everything correctly, and as the Minister I support what the Department did.

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

WEST COAST FISHERY—RULING ON SALMON AND HERRING EXPORTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. There are reports that, in the final text of the trade deal, Atlantic fisheries have the recognized right to require that their fish be processed in Canada before being exported. No such protection exists for Pacific fisheries which have been hit—

Mr. Speaker: The Hon. Member for Cowichan—Malahat—The Islands is taking the lead question for the New Democratic Party. I would think that he is entitled to far more courtesy than has been exhibited so far. The Hon. Member.

Mr. Manly: No such protection exists for Pacific fisheries which have been hit by a GATT ruling which discriminates against Canada and prohibits us from having restrictions on the export of unprocessed salmon or herring, Mr. Speaker.

Why didn't the Government insist on the same protection for Pacific fisheries as it did for Atlantic fisheries? Why didn't it protect 6,000 shoreworkers' jobs in British Columbia?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the Hon. Member should know that the West Coast salmon and herring problem is not related to the free trade agreement. As the Member points out himself, it is involved in the recent GATT panel report which finds our measures inconsistent with the GATT provisions.

Therefore, the solution to that problem must be found within the context of the GATT itself. That is what my colleague, the Minister of Fisheries, and myself are pursuing.

THREAT TO JOBS OF WORKERS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my supplementary question is for the Minister of Fisheries and Oceans. He knows that when this issue was first raised two years ago he said on Prince Rupert radio that this

would be a good issue to be resolved in the trade talks. He knows that he made that link himself—not I, but the Minister.

Last December 9 the Secretary of State for External Affairs said that these export restrictions:

> —are essential to the effective conservation and management of the fishery. We have made it clear that the Government does not intend to terminate these restrictions.

Last month the Minister of Fisheries said:

> I give my assurance those jobs aren't going to be jeopardized in any way.

Does the Minister still stand by that assurance, and can he tell the House how he will carry out that commitment?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Of course, Mr. Speaker, I stand by that assurance. I want to point out to the Hon. Member, as has been stated by my colleague, the Minister for International Trade, that whatever is the situation with respect to provincial processing regulations in Atlantic Canada it is quite a different situation on our West Coast where many forms of unprocessed fish are exported from British Columbia, including groundfish and some forms of salmon.

The Hon. Member also knows that there are a variety of considerations here involving other nations, in particular, the whole question of the herring roe fishery and the important ability to maintain certain processing standards in Canada before the roe is exported to Japan.

This is, indeed, a multilateral issue and is to be properly dealt with before GATT, which is the course of action we are taking in order to ensure that our processing standards in Canada are maintained.

GOVERNMENT POSITION ON ISSUE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is again for the Minister of Fisheries. Obviously the Americans think they have the GATT decision already in the bag. That is why they refuse to make any concessions on the Pacific fishery.

The primary consideration is the 4,000 to 6,000 shoreworkers' jobs that are in jeopardy. In light of the fact that the Government has betrayed their interests in its desire to get a free trade deal with the United States, can the Minister give any reason that Canadian workers from one end of Canada to the other should put any trust in the Government? Why shouldn't they completely reject the Government and why shouldn't they have their request granted now for an election before this deal goes into effect?

Mr. Blackburn (Brant): That is an easy one for you, Pat.

Mr. Riis: Yes or no.

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the reason that Canadians may not believe our claims that we will deal with this before the GATT, where this problem initiated, is because of the extravagant claims made by the Opposition, glooming and dooming over other issues, such as the shakes and shingles industry which they said was going to lay off hundreds of thousands of people, and the softwood industry which was going to lay off hundreds of thousands of people.

Mr. Riis: What about the Okanagan grape industry?

Miss Carney: People will equate what we said about job creation, our 1 million new jobs, against what the Opposition said about the loss of jobs, and people will make up their own minds.

* * *

CANADA LANDS COMPANY

SALE OF EXPROPRIATED MIRABEL LANDS—REQUEST FOR APPOINTMENT OF ROYAL COMMISSION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister. It concerns the management, operations and dispositions of properties by the Canada Lands Company at Mirabel. Today the media report that there may be as many as 50 expropriated owners in the Mirabel area whose properties were subsequently flipped. There are also reports that the Crown corporation in question has failed to file its financial statement pursuant to the Financial Administration Act.

Given this new information and the issue that I raised in this House yesterday and, given the transaction involving the industrial park in Mirabel that I brought to the attention of the House in October of this year, will the Prime Minister now do the right thing and appoint a Royal Commission of Inquiry into the functioning, management, operations and the disposition of properties by the Canada Lands Company at Mirabel?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the Government instructed the Mirabel corporation to return to the original owners of the lands in that area those which had been expropriated and which were surplus to the needs of the corporation. That has been done and that procedure has been followed. All of the original farm owners have been contacted and been given the option to purchase the land. That procedure was universal.

With respect to the filing of the statements of the corporation, the documents were presented to the Auditor General. He questioned some of the items. I immediately asked the special audit team of my Department to make further inquiries. Those inquiries have almost been completed. There is a meeting of the board in the next two days and I will be able to report more fully to the House then.

[*Translation*]

NECESSITY FOR COMPLETE INQUIRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary. I have here the Public Accounts of Canada, and at page 73, where the Corporation's audited financial statements for 1986-87 should have been, there is only a blank space. The Minister informs us that a special team in his Department is making inquiries. Perhaps he could report to the House on the nature and scope of these inquiries. In fact, why doesn't he say outright that it will take a full scale investigation of the dossier—not just the financial statements but the functioning, management, operations and disposition of properties at Mirabel? That is what we need and that is what we want.

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, what is involved is how certain overhead expenses should be profiled. There has been some disagreement between the Auditor General and the Mirabel corporation. I have pursued that and we will have a response in the next two days.

* * *

TRADE

EXPORTS OF WEST COAST SALMON AND HERRING

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister in Prince Rupert suggested that the West Coast herring and salmon regulations issue would best be dealt with between Mr. Reisman and Mr. Murphy. Why wasn't it?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not remember making that observation. I would be pleased if the Hon. Member could produce a quote to that effect because I do not believe I made such an undertaking.

Mr. Fulton: I will produce it later today, Mr. Speaker.

Some Hon. Members: Oh, oh!

• (1440)

Mr. Fulton: Mr. Speaker, it was in an interview the Minister gave on CBC and it will come much quicker than the text of the free trade deal.

PROCESSING OF FISH—CANADA-UNITED STATES TRADE AGREEMENT

Mr. Jim Fulton (Skeena): My supplementary question is directed to the Prime Minister. On October 28 the Prime Minister said that the Liberal and New Democratic Parties were opposed to the interests of western Canada. Since the new trade text stipulates that Canada can ensure that fish caught in Atlantic waters must be processed in Canada and that the same rate is not extended to the West Coast fisheries, placing a $750-million industry and 6,000 jobs at risk, should not a right in a free trade agreement that applies to Atlantic Canada apply to the Pacific West Coast fishery?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already explained to the House that the specific issue of the West Coast fishery in salmon and herring is presently before the GATT where it has been decreed that our practices are not GATT consistent. Since the problem we have arises within the GATT, the solution must be found within the GATT as well.

I find it very strange that this Party which wraps itself in the GATT, says that GATT is the only way to go, and wants to say no to the free trade agreement because we will live up to our obligations to GATT, is the very same Party which is disputing our right to deal with this issue in the GATT and resolve it in the GATT.

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HAZARDOUS SUBSTANCES

PRESENCE OF DIOXIN IN PAPER PRODUCTS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of National Health and Welfare and concerns reports in today's press that dioxin has been found in Canadian paper products, including facial tissue and paper towels. In September, the Minister advised me in the House that his Department was doing a detailed assessment of this problem, but today's reports indicate that there have been no government tests conducted in connection with the situation.

Will the Minister advise the House whether or not there are tests going on and what steps the Government is taking to protect the health of Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to reply to the Hon. Member. In October of this year I commissioned an interdepartmental committee with representatives from Health and Welfare, from Consumer and Corporate Affairs and from Environment Canada, to address the issue of dioxins in products. That committee has begun its work. Once we have determined the parameters of the manner in which a study should be conducted, a detailed study will go forward as well.

I know what the Hon. Member is referring to when he refers to studies of dioxins in paper products. I am concerned that we have as much of a multidisciplinary approach to the question as possible, and that we have Canadian data.

CANADA LANDS COMPANY

REQUEST THAT MINISTER TABLE FINANCIAL STATEMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Public Works and is about those financial statements. There are lots of disagreements between the Auditor General and the Government about proper accounting and about matters that are reported in financial statements. I would remind the Minister that that does not mean that the Department or agency is not obliged to file its version of the financial statements of its operations. That happens all the time. That is no excuse for not filing or tabling in the House the financial statements of this Crown corporation.

Apart from the disagreement with the Auditor General, where is the Crown corporation's version of its financial statements? Will the Minister undertake to table them now, whether or not the dispute is resolved with the Auditor General?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, what is involved is the profiling of certain overhead expenses, and there is a meeting of the board of directors on Thursday of this week. My Deputy Minister will be in attendance. There is to be a meeting on Friday of this week with the Auditor General to review the situation and to see if the format proposed is acceptable to the Auditor General.

MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, if it is not acceptable to the Auditor General, I hope it will be tabled anyway. Lots of the financial statements of this Government are not acceptable to the Auditor General. That is normal.

A matter that concerns Canadians is what makes this Government tick on these questions. When did the concern of the Minister of Public Works about the unfiled financial statements begin? Did it begin when the matter appeared in the newspapers the other day, or did it begin when the corporation failed to file its financial return as it was its statutory duty to do?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, by way of global response, I think it appropriate that I indicate that the Auditor General indicated that the performance of this Government during the past year was the most optimistic he has had the occasion to comment on in a very long period of time.

Some Hon. Members: Hear, hear!

Mr. McInnes: I think it also relevant that the Auditor General be seized of the same information that the corporation wishes to present. There must be a common denominator so that he can properly comment. That is the information we are trying to get and we will get it. I have advised him that he will have it in three days.

[*Translation*]

EXTERNAL AFFAIRS

SITUATION IN HAITI—GOVERNMENT POSITION

Hon. Suzanne Blais-Grenier (Rosemont): Mr. Speaker, in the absence of the two Ministers responsible for this dossier, my question is directed to the appropriate Minister.

Considering the atmosphere of violence that still prevails in Haiti; considering the Haitian people have lost all faith in the National Council and Colonel Namphy, and considering that 30,000 people belong to the Haitian community in Montreal, I would like to know whether the Canadian Government has identified ways of bringing the situation back to normal in a country where violence is still the order of the day.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to thank the Hon. Member for her question about this important matter.

We have called back the Canadian ambassador to Haiti. He will arrive in Canada this evening. In the absence of the Minister, I intend to meet with him tomorrow morning for a more detailed report on the events in Haiti.

Through the Minister we have already made known our profound disapproval of the actions and intentions of the Government. After meeting with the ambassador, the Canadian Government will signal very clearly what its intentions are with respect to our bilateral relations and our presence in Haiti.

We profoundly disagree with certain positions taken by the Haitian government and we shall be making a statement very shortly.

Some Hon. Members: Here, here!

CREATION OF COUNCIL *PRO TEMPORE*

Hon. Suzanne Blais-Grenier (Rosemont): Mr. Speaker, I thank the Right Hon. Prime Minister for his very clear answer which will provide some encouragement to the Haitian community in Montreal.

May I ask the Prime Minister whether he would promote the solution suggested by various groups in Haiti and supported by the Haitian community in Montreal to the effect that a council *pro tempore* be created consisting of the five main opposition leaders, which would reassure the Haitian community in Montreal and the population of Haiti itself?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we noted with interest the suggestion of the Haitian leaders in Montreal about the creation of a council *pro tempore*. It still remains that there is a government presence—and I choose my words carefully—in Port-au-Prince which we must accept for the moment.

However, recent actions and events in Haiti have given rise to serious objections, not only from the Canadian Government,

but from all Canadians as they are a direct denial of the democratic action of the population.

* * *

HEALTH

TOXIC MUSSELS AFFAIR—QUERY WHY MINISTER DID NOT INFORM PUBLIC PROMPTLY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of National Health and Welfare and concerns the problem with mussels.

On November 28, the rats died. The Minister was informed on November 29 and stopped deliveries. Consumers were informed only on December 2.

Since the Minister had the information required to stop deliveries, why did he not warn the consumers at the same time?

• (1450)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member's statement had details in it which were not accurate. We received samples from Prince Edward Island at 8.15 p.m. on Saturday, November 28. At 10 a.m. on Sunday, November 29, based on very preliminary reports a decision was made by the Bureau of Field Operations HPB in Ottawa to stop distribution of any further product from P.E.I. At 10.15 a.m., 15 minutes later, HPB discussed the decision with BFO officials by phone. At 10.30 a.m., 15 minutes later, we notified the HPB, Atlantic region.

I was not informed about the "reason to believe" and the "stop shipment" on the Sunday. I was informed of the problem on the Monday. I told the Department to get me every detail and "we are going to put out a health alert at the first moment we receive any scientific medical information". The minute I received that on Tuesday the health alert went forward.

TIME BETWEEN STOPPING SHIPMENTS AND INFORMING PUBLIC

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, this is an extremely serious situation.

Mr. Crosbie: We know that!

Mr. Rodriguez: After all, no one got sick or was hospitalized over tuna, but they are certainly getting sick and being hospitalized on this mussel deal.

Since the Minister had "reason to believe", and on that basis he stopped the shipments, then the "reason to believe" should also be exercised in favour of consumers. My point is, why was there a lapse between stopping the shipments and informing the public that they ought not to be purchasing this stuff?

Mr. Gauthier: Same question.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, now that the Hon. Member has accepted the facts I gave him, let us go to the Monday and Tuesday, November 30 and December 1. On the Monday we injected into mice and rats the material which could have a toxin in it. On the basis of our past experience, the size of the animals, and the amount of neurological and other damage observed, decisions can be taken. The Hon. Member must realize that the medical detective work takes some time. That was the time that was used on Monday and Tuesday.

TESTING OF PRINCE EDWARD ISLAND MUSSELS

Mr. George Henderson (Egmont): Mr. Speaker, I have a short supplementary question for the Minister. Is he telling the House that no tests on those mussels were made on Friday, November 27, by Dr. Todd? Is he trying to tell us that no tests were made and no mice died on that day?

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, that is not what I said. What I say to the hon. gentleman is that even at this moment the exact source of toxin in the Prince Edward Island mussels has not been determined scientifically or medically. We are not dealing with a traditional toxin. It could have been from dredging. It could have been from algae bloom. The toxin secreted by the mussel is to ward off any bacterial activity in the mussel. It is that toxin which is damaging to human beings. Let us keep the details very straight.

MINISTER'S KNOWLEDGE OF EVENTS

Mr. George Henderson (Egmont): Mr. Speaker, once again, the Minister knows that mice died on November 27. That has been established. Does he not think that the serum from the mussels which was injected into these mice and killed them would be a health hazard to humans? He knew that on Friday night.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I know the Hon. Member is someone who likes to stay with the details. No, that is not true. I go back to exactly when this Minister knew. This Minister knew there was a problem with mussels on the Monday.

Ms. Copps: He was not in control of his Department.

Mr. McKnight: Get control of your mouth, Copps.

Mr. Epp (Provencher): During the week tests were being done by the Department. The Hon. Member knows various tests are done on various foods by the Department on a routine basis. I am not informed of every one of those tests. I was informed on the Monday.

[*Translation*]

HAZARDOUS SUBSTANCES

DIOXINS—PAPER PRODUCTS—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Minister of National Health and Welfare and concerns the presence of dioxins in paper products. Is the Minister aware of the studies showing that dioxins do not always stay in the paper, but in the case of paper coffee filters, for instance, that they also go into the coffee? At what risk are Canadians being put by the presence of dioxins and what is the Minister doing in co-operation with the Minister of the Environment about this problem?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am aware of the details the Hon. Member has raised. It is referred to as dioxin migration. When the Hon. Member for York East asked me questions about this earlier in the fall the interdepartmental committee, which I mentioned again today, was struck, and studies are being developed. There have been studies in the U.S. as well and I believe a report is due to be released on the 15th of this month.

REQUEST THAT GOVERNMENT USE UNBLEACHED PAPER

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, is the Minister aware that this problem is being dealt with better in other countries by changing the industrial process used in making pulp and paper? As well, in Sweden, for example, the Government set an example by using unbleached paper. Would the Minister get his Government to set an example, and you, Mr. Speaker, for the House, so that as consumers we could be helping the process by switching to natural unbleached paper that would be dioxin free?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, Mr. Speaker, I am aware of that. However, the Hon. Member should go back to the answer I gave earlier in the fall on this issue. I said at that time I was not questioning whether there were safer methods. That evidence has yet to come forward. That is why studies are being done, to verify that.

She should also understand, obviously, that there is scientific thought on both sides of the question. We want to opt for the safest method and that is why the interdepartmental study and the need for that data.

* * *

TRADE

WEST COAST FISH EXPORTS—GATT PRELIMINARY RULING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is addressed to the Minister for International Trade and concerns the second round of negotiations just concluded with the U.S.

On the question of the West Coast fishery the Minister said in the House today that matter is before GATT. She well knows that under the GATT rules, after a preliminary ruling, it is open to the parties to the dispute to withdraw, negotiate, or change the application. In other words, it was possible, and certainly desirable, through negotiations to have the U.S. withdraw its application to GATT.

Given that, why did the Government of Canada not explicitly ask the U.S., referring to the stand-still provision and others, to withdraw its application to GATT? Under the rules that is perfectly permissible, desirable, necessary, and encouraged. Why did the Government of Canada neglect to make that demand or request of the U.S?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member will have to wait until we get the final text to see in what way this issue has been resolved. The final details and the actual wording and is being addressed by the lawyers today. We hope to have their report before us.

• (1500)

It strains the credibility of anyone on this issue to think that the Americans, having won this case in the GATT, would be prepared to give it up in the GATT. We are following the solutions in the GATT. Since the Hon. Member is such a fan and supporter of the GATT and believes to the depths of his soul in the GATT, he should be happy that the two parties are dealing with this before the GATT in the context of the rules which are in force.

Mr. Axworthy: Mr. Speaker, we support the rules of the GATT when those rules are applied. Considering that the Government did not follow those rules on softwood lumber, that would be a useful precedent of which to remind our American neighbours.

CANADA-UNITED STATES TRADE AGREEMENT—DEADLINE FOR SIGNING

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my supplementary question is directed to the Minister for International Trade. Last week the Chairman of the Ways and Means Committee and the Chairman of the Finance Committee in the United States wrote to Secretary of the Treasury Baker saying that they do not intend to deal with the legislation dealing with the Canada-U.S. trade pact until June and will, in fact, be considering the omnibus trade Bill prior to consideration of the trade agreement between Canada and the United States.

Why are we signing, on January 2, a commitment by this country to a trade arrangement with the United States before we know what is in the omnibus trade Bill, knowing that that omnibus trade Bill contains many discriminatory, punitive trade measures against Canada which will be entrenched in the trade agreement if it is passed prior to Congress accepting the Canada-U.S. trade deal?

Why are we committing ourselves on January 2 to entrenching that kind of discriminatory trade legislation forever as part of the commercial relations between our countries?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, with regard to the softwood lumber issue, I would remind the Hon. Member that the timeframe with which we were faced did not permit us to seek recourse through the GATT. That is a fact which he should know because the average GATT case has been taking as long as 14 months to resolve, which is an improvement. The timeframe we were faced with at that time did not permit us to deal through that route. If we had taken it to the GATT we would not have had a decision in time to be effective.

With regard to his question about January 2, the President of the U.S. and the Prime Minister of Canada have to sign the free trade agreement on January 2 because the authority for the U.S. President to sign under the fast-track provision runs out on January 2. After that date the free trade agreement could go ahead but it would be held ransom by everyone in Congress to make every possible change, and to do all the log rolling possible to unravel the agreement.

That is why the fast-track agreement is in place. January 2 is important because the U.S. mandate to use the fast track runs out then. I have explained that to the Member many times and I will give him a further briefing should he so require.

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SOVEREIGNTY

CANADIAN ARCTIC—NEGOTIATIONS WITH UNITED STATES—LACK OF CONSULTATION WITH INUIT TAPIRISAT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and is with regard to the impending agreement between Canada and the United States with respect to the Canadian Arctic.

There has been government rhetoric with regard to sovereignty in the Arctic, a word which was apparently left out of the agreement, and also with respect to the environment and the native peoples of the Arctic.

Could the Prime Minister tell us why the Inuit Tapirisat of Canada and other native peoples, to whom the Government of Canada has often wanted to attach the Canadian flag for sovereignty purposes, were not consulted, so that the Government could have the benefit of their advice and the Americans could have the benefit of their participation, which would be needed in order to protect the environment in the North?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, our proposals involve the exercise of Canadian sovereignty on an ongoing basis. These are presently being discussed by the Secretary of State for External Affairs and the Secretary of State of the United States. At the appropriate time upon his return to the House the Secretary of State for External Affairs may indeed have something to say in this regard. It would be a step toward the strengthening of the exercise of Canadian sovereignty which has been gravely neglected in the past.

NORTHWEST PASSAGE—QUERY CONCERNING POSSIBLE SHIPMENTS OF OIL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I asked the Prime Minister a question about consultation. I asked him why the Inuit Tapirisat of Canada have not been consulted. If he is not prepared to answer that question, perhaps he would give a commitment that they will be consulted.

Can he assure the House that there is no connection between this agreement on the Arctic and the free trade agreement? Can he assure the House that there is no intention, pursuant to this agreement, to use the Northwest Passage to ship those 50,000 barrels of Alaskan crude through the Northwest Passage? Is this the prelude to that sort of an affair? Can we have an assurance on that? If it is so funny, give us an assurance.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the free trade agreement is not responsible for the common cold either.

With regard to the first part of my hon. friend's question, I think he knows that the exercise of sovereignty is the responsibility of the Government and the Parliament of Canada. While we have engaged in many consultations, it is for the Canadian Government to assert and exercise that sovereignty.

That is why, with regard to the important matter of sovereignty raised by my hon. friend, the Government is in the process of expending some $500 million in Vancouver to build a Class 8 ice-breaker so that we can assert our sovereignty for the first time in that vital area. That is why the Government has made an important commitment with regard to nuclear submarines to ensure the exercise of sovereignty over Canada's North which has been so badly neglected by previous Governments.

Some Hon. Members: Hear, hear!

Mr. Blaikie: What about the Inuit?

Mr. Speaker: I regret to advise that that is the end of Question Period. I know that some Hon. Members were seeking the floor and I will try to recognize them tomorrow.

POINTS OF ORDER

WEST COAST FISH EXPORTS

Mr. Jim Fulton (Skeena): Mr. Speaker, I have been able to confirm that on October 27, 1986, the Minister of Fisheries and Oceans (Mr. Siddon) was interviewed by CBC Prince Rupert in the person of reporter Christine O'Gryzlo and that he said the following: "If we are talking about liberalizing trade and if we are talking about free talks maybe we should be talking about the free flow of fish between the two countries, especially B.C. and Alaska. We are discussing with industry whether this should be put on the table in free trade talks".

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I rise on the same point of order. Of course there were a number of options at that time. Discussions have taken place with the industry on this issue. One of the prime pieces of advice from the industry, including the United Fishery and Allied Workers Union, was that this matter should not be resolved in the context of the free trade talks because it had implications extending far beyond the context of Canada-U.S. relations.

[*Translation*]

CORRECTION TO QUESTION

Ms. Sheila Copps (Hamilton East): On a point of order, Mr. Speaker, when asking my question to the Minister of National Health and Welfare about the mussels issue this afternoon, I asked the Minister why he warned the companies on Saturday and the public only on Monday evening. In fact, the sequence of events is that he warned the companies on the Sunday morning and the public only on the Tuesday evening. I would like the appropriate correction to be made.

[*English*]

Mr. Speaker: I thank the Hon. Member for making that correction. That will be helpful.

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties. I think you will find that there is unanimous consent to dispense with the adjournment debate today. Therefore, when Private Members' Hour is completed today the House will stand adjourned until two o'clock Wednesday, December 9, 1987. I would like to thank the Opposition Parties for their courtesy in this matter.

[*Translation*]

Mr. Speaker: Do all Parties agree?

Mr. Gauthier: We agree, Mr. Speaker.

Mr. Speaker: Is that agreed?

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I do not believe there is a problem. Perhaps you could give us a few seconds to consult on that.

Mr. Gauthier: Mr. Speaker, I had a question on the late show and cancelled. Another Member on the opposition side had a question on the late show tonight and he cancelled it as well because of the party of the government side tonight. We respect that. We expect that they will do the same for us tomorrow.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

• (1510)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-64, an Act to amend the Income Tax Act, a related Act, the Canada Pension Plan and the Unemployment Insurance Act, 1971, be read the third time and do pass.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, the Hon. Member for Kenora—Rainy River (Mr. Parry) had the floor.

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, before lunch, I had just embarked on a short critique of some of the provisions of Bill C-64 that do not relate to the establishment of international banking centres. I want to make some further comment with regard to the omnibus character of this tax Bill.

Frankly, this omnibus Bill is an adjustment of the edges of the tax system and has nothing to do with tax reform as such. Even in those adjustments to the details on the periphery, the Government has not shown any willingness to implement some of the principles to which heretofore it has been giving lip service by way of the White Paper on tax reform.

This legislation does not envisage any indexing of the sales tax credit, nor of the turnover point. Therefore, with the normal operation of inflation, the value of this sales tax credit will diminish year by year and the point at which it will be clawed back through the tax system will also diminish in terms of real income. Surely, those measures could have been indexed if the Government was really committed to over-all tax reform.

The non-indexation of the threshold will mean that Canadians will see this sales tax credit clawed back at a progressively lower level of income, whereas the level at which this claw-back starts is already approximately 25 per cent below the poverty line as defined by Statistics Canada, in terms of a family of four in an urban centre. Even those who are just on either side of the poverty line will be subjected to a marginal degree of taxation that will be higher than the people who are in higher tax brackets because of the operation of this particular claw-back provision.

The Government often states, when discussing those higher marginal rates of tax, that they constitute a disincentive to attempting to earn more income. That disincentive will be doubly present for those who are on either side of the poverty line, particularly those at that 75 per cent of the poverty line where this claw-back provision comes into effect.

While the measures dealing with international banking centres are perhaps the most interesting and intriguing part of Bill C-64, they will have less effect in the long run than some of the minor detailed changes to unemployment insurance and to the question of sales tax credits and thresholds.

However, It is of particular interest because it provides such a telling paradigm of the way in which the Government is prepared to go to such lengths to express its basic economic philosophy, whether or not that philosophy will have any beneficial effects for Canadians.

This is an example of the Government pursuing two themes. One theme is that enterprise should be freer. However, it is very difficult to think of that particular term in regard to the banking system in Canada. The second theme is that tax considerations should be diminished in the formulation of business decisions. A third theme is that there should be some advantage given to sectors of the economy which the Government believes are beneficial to the entire economy.

What sacrifices is the Government prepared to make in pursuit of those objectives? First, it is prepared to allow inter-regional strife and hostility to break out within the business community and its political surrogates on the Government side, to the point of dividing its own back bench. It is prepared to allow abuse to flow back and forth between the financial communities in Vancouver, Montreal and Toronto which is, of course, the predominant one in this country and which has almost unanimously opposed this legislation. Canadians should know that in doing so it is prepared to allow action that essentially compromises whatever value or effect this legislation might have had.

We heard testimony in the finance committee that seems to border on the absurd in its naivety. We heard testimony that 26 jobs might be created, and testimony from the Department of Finance that only 11 jobs might be created. The Government is taking the time of Parliament, taking hearing time and the expense of travelling across the country, using the efforts of Members of the House, in pursuing a plan that might create 11 to 26 jobs. Surely, any of us could conceive numerous legislative measures that would have five or tenfold the effect on job creation with a similar expenditure of time and money which the House might have more profitably used.

The purpose of this legislation is for the Government to align itself with the Reagan and Thatcher economic view of the world as well as with the so-called free enterprise philosophers. It is to align itself with the mullahs of the economic new right in the pursuit of objectives which, while they may have very little use or effect in themselves, nevertheless have an important philosophical underpinning that can be communicated to those who want to hear the message.

What is the cost? Department of Finance officials have suggested that there is no cost because all of this is happening offshore. It would be a very dangerous assumption to accept that view. While there may be no financial cost, we must consider the political cost to Canada in the institution of international banking centres. We must consider the measures that correlate with international banking centres.

Of course, we are talking about the free trade zones which have been established in different countries of the world to assist in industrialization. Of course, these are the darlings of the economic right because they enable the concentration of wealth and the substitution of cheap labour for labour that earns a decent wage. They allow the internationalization of products to subvert Government controls on rules of origin and to undermine national economic planning. They allow the treatment of labour and capital as if they are completely interchangeable and they allow the subversion of safety legislation, environmental legislation, health protection legislation and the tax system.

• (1520)

One of the principal themes of my leader and of this Party has been the misuse of the tax system, and what is left out of the tax system by way of economic policy. Although it may be useful and beneficial to the country, and beneficial in certain areas itself, we should be very careful about adopting a measure that is so susceptible to harmonization in an international economic order that does not empower individuals or communities, that does not permit the development of Third World countries in a democratic fashion, and that essentially leads to the concentration of wealth, capital, and power in the hands of a few.

The Eurocurrency reserves, as they are sometimes called, which the international banking legislation is designed to accommodate, are an example of that phenomena which has been described as—

[*Translation*]

—"money without a country", there are huge monetary reserves, billions of dollars throughout the world, thousands of billions of dollars indeed, money called eurodollars.

[*English*]

The notorious hot money flows which can lead to runs on the currency of a particular country are an example of the operations of the Eurocurrency and of the Eurodollar market. The existence of numerous tax havens and tax shelters, convenience banking islands such as The Bahamas and the Cayman Islands are manifestations of that same system, and of the degree to which international finance is adapting to accommodate those Eurocurrency transactions and those Eurocurrency reserves.

It is unfortunate that there have been comparisons with the American experience, because the reserve requirements and the restrictions on interstate banking in the United States render Canada's situation very different from that of the United States, to the point where it would be unwise to draw comparative conclusions. Our fear is that loans that have a significant risk element will continue to be put through the normal channels, and only the safe loans will go through those international banking centres.

In looking at this legislation we have to ask the following questions. Will there be any real economic benefits in the form of jobs to the centres of Vancouver and Montreal, or is the federal Government simply undertaking a measure that is designed to stroke the leaders of those two financial communities and convince them that they are getting something for nothing when, in fact, they are not? What will be the real size of the tax expenditure involved, particularly at a time when we are looking at tax reform and when there is $28 billion of other federal tax expenditures out there, essentially unaccounted for, although we have an idea of their order of magnitude?

Given the profit picture of the banks, should we be doing anything to benefit institutions of that size? I say this not to call down the banking industry, but to point out that over the past years job creation has almost exclusively been the preserve of small and medium sized business. The job creation record of Canadian banks would not bear comparison with that of small business as a whole.

I could on at some length on this whole question. It brings into play the matter of the free trade agreement. I want to hold my fire on the free trade agreement until the Government can state with confidence, and produce the evidence before the House, that it really has a free trade agreement.

I simply wish to point out that the three centres around which discussion has hinged in this debate are those of Toronto, Montreal, and Vancouver. The whole problem that I see with the operation of a free trade agreement is the danger of centralization of the Canadian economy. It is not that the legislation to create international banking centres is inequitable; it is obvious that both Vancouver and Montreal are far more in need of economic stimulus, even in the financial industries, than is Toronto. But what we will see under the move to a free trade environment, which undoubtedly this international banking legislation is designed to harmonize with, is a centralization of the Canadian economy that will lead to a reduction in jobs, and a reduction in economic opportunities in the smaller communities of Canada, and quite possibly in most communities in Canada outside of those three centres.

Yet we should never fall into the trap of believing that because there may be job creation, and certainly centralization of industry in those three centres, that the people who live there will actually benefit from the results. I believe that when there is excessive centralization of an economy, the benefits of productivity and job creation are extremely vulnerable to being outweighed and overburdened by the simple physical strains expressed as financial constraints that occur in the major areas of centralization.

Thus it is today that we have situations such as that in New York City where I was told by one of our own civil servants if I was looking for a nice *pied-à-terre* I could perhaps view the penthouse in his apartment block. The owner had just reduced the price by $1 million, from $5 million U.S. to $4 million U.S. in the hope of getting a quick sale.

I hope that we as Canadians never adopt the measures that will lead us to the type of future where those real estate prices combine to gut cities of their population, force people ever further out into expanding remote suburbs, and eventually deteriorate the quality of life for the majority of people who live in the major centres that will benefit from free trade legislation, as they plan to benefit from this legislation.

Mr. Layton: Mr. Speaker, I thank you for the opportunity to participate in this debate. I feel it is important that the House realize that reports and impressions that have been given to the public over the past day or two by the press are both incomplete and incorrect. They have been filled with comments from one side of the argument and the proposition that we are discussing today as part of Bill C-64.

Many years ago the international banking centres idea was first advanced from the community of Montreal and endorsed and reinforced by the community of Vancouver. It has been studied and analysed. The Standing Committee on Finance and Economic Affairs conducted a major study of this concept. Our visits to New York developed a wealth of information that concluded under the limited circumstances that would be allowed for those banks that there would be a limited opportunity, and therefore a limited number of jobs. That did not change the fact that when the committee came to its final statement, its recommendation clearly established that it was a good idea, it just was not developed far enough; the Minister should consider other ways of increasing and improving the success or the effectiveness of this idea.

Mr. Cassidy: Not true.

Mr. Layton: The committee report went on to state that one particular requirement, our second recommendation, was that we should negotiate withholding tax agreements with other countries to make this idea more successful. Under those circumstances, the banks would be more competitive. This

committee, of which I was a member for more than a year, clearly was in favour in its majority of supporting the Montreal and Vancouver initiative. There were those who were against—

Mr. Cassidy: That is not true.

Mr. Layton: —and they are the most vocal members of the committee, Mr. Speaker, and they will give the impression to the press that their views stand as the opinion of the committee. However, I stand here and assure the House that there was a majority of us on the committee who felt that it was a good idea.

• (1530)

Mr. Cassidy: That is not true.

Mr. Layton: All we have to do is to ask members of the committee. The truth is that this concept will continue the feeling or the impression that it is a very major concern to Montreal, as all of us who live there know. We have watched our role and our opportunity as an outlet for Canadian skills and international services diminish in favour of points west, in particular Toronto.

Along comes an idea, the Government recognizes that it is a good one and promotes it. We in Montreal are very pleased. However, I would certainly want to correct the idea that the committee was stacked. If one thing should go on record, it is that both opposition Parties were divided on the issue. It might surprise the Hon. Member to know that in a vote his Party was divided, as was the Official Opposition. It was also divided on the government side.

It was recognition of whether or not regions like Montreal and Vancouver would have certain opportunities and rights in the future. A vote could have come at any time, and it came at committee in the absence of those from the Opposition who supported this particular motion. Maybe that was a surprise. Maybe it was well planned. However, I can only assure the House that at any time when that vote would have been taken, a majority of the finance committee would have been in favour of it, as was shown in the final announcement of that election.

[*Translation*]

Mr. Speaker, to us Montrealers and to our fellow Canadians in Vancouver, opening banking centres is an element, a symbolic indication of the special values of these two international cities in Canada.

[*English*]

Mr. Parry: Mr. Speaker, in response to the Hon. Member I must say that perhaps he did not observe the degree and intensity of some of the conflicts which I was able to identify in just one appearance at the finance committee on this particular matter. I can assure him that there will be no kudos in our caucus to any degree about the division on this particular legislation. However, I must recall to the Hon. Member the very words of the Chairman of the committee, which I believe he heard, when he indicated on a particular vote that he had to cast his vote with the Government.

I am not too sure of the direction in which the intervention of the Hon. Member is proceeding. If he wishes simply to demonstrate his dedication to the interests of the business community of the city which he calls home, I am sure that all of us would accept it as a given and that none of us would wish to challenge it, as he would certainly not challenge the commitment of other members of the Progressive Conservative Party to the business interests of the cities they represent.

However, I would have to point out that in the divisions which I saw at this particular committee, the divisions by way of vote and the divisions by way of opinion, I felt that the basic purpose of the committee was being undermined in some sense when the Chairman declared that his function was to vote with the Government. To me that was a notion which almost reached the point of absurdity, particularly since at the other committees before which I have appeared there had always been declarations of the Chairmen that they were in fact the masters of their own procedure.

I commend to the Hon. Member a careful study of what happened in that particular committee, before he commits himself to such a drastic and dramatic degree of revision in the rewriting of the history of the committee hearings. I commend to him the committee record and a brief conversation with his colleague from Scarborough on the particular interests involved in the formulation of the report on this matter.

Mr. Rodriguez: Mr. Speaker, I recall the Chairman of the finance committee making a comment when the matter of banking centres was discussed—and it was reported in the press—that the whole proposal belonged in the waste-basket. When the vote came on the proposal, there was a complete turnaround and the spirit of reform, which is supposed to permeate the finance committee, went out of the window. The Chairman did docilely what the nabobs in the Department of Finance wanted. He did what the Minister of Finance (Mr. Wilson) wanted. He fell in line. He did the bidding. He sat up and wagged his tail, voted, and broke the tie.

I think that needs to be explained to the Hon. Member who just presented the view that somehow or other the divisions which may exist in caucuses of the House were extended to a committee which, in the spirit of reform, is supposed to look at a proposal and make a decision on the basis of what it feels is beneficial to the country as a whole. I think the committee fell down in that regard.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Kenora—Rainy River (Mr. Parry) have a rebuttal, or should I recognize another Hon. Member on debate, because there are only 30 seconds remaining?

Mr. Parry: Fine.

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I am very glad to have the opportunity to rise in this debate and to speak of Bill C-64.

[*English*]

In speaking to this Bill I intend to raise issues which go to the heart of the credibility of the Minister and of the Government. The Bill contains certain elements which point, if I may say so, to a lack of candour, a lack of frankness, or almost a disdain for the public which by and large is ignorant of fiscal matters.

[*Translation*]

Mr. Speaker, I recall that on a number of occasions during the 1984 leadership campaign I was compared with the Hon. Member for Etobicoke Centre (Mr. Wilson), who was not Minister of Finance at the time. He was the Opposition critic. I was not offended at all. I would not say I was all that flattered, but I was not offended. I felt enormous respect for him and for his integrity.

[*English*]

I think I would have to say that when the present Minister of Finance (Mr. Wilson) was named to his functions I, along with other members of my Party and probably members of the NDP, looked to this man as being solid, as a man who would not provide a flamboyant leadership in the Ministry but who would be solid, dependable, and reliable. We felt that he was a man who would not try to fool Canadians into believing something other than the reality with respect to the fiscal position of the Government of Canada and with respect to the contents of any particular piece of financial legislation.

That image has been irretrievably damaged by a series of events during the course of this Minister's stewardship. Whereas I once thought the Minister was solid, the most I can say today is that he is stolid. Even that I suppose is flattering. I have just thought, if I may take poetic licence, Mr. Speaker, that he is stolid compared with the Government, of which he is a member, that indeed is squalid. That is not too bad; I am sure that could be turned into a limerick by you, Mr. Speaker. I would not go so far as to say that the Minister is squalid, far from it, but he has been a profound disappointment. He has lowered his standards, and he has fallen in the esteem of Members of the House and of the public.

• (1540)

I fear the Minister has become an advocate of that philosophy of Phineas T. Barnum, namely that there is a sucker born every minute. Thank God, Mr. Speaker, there are no suckers in the Opposition in this House, and I do not believe there are suckers in the Canadian public either.

Before I come to the specifics of linking this lack of credibility to the context of Bill C-64, let me offer a bit of an overview of how I see the Minister's performance to date. First, I would remind you that after this Minister assumed his functions, he came forward on national television. In Question Period I raised this matter, but it has to be raised again. In March, 1985, and in response to a question as to how he intended to get at the deficit, which he considered to be a major problem and allegedly still does, he said:

> I don't want to increase taxes. I think we have a good deal of scope on the expenditure side to deal with the deficit problem. A tax increase, certainly a general tax increase, puts a dampening effect on the economy and I don't want to see us do that.

We are aware, and you are aware, Mr. Speaker, that, having made that declaration, the Minister then proceeded to increase taxes at a rate and of a magnitude never seen in peacetime in Canada. Let me offer you a couple of examples. Taxes on individual Canadians, namely, income taxes and sales taxes, increased from 1984-85—you will recall that that was the year the Government assumed power—until 1988-89 by an estimated $22.2 billion, an increase of 93 per cent. This comes from a Minister who on national television said, "We don't believe in a general increase in taxes".

Despite five years of economic growth, which we have realized—

[*Translation*]

And I can tell you, Mr. Speaker, that we achieved this strong economy, not as a result of the Minister's policy but indeed in spite of his policies.

[*English*]

Imagine what this economy could have been like without an increase of 93 per cent in personal income taxes, an increase of $22 billion, Mr. Speaker? It would be all right if the Minister could turn to us and say "Yes, but the deficit has now been taken care of. It is now under control". But despite those taxes and economic growth, the deficit is still in the neighbourhood of $30 billion. Some attack on the deficit. Some way of getting at it through the expenditures of Government. It is incredible that the Minister has been able to get away with this chicanery. To go even further, the Minister now tells us we are going to have tax reform. "We are going to make the tax system equitable. We are going to widen the tax base and do all these things".

Tax reform is necessary in order to correct the inequities, the increased tax burden and the complexity that the Minister himself has put into the Act. Sure, tax reform is necessary. It was necessary in 1984, but it is much more necessary today by reason of what the Government and the Minister have done. It is reminiscent of the woman who, when convicted of murdering her husband, sought clemency on the grounds that she was now a widow. That is what we have in terms of tax reform under the Minister of Finance. If he gets away with this, indeed Canadians will justifiably be regarded as suckers, and if we, on this side of the House, let the Government get away with it, we should properly be regarded as suckers as well and also incompetent in not doing our job. Our job here is to ensure that Canadians are not horn-swaggled by this master horn-swaggler.

I never thought the Minister of Finance, whom I knew when he was on this side of the House, would become such a first-class snake oil salesman. He has been successful because he has enjoyed the benefits of strong western economies, and the Canadian economy has followed suit. I say, as I said a moment ago in French, this is not because of the policies of the Government; it is in spite of the policies of the Government. For all of that, in these areas with which I take issue, namely, raising taxes to lower them and telling us that the deficit will be through expenditure cuts and then trying to do it through massive tax increases, failing on both counts, I never expected the Minister to stoop so low as to tinker with accounting procedures in the name of management practices simply to get at the deficit artificially. He was not able to get at it, as I pointed out, through massive tax increases. The Minister obviously did not get at it through expenditures which, initially, he said he would do. Instead, what has he done? He has tried to get at the deficit through tinkering, if you like, with bookkeeping procedures under the Income Tax Act. We will not let him get away with that. In other words, creative arithmetic seemed to be the only vehicle left.

The first hint that we would be faced with this kind of activity by the Minister and his Department was in the first Budget of 1985. In that Budget, Mr. Speaker, you may recall that in the name of new management and initiatives, the Government expected in 1985 and 1986 to realize savings of $1.2 billion. That was called a plan of improved cash management. You may recall this because we discussed it in the House. It ties in very directly to what I have to say today about Bill C-64. Most of that better cash management, a total of $336 million, was to be saved in 1985-86. Those funds were to come from stripping Crown corporations of their surpluses. In other words, by taking dividends out of Crown corporations and bringing them up into general revenues, the Government was saying, "We are providing better cash management and, of course, in this fashion we will be reducing the deficit". That is like moving your funds from one bank account to the other and saying, "You see, I have no deficit now in my savings account", but you still have depleted your other account. The Minister just moved funds from account A to account B and put that procedure forward as some magical way of getting at the deficit through that wonderful name of better management initiatives and improved cash management.

Worse still is what we see in Clause 67 of Bill C-64. This is stooping even lower than what the Minister did in 1985. Specifically, the Minister decided to get at his deficit by a one-shot $1.2 billion move of tax remittance from 1988-89, I believe it is, to 1987-88. Let me make sure of that. Yes, it will indeed. By obliging employers to effect withholdings on salaries paid to employees twice a month instead of at the end of each month, a block of withholding funds of approximately $1.2 billion will be moved from April of 1988 to March of 1988. That has been estimated to bring an additional $1.2 billion into the 1987-88 fiscal year.

• (1550)

Of course, this removes that same $1.2 billion from the following fiscal year of 1988-1989. What kind of sound financial management is that?

I could go further. When the Minister presented his Budget and his Estimates for the deficit, he did everything possible to get it below $30 billion, the magic number he had in his head. Of course, by changing the payroll withholding date from April to March, he in fact was able to get his deficit below $30 billion. Had he not done so, the projected deficit at that point would have been $30.5 billion.

Let us think about that. If I am wrong about it, I stand to be corrected. I wish I were wrong about it and I wish the Minister would tell us that it is not true. However, in order for the Minister to have this $1.2-billion increase in revenues in 1987-88, this one shot at $1.2 billion, employers across the country have to change their accounting systems forever to provide bi-monthly rather than monthly remittances to the federal Government of Canada.

Imagine the increased costs and increased paper burden on those employers, simply to accommodate the Minister's deficit which he promised in 1985 he would get at through expenditure cuts. As I said, despite the $22-billion increase in taxes on individuals, he has been unable to get at it through tax increases.

What has the Minister done instead? He has moved to artificial, creative arithmetic, imposing a burden on employers right across Canada, simply to move $1.2-billion worth of receipts in the federal coffers ahead by 15 days. I think that is shameful. I think it is scandalous. In my judgment, the Minister has tarnished that image of fiscal management and fiscal integrity, if it is not in tatters when people understand what is taking place.

When I saw this bit of sleight of hand, I became very concerned. I thought that the Minister had found something else. He discovered the coffers of Crown corporations back in 1985, and now he has discovered the concept of accelerated payments.

Where will it end? Will I be invited to accelerate my income tax payments over the next several years in order to bring more money into the coffers of the Government of Canada and basically reduce the deficit of the current year? The Minister has effectively set out a lot of chickens which will come home to roost.

Let us look at the initiatives of this Government across the board. If I can coin a phrase used by the former Minister of Finance on that side of the House who had a very brief tenure, you may recall quite painfully, Mr. Speaker, back in 1979, it is short-term gain for long-term pain. This is a first-class example of short-term gain for long-term pain. The pain will be felt by employers forever and the gain will be realized by the Minister simply for the current fiscal year.

The same is true of so many other initiatives the Government has taken since it came into office. There have been so many ill-conceived initiatives that when those chickens start to come home, I promise that the sky will be dark. It is our successors in many cases who will have to deal with those chickens. Short-term gain for long-term pain has become one of the principles by which this Government conducts its affairs; that and the principle of Phineas T. Barnum I enunciated at the outset: a sucker is born every minute.

I never believed that particular principle. Clearly the Minister of Finance (Mr. Wilson) and the Government does. Let us set any doubt about that to rest by ensuring that the Canadian public is not suckered on this particular provision.

Mr. Redway: Mr. Speaker, I may not have heard the Hon. Member's remarks on the subject, but one of the important aspects of this Bill is the question of international banking centres. I wonder if the Hon. Member could tell us if he believes that the Bill should be amended to include the area of Metropolitan Toronto as an international banking centre.

Mr. Johnston: Mr. Speaker, what an interesting question in light of my comments. This gentleman and other Members of the House who are so caught up with the notion of international banking centres also believe in the principle that a sucker is born every minute.

[*Translation*]

In French we say it is good, that is the idea of such a centre, it is a label on an empty box. There in nothing there.

[*English*]

There is nothing there. All the puffery and exaggeration about international banking centres has been created by the Government, but it knows full well how minimal the economic activity is that can be associated with such centres. It is simply ridiculous. It did not merit any comment in my remarks because I did not want to obscure some of the fundamental issues which are at stake in this Bill, such things as accelerating the remittances of employees' deductions.

Mr. Redway: Mr. Speaker, I understand from the Hon. Member's response that he does not feel that the question merited any comments in his remarks. However, he did not answer my question, and I put it to him again. Does he believe that the Metropolitan Toronto area should be included as a banking centre, and if he does not, does he believe that the provisions in the Bill with respect to banking centres should be struck out?

Mr. Johnston: Mr. Speaker, I thought I had made it perfectly clear. I think the whole thing is silly. I just do not think that the Government should be allowed to get away with creating visions in Canada that there is some great thing here.

[*Translation*]

There is nothing there, Mr. Speaker! What good is it going to do, be it located in Montreal, Vancouver, Toronto, Winnipeg, or Halifax? What good is it going to do? Just exactly what kind of fallout can we expect from such a centre? Perhaps the Hon. Member might tell me, perhaps he might convince me there is something there? But, the way I see it, there is nothing there. As I said, it is a label on an empty box.

[*English*]

Mr. Layton: Mr. Speaker, as this debate winds down, I would like to respond to my colleague from Montreal and from the business community which we share. It has been our community from the outset that has felt that there was an advantage, an opportunity and a contribution to be made to the image of Montreal as an international city.

The recent Picard report, which was presented and responded to in only these last few days by the Government, indicates that if Montreal is to regain its stature in the world of commerce and in the world of industry, there must be certain strong bases, among them aerospace, biotechnology, international commerce and international banking. This is a step in the right direction for Montreal. I think that most of the Montreal business community supports it. I know that a financial representative from his community and from his Party, the Official Opposition, supports this. I am rather surprised to find this great division in the Official Opposition.

Mr. Johnston: Mr. Speaker, I am delighted to respond to my friend from Lachine East, and friend he is and has been for many years. He touched upon at least two issues. One is the international banking centre about which I said that there is nothing there. Putting an international banking centre into Montreal will not change the face of Montreal. Montreal is an international centre.

Let me deal with something else he said. He referred to biotechnology. Let us compare those two notions. You may recall that I was responsible for placing in Montreal the Institute of Biotechnology under the Special Recovery Projects Program back in 1983. I had the pleasure of visiting that facility, situated on the northwest side of the city, at the end of Royalmount Avenue which has now become an industrial park. Paramax and Canada Cement Lafarge Ltd. have established themselves there. Each company creates many skilled technical jobs. In the biotechnology centre, just commissioned last May, there are something like 650 employees already. Companies are coming from the U.S. to take advantage of that facility. People will be coming there from all over the world. I am assured by the National Research Council that it is a world-class facility, and may indeed be the very best of its kind in the world.

• (1600)

That is the kind of initiative I want to see for Montreal. Compare that to the concept of an international banking centre. There might be a dozen people working on computers in some office in the city. Sure, we have the etiquette "international banking centre". That is form, and the Government has been very strong on form. However, the biotechnology centre is

substance. There are real jobs, real spin-offs. New industries are being created in a technology which is at the leading edge of the new wave industries.

I am glad my hon. friend mentioned those in this context because it simply indicates that when I say—

[*Translation*]

—it is a label on an empty box, there is nothing there.

[*English*]

—exactly that, but not so with biotechnology.

Mr. Cassidy: Mr. Speaker, I would like to both thank and congratulate the Hon. Member for his remarks. I presume he has a substantial number of people from the Montreal Chamber of Commerce who have been pressing him on this issue. I respect their concerns, but I commend the Hon. Member for his courage in indicating that the proposal sounds attractive and looks good but when you examine it carefully it is very costly in terms of lost tax dollars. It might cost as much as $3 or $4 million per job created and will not contribute in any material way to the development of Montreal as a financial services centre. I take it what he is saying is that other proposals such as R and D and the biotechnology centre, for which he was partly responsible, make an awful lot more sense. If we were able to do this in the area of biotechnology—

[*Translation*]

—it can also be done with the financial services industry to ensure a greater involvement of the Montreal banking establishments in international finance without at the same time having to pay an enormous price for the meagre benefit which may result from the proposed legislation.

Mr. Johnston: Mr. Speaker, it might be somewhat difficult to thoroughly examine the issue in a few sentences. It is clear, however, that every elected representative will seek to promote the interests of his or her region, just as I do promote the interests of the city of Montreal. That is why I managed to convince my Cabinet colleagues at the time to set up in Montreal a biotechnological centre.

What would a financial centre bring Montreal? It is very important, if we want to sell this project to Montreal businessmen, that they should know exactly what it is all about.

As someone who has a lot of expertise in that area, I fail to see any benefit being derived from such an institution. While I remain dedicated to the promotion of my city's interests, I feel that the main concern of Montrealers, whether they are businessmen, workers, or ordinary citizens is to have good jobs requiring better training which will contribute to the economic development of the region.

When I compare the scientific centre with a financial centre which will provide about a dozen jobs for computer operators—that is what I am told; if I am wrong, so be it, but this is exactly what I have been told to this day—I cannot see any great advantage to it. I think the Government is promoting something without a thorough knowledge of what is involved. As we say in English, this may not be a pig in a poke, but this is certainly not the greatest windfall of the century either, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The time for questions and comments is over. Debate. The Hon. Member for York East (Mr. Redway).

[*English*]

Mr. Alan Redway (York East): Mr. Speaker, thank you very much for the opportunity to say a few brief words, I hope, in connection with Bill C-64, and to express my own personal grave concerns about the provisions of the Bill relating to international banking centres. Those provisions are found in Clause 10, particularly subclause (3), which designates only two cities, the metropolitan area of Montreal in the Province of Quebec, and the metropolitan area of Vancouver in the Province of British Columbia, as those in which international banking centres can be carried on.

Coming as I do from a riding in Metropolitan Toronto, I have had great concern over this particular provision. I feel that concern is best expressed in a letter I received from the Chairman of the municipality of Metropolitan Toronto, Dennis Flynn. I would just like to quote a very small portion of that letter. He says:

> This proposed legislation is not in the best interests of Canada, and our concerns are based on the following reasons:
>
> The financial services industry is undergoing rapid and dramatic changes. Canada cannot afford legislation that restricts its number one financial centre from competing on an equal basis for international business.
>
> Clearly, Metropolitan Toronto is recognized throughout the world as a major financial and business centre. If Canada ignores this reality by arbitrarily excluding Toronto from IBC designation, it will change the perception of Toronto in international markets.
>
> In its report to the Commons, April 30, the Committee on Finance and Economic Affairs cited three potential sources of loss in tax revenue for Canada if the current IBC proposal is pursued, and indicated a "minimal" positive impact on employment.
>
> The IBC proposal is already creating interprovincial friction with the Province of Ontario threatening to "neutralize" federal action. It is not in Canada's interest to introduce a policy that will generate a tax war between provinces—particularly at the outset of discussions on sweeping tax reform proposals.

Those comments incorporate the gist of my concerns with this particular legislation. It seems to me the reports referred to by Chairman Flynn underline that fact.

The only real argument I have heard for this legislation, and for excluding Metropolitan Toronto and including only Metropolitan Montreal and Metropolitan Vancouver, is based on the fact that, hopefully, the legislation will create jobs and stimulate economic activity in those areas. That seems to me to be refuted very effectively by the report of the Standing Committee on Finance and Economic Affairs. I refer to the sixth report of that committee to the House which refers to the

issue of employment creation. I quote from that report as follows:

• (1610)

> Since the fiscal provisions of the IBCs are restrictive (narrow definition of eligible transactions, no bad debt deductions against regular income, and daily matching obligations at arm's length) and the international tax environment is not favourable (withholding tax abroad), transfers of assets and new business conducted through the IBCs will be quite small. Any positive impact on employment will therefore be minimal. Solicitation and negotiation of transactions currently take place abroad, where the business is located, and will continue to do so.
>
> Management can be done partly in the offshore centres at present and a portion of that activity could be repatriated in Canada. The part that is in Canada today—certainly at the more senior levels—will continue at its present location. The same applies to credit analysis. Therefore, a small number of people required under the new legislation will work in the IBCs. Most probably the banks will only transfer existing positions and will certainly not create many jobs. Thus, the job impact of the IBC proposal appears modest.

I have heard that at the very most this may generate 20 to 30 jobs. As the committee indicates, those jobs are likely to be the transfer of existing jobs as opposed to new jobs. Therefore, if the basis for proposing this sort of legislation, which I think is clearly discriminatory, is to create jobs, no case has been made for that.

That brings me to the concern which I have as to what position I should take with respect to this Bill, bearing in mind that I find it extremely difficult to support. I must bear in mind at the same time, however, that there are other important financial provisions contained in Bill C-64. They include, for instance, the right to postpone until actually received in 1988 Canada Savings Bond interest which accrues in 1987 on series C-36 bonds. They also include the important provision that taxpayers can reduce or eliminate interest charged on deficient tax instalments by overpaying other instalments or paying other instalments before their due date.

In addition to that, bearing in mind the amendments which have been made to the Canada Pension Plan, the Bill provides that when an individual applies to split his or her pension with his or her spouse the portion going to the spouse will be taxed in his or her hands. Finally, the other important provisions are with regard to the child tax credit and the federal sales tax credit.

The Bill does not only deal with the issue of international banking centres but with a number of other very important tax aspects. Because it is a tax Bill and is in fact a Bill to implement the Budget, it is quite likely that the Government, in its wisdom, might consider a vote against this Bill to be a vote of non-confidence in the Government. I certainly have a great deal of confidence in the Government, notwithstanding my concerns with and objections to the provisions relating to international banking centres.

As you can appreciate, Mr. Speaker, while I do not believe that a vote against this Bill would be a vote of non-confidence in the Government, I can understand why you might believe otherwise. That puts me somewhat on the horns of a dilemma. I intend to resolve that dilemma by voting neither for nor against this Bill. I hope to be in the House when the Bill is voted on at third reading. I shall not rise in support of it but I will ask to be recognized by you, Mr. Speaker, so that I can indicate that I am present but will not be voting for the Bill.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I appreciate being recognized to participate in this important debate. It is our intention that this debate be relatively short. However, I do want to make some comments because I think that a great deal of mythology has built up surrounding the international banking centres which this legislation addresses.

During the time leading up to the committee's examination of the impact of international banking centres on various communities and after the concept was introduced by the Government many people thought this was a major step toward significant job creation, particularly in the Cities of Vancouver and Montreal. If you were to ask people about this in Vancouver even today they would say that they are looking forward to this designation because they need the jobs and the economic activity in western Canada and, more precisely, in the port city of Vancouver.

Unfortunately, the evidence shows that that assumption is not accurate. In 1984 the United States General Accounting Office did a thorough examination of the establishment in the United States of international banking centres. In 1984 they stated in their report: "Significant increases in employment and other real activity associated with IBCs—only 55 to 67 new jobs". In other words, after a number of years in one of the major centres of world commerce, the number of jobs that a small restaurant would create is all that resulted.

Some analysis has been done on what this will mean in terms of jobs in Vancouver and Montreal. The Canadian Bankers' Association studied what international banking centres had done in other places and applied that to Vancouver and Montreal. They factored in the extent of financial activity which takes place in those centres now. They concluded that between the two cities we may expect an increase of 26 jobs. The finance officials applied their analyses to the two centres and concluded that only 11 jobs would ultimately be created in Montreal and Vancouver combined.

The evidence which we have seen indicates that this is not the best way to create jobs. As a matter of fact, it is a very expensive way to do so. Studies which have been done to date indicate that about $32 million would be lost to the federal Treasury as the result of the creation of these international banking centres. If we are to lose $32 million to create 11 jobs, that works out to about $2.9 million per job. That is a very expensive job creation program. If job creation is our aim, we can do much better. The point I am trying to make is that the aim is not to create jobs in international finance. There must, therefore, be some other purpose.

What is the purpose? People have assumed that the creation of an international banking centre would result in all kinds of money flowing into Canada which we could use for investment

purposes. That is not the concept of an international banking centre. An international banking centre does in fact attract offshore money, but only for investment offshore. In other words, it is a depository for a short period of time while overseas investments through that financial institution and its affiliates are being determined.

The creation of an international banking centre in the City of Vancouver would possibly attract funds which are presently going to the Cayman Islands or others of the rather peculiar tax havens. Those funds would not, however, be used for investment in Vancouver, British Columbia or Canada, but in offshore locations. There would be no direct benefit to Canada whatsoever through economic activity which would flow from the moneys in international banking centres. However, there are people who would benefit. Of course, the major beneficiaries would be the banks themselves.

• (1620)

This legislation creates an international banking centre where the profits generated in that centre would not be taxed. When we consider examples in the Cayman Islands and other places which we recognize as international tax havens, we see that substantial profits that are generated would be tax-free. At a time when we are expending a lot of energy and money deciding how to restructure our tax system to make it more equitable, fair and just, the Government is taking a rather peculiar step by creating an international banking centre and giving another break to the banks.

I do not fault the banks for this. As a matter of fact, the banks have made it quite clear that this step is probably not a good idea in terms of the financial system in Canada and its reputation in the financial circles of the world. They are simply going along with what the Government passes.

A number of bankers have told me not to blame them for taking advantage of tax laws that the Parliament of Canada creates. Last year I believe that not one of the big six banks in Canada paid any income tax. They have said that they should not be blamed for not paying taxes because they are only following the laws that the Government of Canada makes. If the Government wants them to pay taxes, it should change the laws. In a sense, they have a point. The fact that they will be the main beneficiaries raises questions. It would make it very difficult for me to support this legislation on those grounds alone.

This legislation will designate Vancouver and Montreal as international banking centres. I think we can do a great deal more as a Parliament to enhance the financial services available in Vancouver and Montreal, as well as in cities like Edmonton, Calgary, Winnipeg and many other Canadian centres where I believe we should be doing what we can to enhance the availability of financial services, particularly to the small and medium-sized businesses operating in those jurisdictions.

Many Members meet small and medium-sized business people in their constituency who have ideas and concepts they want to act upon but have difficulty obtaining financing to do so. They are hindered by the ability to obtain that financing.

As my colleague, the member for Ottawa Centre (Mr. Cassidy) indicated, it is time to set up some task forces in centres where the appropriate boards of trade and chambers of commerce could meet with urban officials as well as provincial and federal officials and representatives of the financial community to identify ways and means of enhancing the level of financial services in those centres. That is what people want.

Unfortunately, I believe the impression has been created that the designation of Vancouver as an international banking centre will present a host of new financial opportunities for local business people, industrialists, entrepreneurs and others. However, that is not the case.

The identification of Vancouver as an international banking centre is only symbolic. While it may send a certain message to some people in the country that we have identified Vancouver as an important West Coast city and port, no one who understands international banking will be fooled by this designation. They will realize that the critical decisions on national and international finance will be made in Toronto or New York, no matter what designation we give to centres around the country.

We are talking about a very sophisticated, effective and complicated international community of financiers. These trained and experienced individuals understand that to designate an international banking centre means very little, other than being a symbolic effort. They will know where the real, important and critical financial decisions will continue to be made.

While I am in favour of the concept of applying an international banking centre status to a city like Vancouver, I think it is somewhat of a smokescreen. It gives the illusion that something is being done and gives the people of Vancouver, and perhaps the people of western Canada, the impression that they have been given a significant designation, according to this Bill. Such is not the case.

It is important for us to recognize that we should not only do something of significance but also be seen to be doing something of significance. Unfortunately, only the latter is the case. The life of the average Vancouverite, British Columbian and Canadian will not significantly change as a result of this legislation. It is essentially a waste of our energy.

If anything, this legislation has made Parliament and the finance committee recognize that we must take steps to provide better financing vehicles for Canadian investors and business people. If this debate has moved us a step in that direction, I think we have made some progress. But let us not be duped into thinking that this will make a major difference in terms of the economic activity that is generated either in Vancouver or in Montreal.

The Acting Speaker (Mr. Paproski): Questions or comments? Debate.

Hon. John W. Bosley (Don Valley West): Mr. Speaker, I intend to be brief. This has been difficult legislation, particularly for those Members who come from Toronto. I want to elaborate on some of the concerns raised by the Member for Kamloops—Shuswap (Mr. Riis) and the Member for York East (Mr. Redway).

It seems that there is no one who seriously believes that Clause 10 is reasonable or sensible. Certainly, no one in the banking community believes that to be the case.

Some Members believe that a symbolic gesture with regard to Vancouver or Montreal perhaps makes sense. That may be easier to accept if either of those centres were being considered on an experimental basis, but that is not the case. We are being asked to accept permanent legislation which no tax expert believes makes sense.

On that basis, as an honourable Member, I do not think I can do anything but vote against the legislation. While I suspect that no one will believe me, let me make it clear that I do not intend to vote for this legislation because I believe it is unnecessary.

If this were reasonable banking centre legislation, I would then be arguing that Toronto should be included. I cannot believe that anyone would not contemplate anything called international banking centre legislation in this country and exclude the place where 80 per cent of the banking is done.

• (1630)

The Hon. Member for York East has raised his dilemma, and I simply wish to say to him that under the spirit of reform, the only way that individual Members will ever be able to make their points to a Government will be on third reading. In the end, that is where we will have to stand up, even though you and I know, Sir, and the Member for York East and I both know that we will lose this fight. Sometimes it may be necessary, when it seems appropriate, because that is what this Government in absolute legitimacy said, that when Members want to vote against Bills, they should do so. Well, I intend to do so, Sir.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the yeas have it.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion agreed to and Bill read the third time and passed.

* * *

[*Translation*]

CUSTOMS TARIFF

MEASURE TO ENACT

Hon. Elmer M. MacKay (for Minister of State (Finance)) moved that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amed or repeal certain Acts in consequence thereof be read the third time and do pass.

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to speak to Bill C-87 which was debated in the House recently. This is an important measure which is designed to finalize existing economic agreements and which Canada needs to ensure uniformity between our files and those of other countries. Such is the main purpose of Bill C-87, Mr. Speaker, and you will recall that it was debated at certain levels, but unfortunately they did not focus exclusively on the issue. Bill C-87 ought to be adopted as soon as possible because it is an excellent measure which will solve some of the minor problems we have with respect to customs tariffs between various countries.

Mr. Speaker, I do not think there is any need to go over what has already been said about Bill C-87. I am sure Hon. Members are aware of that and know the Bill ought to be adopted at the earliest opportunity. Mr. Speaker, all I can ask Hon. Members of the House is to pass the Bill as soon as possible.

[*English*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to speak a little on Bill C-87, because it covers two things. It is a revision and an updating of the Customs Act, and it also provides for a harmonized tariff between Canada and its major

trading partners. The major trading partners of Canada include a number of countries, among others, the United States of America with which Canada has approximately 80 per cent of its trade.

When we are putting into place a harmonized system of tariffs for Canada, what is taking place, as the Hon. Parliamentary Secretary has stated, and as the Minister of State for Finance (Mr. Hockin) stated the other day, is at one level a matter of government routine, which is important for trade, important for exporters and importers in Canada, and is a necessary updating. Among other things, it will allow Canada to move to a system which is computerized, and a system which is more efficient and more effective. It will also mean that some of the unfortunate disputes on the amount of trade between the two countries and over trade statistics and so on will come to an end. Both countries, for example the United States and Canada, or Canada and Japan, or Canada and another trading partner, will be dealing with a common description.

The new tariffs which are laid out in the very substantial document under Bill C-87, which has been worked out over some time with close consultation with the industries affected, are more detailed, they are put on to a different base, and they do allow for a better reporting and a better understanding of what Canada's foreign trade is all about. Being a trading nation, that is extremely important to us.

When the Minister of Finance (Mr. Wilson) rose during report stage of this Bill and indicated how unfortunate he thought it was that anyone would even comment at report stage because the Bill was historically important, but then stated that we must have this by January 1, it raised some questions in my mind. I have given some serious thought to those questions since then. On third reading, I think it is important and appropriate perhaps to raise some of those questions with you, Mr. Speaker.

In Bill C-87 there are a number of very important clauses and powers. Those powers include a power to levy a surtax, a power to put import controls, and a power to suspend trading rights which Canada has granted by agreement with other countries. It includes a power to levy surcharges on certain types of imports. Most of all, it includes a power given to the Governor in Council, which I consider to be extremely important. Clause 62 states:

> The Governor in Council may, on the recommendation of the Minister of Finance, by order,
>
> (a) reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted by that country or any other country, subject to such conditions as may be specified in the order; and
>
> (b) extend the benefit of any order made pursuant to paragraph (a) to any country as may be required by Canada's international obligations, subject to such conditions as may be specified in the order.

[*Translation*]

Mr. Speaker, the first sub-paragraph of Clause 62 is particularly important since it provides that the Governor in Council, in fact the Cabinet, may, on the recommendation of the Minister of Finance, reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted to Canada by that country or any country.

Mr. Speaker, what we have here is a clause that restates a section that existed in the former Customs Tariff, under which the Governor in Council or Cabinet may, without the approval of Parliament, reduce or eliminate tariffs between Canada and any other country, by way of compensation for concessions from the other country.

Mr. Speaker, as an intelligent man with considerable political experience, you are of course aware that we have at this time a situation that is being handled exactly in the manner described in Clause 62. It's the truth, Mr. Speaker. We have a situation where Parliament is being asked to authorize the Government to approve new tariffs for use by Canada in its trade with United States.

[*English*]

As I am sure you realize, Mr. Speaker, those powers raise some important questions which go to the very heart of the principles of this rededication of the Customs Tariff which is found in Bill C-87. Those principles relate both to Canadian sovereignty and to democracy. It is important that, in the past, Governments of various stripes, both Conservative and Liberal Governments, when reworking the Customs Tariff have always felt that certain trade actions were sufficiently important in Canada that they should be referred to Parliament.

• (1640)

It is curious that those trade actions do not include the power to reduce or eliminate tariffs under Clause 62 of the new Bill. Nonetheless, certain trade actions require reference to Parliament. In fact, surcharges, surtaxes, import controls, and such things cannot be maintained for a period longer than 180 days, or a bit longer if Parliament does not happen to be sitting throughout the period of time. Basically it is about six months, without even having a resolution of approval from Parliament.

I believe that it is a valuable move and that it is important because of the degree to which Customs Tariff is an important instrument of trade policy and therefore an important instrument for a trading nation of industrial and government economic policy.

If we decide to remove $2 billion worth of tariffs, as apparently the Government is now intending to do, I believe some consequential questions are properly raised which really should come back to Parliament as the body ultimately responsible for control of the purse. As you know, Mr. Speaker, control of the purse is something which is perhaps more an illusion than a reality under a parliamentary system of government and under majority government. The fact is that, as the system goes, the majority tends to control these things. Nonetheless, the unanswered question in respect of the power of the Government to take away or remove substantial

amounts of tariffs is: Where is the money going to come from? Who will pay? Of course the answer is that we do not know. The problem is that we have not had the opportunity to ask those questions and to get those answers from the Government.

During the course of earlier stages of the Bill, members of my Party, myself as the proponent, moved a number of motions essentially designed to try to re-establish parliamentary control over the whole process. We gave, quite explicitly, our reasons for so doing.

The reasons we gave were the following ones. We said that in the past the power to exchange most-favoured-nation tariff treatment with a country under the general tariff before was relatively minor. We might have a trade exchange of perhaps a few million dollars a year. It was relatively routine for Canada to reach an agreement with another country to go ahead and exchange most favoured nation status or some other type of privilege. Therefore, there was not a loud cry for Parliament to be required to approve.

We said then—and I believe it is correct—that the situation has changed quite fundamentally. This is because of the determination of the Government, despite very broad and deep concerns raised by an increasing number of Canadians, to use the executive power to enter into a trading arrangement, possibly under Section 62 of the Act. I cannot say that for sure because I just do not know.

However, over the course of the next 24 days, with the Christmas and New Year's holidays along the way, the Government intends to take us helter-skelter into a binding trade agreement with the United States. One of its most important features comes squarely under the powers given under Bill C-87.

Earlier in second reading debate my colleagues debated that fact at length. It is our feeling that a Bill which would normally be routine is no longer routine in this case because of the circumstances surrounding it. Possibly the Government, which very few people in the country trust any more, is thinking that if it cannot get what it wants by means of action in Parliament, if Parliament quite possibly finds it difficult to get work done when we come back sometime in mid-January, it would then use executive power not just to sign the treaty with the United States of America but to implement a treaty which will have fundamental effects on every aspect of Canadian life.

This is why I say that I believe the fundamental principles which are at stake in Bill C-87 are principles related to sovereignty and to the question of democracy. Should Parliament have the power, which is quite clearly laid out in legislation, to ensure that the Government cannot do by the back door what it perhaps does not dare to do or might not be able to do by the front door?

I assume you would agree with me, Mr. Speaker, that it is not right for a Government to be able to do something surreptitiously when it refuses to, does not want to, or is blocked by Parliament from doing it in an open and overt way.

You may recall, Mr. Speaker, since you were a Member of the House at the time the Liberals were in power, the degree to which you and members of your Party fought valiantly on a number of occasions for the principle that Parliament should in fact continue to be sovereign. That does not mean that the majority should not have the right to decide in the end. I have a problem with that. However, we face a real problem in terms of what is happening now. The majority is seeking to make a decision on the basis of an election result in 1984 and on the basis of not having proposed and not having a mandate for the major changes in tariffs and other measures apparently anticipated in the agreement which will be made public over the course of the next two days or three days.

Until now we have had no word at all on exactly how the Government intends to proceed in terms of legislative approval of the details of the free trade agreement.

I ask the many Canadians who are increasingly concerned about it whether the Government of Canada is being adequate and fair in relation to average Canadians by publishing a document of some 2,000 pages in length on a Thursday and taking it to Parliament for three days or four days of debate the following week, debate which inevitably will not be able to get down to all the details and all the fine print of an agreement. Dare I remind you, Mr. Speaker, that it is some 200 pages long, has substantial numbers of pages of annexes that contain God knows what, and on top of that has some 1,500 pages of detailed tariff schedules.

I do not know how I could even read and absorb that material over the course of the three days or four days between its publication and the time that it actually comes up for debate. I must say that the democratic process where Parliament should have the right to consider major matters in a serious way will be a joke and a sham, if in fact we do not get any chance to consider in detail or in a more adequate way what will be proposed to us before then.

In a general way, as I am sure Hon. Members will point out, the intention of Bill C-87 is to have a harmonized system. When consultations were taking place between the Government of Canada and the trade community—exporters and importers—it was quite clearly indicated by the Department of National Revenue in hearings that took place across the country early this fall that the implementation of this harmonized system of tariffs would take place on January 1, 1988, under the condition that our major trading partners, that is the United States and Japan, adopted the harmonized system at the same time. Therefore, I was very surprised when I had my office talk to the American Embassy and to sources in Congress in order to find out whether the Americans, who after all are our major trading partners, were in fact on track in terms of bringing this new system into force.

In fact, what is happening is that Canada is harmonizing its tariff system with an American system which will not be

harmonized under the new scheme as of January 1, 1988. It appears that the Americans intend to bring in their harmonized system in conjunction with the omnibus trade Bill. You may recall that the Americans have now cooled off on some of the protectionist elements of that. They have perhaps cooled off because of the threat by President Reagan that he intends to veto the omnibus Bill and, therefore, legislation is apparently to be introduced separately by a member of Congress.

• (1650)

That legislation, at last report of just a few days ago, has not yet been introduced. As you know, Congress is taken up this this week by the visit of Secretary Gorbachev of the Soviet Union. There is absolutely no certainty that the Americans will deal with this legislation prior to January 1. They too, of course, are also about to come up into their Christmas break.

Canada will harmonize with an American system that will not be harmonized. In Bill C-87, the Government will have the power to allow the Cabinet, at the stroke of a pen by the Prime Minister (Mr. Mulroney), to sign $2 billion worth of tariff cuts with the United States without any further reference to Parliament.

I want to talk a bit about that because to allow that kind of latitude in making decisions about Canada's tariff structure without reference to Parliament is wrong.

[*Translation*]

Mr. Speaker, I say there is no justification for the Government of this country to have the power to cut Canadian tariffs on goods from the United States to the tune of $2 billion, without any reference to Parliament. The Minister of State (Finance) informed me I had no grounds to raise this question. Mr. Speaker, I read Clause 62 three times, and it is crystal clear the Government has the power to reduce tariffs on goods from the United States by way of compensation as defined by the Government, without any reference to Parliament.

[*English*]

As I said, the Government does not have a mandate for that. The Government is taking this action despite the fact that it does not have support in the polls. The Government is taking this action despite the fact that half the country opposes it. The Government is taking this action despite the clear opposition from the Premier of the largest province who has a mandate from the last election in Ontario when he won a rather overwhelming majority.

The Prime Minister has emerged from the First Ministers' Conference on the economy just the other day indicating that he had a consensus, that there was an emerging consensus. But the consensus of which he speaks consists of the support of four or five provinces, no more, and those provinces in turn have not had a mandate from their citizens. I know that in Quebec, for example—

[*Translation*]

there is a coalition against free trade supported by all kinds of grass roots groups and by all the major unions in the Province of Quebec, with strong support from the *Union des producteurs agricoles* which represents 42,000 Quebec farmers. At its convention the other day in Quebec City, the UPA declared it was totally opposed to the Bill proposing these tariff reductions and the proposed Free Trade Agreement with the United States.

[*English*]

I would also point out that two of the provinces, which are part of the so-called consensus which has been raised by the Prime Minister, are in fact provinces where their leaders claim and purport to speak for their populations, yet the opinion polls indicate that they do not do so. Quite the contrary. Mr. Devine in Saskatchewan is far behind the New Democrats and Roy Romanow in popular support. Mr. Vander Zalm in British Columbia is in the same position. We had an example in the House of Commons today. Mr. Vander Zalm is supporting a measure of free trade with the United States despite the fact that the Government, behind closed doors, has just negotiated protection for the East Coast fisheries to ensure that processing would take place on the East Coast and that raw fish could not be exported from there, but the same protection is not given to the equally important fishery on the West Coast.

I find myself also at a loss to comment on Bill C-87 because the powers it gives relate to a very substantial reduction in tariffs and relate to certain tariffs being eliminated effective in one year from January 1, 1988. They also relate to other tariffs being eliminated at a very rapid rate over five years. Since the text of the agreement has not been released and the details of the tariff cuts have not been released, I have not had an opportunity to talk to my constituents to find out what their reaction would be. I suppose, since we are being asked to look at the harmonized tariff schedules part of this Bill, that I could comment in some detail on what is being done, except that I have not seen the detail and it is impossible for me to comment in any knowledgeable way.

If I can go on I would like to talk in more general terms about what all this means. The Government has demonstrated through a number of different actions that it is not a Government which is credible to average Canadians. It is not a Government which can be trusted by average Canadians, whether on pensions, the tuna deal or now on the outrageous behaviour of the Hon. Member for York—Peel (Mr. Stevens), by refusing to take appropriate action after the report by Mr. Justice Parker. This Government has lost the trust of Canadians. Yet when it comes to the question of tariff cuts which it can take by the powers of Bill C-87, the Government is simply saying, "Trust us and we will do the right thing". When they say "the right thing", Mr. Speaker, it is becoming clear to me that "the right thing" is those things that are demanded by the political right.

The Business Council on National Issues originally proposed that we should have free trade, supported by a Bay Street lawyer, Donald Macdonald, a former Liberal Cabinet Minister who headed the Macdonald Commission. He indicated that he too thought Canada should have free trade. Many business spokespeople have advocated that we go to the kind of tariff cuts and the other arrangements that so fundamentally affect Canadian sovereignty involved in the free trade agreement. But when it comes down to average Canadians, the situation is the opposite. Farmers, trade unionists, auto workers and people in the cultural industries, who are concerned about the survival of Canada's soul and culture, are overwhelmingly opposed. It is ironic that the Government should claim it has a consensus when the consensus it has is a view of the world which may be held by Mr. D'Aquino and his friends in the Business Council on National Issues, which may be held by the major corporations in Canada but which increasingly is not a view held by average Canadians.

In the last two or three weeks there has been a dramatic shift in opinion in Ontario against the free trade deal. I believe that we will find very shortly that a dramatic shift is taking place in other parts of the country as well. Yet the Prime Minister and his Government are threatening our country with a trade deal which will hurt those average Canadians, and people are beginning to realize it.

I would like to go on, but I believe it is five o'clock. I intend to continue when this debate resumes tomorrow or whenever it is called again.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order. It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's order paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

GOVERNMENT OF CANADA

ADVISABILITY OF ESTABLISHING GUIDELINES FOR ANNUAL REPORTS OF FEDERAL DEPARTMENTS AND CROWN CORPORATIONS

Mr. Alan Redway (York East) moved:

That, in the opinion of this House, the government should consider the advisability of establishing uniform guidelines and an evaluation procedure similar to those presently in use in Australia, upon which Government Departments, Boards, Crown Corporations and Agencies should base their annual reports and thereby establish a system by which those reports which have most effectively complied with these guidelines may be acknowledged.

He said: Mr. Speaker, if you are like me, and I suspect that at least to some extent you are, you receive dozens and dozens of annual reports every week of the year. I do not know what you do with those annual reports. Perhaps you sit down deep in the recesses of your office and read through each one in careful detail, starting off at the beginning of the year and working your way toward the end of the year. Perhaps you stay up burning the midnight oil, trying to get those reports read from cover to cover.

I can see by your motions, Mr. Speaker, that that is in fact the way you treat these things. I thought that maybe, just maybe, you might have filled your garbage basket with quite a few of these reports. If you do not fill up your garbage basket with these annual reports on a regular basis, I venture to say that you have a hard time battling your way through the front door of your office after you have been in it for a year or two. So many of these reports are received all the time. I know that you must have the same problems I do.

Reports are issued on just about every conceivable situation and every conceivable body seems to send out these reports. The Freshwater Fish Marketing Board does. I know that if our hon. colleague from the Western Arctic were here, he would rise to shake his fist after hearing about the Freshwater Fish Marketing Board. We receive annual reports from the Dairy Commission, from Canada Mortgage and Housing Corporation and from the Bank of Canada. I see my hon. friend, the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) shuddering when I mention the annual report of the Bank of Canada. That is one of his favourite subjects, and I hope he will have a few things to say about the annual reports from the Bank of Canada.

We receive annual reports from just about everyone. In fact, we received one today, and you probably read it already, Mr. Speaker. The report we received today was from the Department of National Revenue, Customs, Excise and Taxation, for the fiscal year ended March 31, 1987. Does it not strike you as a little strange, Mr. Speaker, that today is December 8, 1987, and we are just receiving the annual report of the Department of National Revenue for the fiscal year ended March 31, 1987? It should strike you as strange. However, it should not strike you as being any stranger than the way we receive all these other annual reports.

As the House knows, we receive annual reports from Departments, boards and commissions. Sometimes we get them from Crown corporations and sometimes we do not because they are not all under the same obligation to report.

As you have gone through all these annual reports, Mr. Speaker, you may have been impressed by them. I see you shaking your head, and I know that, like me, you were not really impressed by them. In fact, if you were not, you are in good company. You are in good company because not many Members of Parliament, I suspect, are impressed by them, and certainly the Auditor General of Canada has indicated that he is not impressed by them at all. In fact, I am sure you read his annual report from cover to cover. It is a thin little volume in which he says specifically that he is not impressed with the quality of the annual reporting that goes on by all these boards, commissions, Departments and corporations.

One of the reasons the Auditor General is not impressed is the very reason I pointed out when I mentioned this annual report from the Department of National Revenue. The legislation which sets up these Departments, boards, and agencies usually provides that these bodies must file annual reports. The annual reports must deal with the fiscal year, but the bodies do not have to file their annual reports until some time after the end of the calendar year. The fiscal year ends on March 31 of each year while the calendar year ends on December 31 of each year.

It is astounding that information that is compiled as of March 31 would not get into the hands of Members of Parliament or the public until after the end of the calendar year, and in fact well into the new calendar year. It is that sort of thing that causes the Auditor General, me and I know you, Mr. Speaker, to be unimpressed by the annual reports we are receiving.

While the legislation creating these Departments, boards and commissions does specify that there must be annual reports and when they must be presented, it does not specify what is supposed to be in the annual reports. It does not identify in any way, shape or form to whom the annual reports are supposed to be addressed. Are they supposed to be addressed to you and I as Members of Parliament, Mr. Speaker? Are they supposed to be addressed to the public? Are they supposed to be addressed to the Government? Are they supposed to be addressed to the employees or the management of these organizations? Who knows?

In fact, these organizations can virtually do their own thing. They do not have to worry about it at all because there is nothing in the legislation that says that they have to do anything other than send us a piece of paper entitled annual report. They do not even have to do that until after the end of the calendar year.

As the Auditor General has said in his report, there is a good chance that the information contained in these annual reports is completely irrelevant. In fact, it can often be months and months old and sometimes we get these annual reports just a month or so before the next annual report should be compiled.

Another thing the Auditor General points out in his report is the fact that very often these Departments do not meet the statutory deadlines they are required to meet when filing reports. Sometimes, annual reports are not filed at all in some years and sometimes, as in some cases about which I have read, Departments have to go back and reconstruct the facts so that two or three years later, they can produce annual reports to comply with the requirements of the legislation that set them up.

It seems ludicrous to me that we should operate in this way. As you will recall, Mr. Speaker, because I know you read it thoroughly and probably committed it to memory, the Auditor General in his report said that the Comptroller General of Canada should re-examine the very need for these reports in the first place, but if they are to be continued, there should be some minimum standards as to form and content.

I wonder what sort of procedure we might put in place to provide those minimum standards. Shall we leave it to the Government to put in place some new minimum standards? I would be interested in hearing, when the Government responds to this motion, if it will do that or not, but I suspect not. In fact, while inquiring around, I was enlightened by the Principal Clerk of the House of Commons, Mr. Michael Kirby, a good friend of yours, Mr. Speaker. He usually sits at the Table, but unfortunately he is not there tonight.

Michael Kirby pointed out to me that there is a better way and that there are other jurisdictions that use this better way. In fact, our sister Commonwealth country, Australia, has devised a better way of dealing with the reporting system.

Australia has guidelines or minimum standards like those spoken of by the Auditor General. It has a method for evaluating the reports that come out and it has a system of rewarding Departments, boards, committees, commissions and Crown corporations for turning out good reports. That makes a lot of sense to me.

Apparently Australia has set up a panel of judges to evaluate these reports. The panel consists of five people who come from a variety of backgrounds, and those backgrounds make sense to me. One of the members of the panel is a retired senior public servant, someone who has had some experience putting together these reports. Another is a university professor of public administration, someone who is usually critical of the way reports and other things in government are put together. A third is a member of the Press Gallery.

My gosh, no one is in the Press Gallery tonight. However, we know that members of the Press Gallery are all listening to every word of this debate on television. Whenever we ask them why they were not sitting in the Press Gallery, they tell us not to worry, they were back in their offices watching us on television. We know they are doing that tonight. I know at least one member of that illustrious Press Gallery would love to sit on a panel like this and be able to judge the information they are always critical of. They are always trying to utilize the freedom of information system to get more information. This would be their opportunity to produce quality information.

• (1710)

Another member of the Australian panel is a chartered accountant because a good deal of this information is financial. Lo and behold, another member is a politician, someone like you. Oh, no, not like you, Mr. Speaker, but like some other Members of the House. You are a little cut above that, but the rest of us fall into that category. That is not a bad perspective to bring to bear on a panel that judges the quality of these reports. That is the sort of system they have in Australia, and it makes sense to me.

What are the criteria set up by the Australians? They require the report to answer the following question. Note this: They have questions which the report has to address. First of all, what are we here for? That is an interesting question. If some Crown corporations addressed that question they might not be able to come up with an answer.

The second question is: What do they do? They are supposed to detail the sort of things they actually do.

The third question is: Who is it that does it? They have to tell us who is involved in the process. Have you ever seen that in one of those annual reports that you read? I can see you shaking your head. You have read them all from cover to cover, but I bet you do not know who actually carries out the functions. They do not tell you what the functions are anyway. Yet that is the sort of thing we would have if we followed the Australian system.

They also have to give us some sort of idea of how well they perform. Is that not interesting? They have to actually evaluate and assess themselves. That is putting a pretty heavy burden on a Department or Crown corporation, committee, board or agency. We would be asking them to actually tell us how well they think they are performing. That is incredible because it might be embarrassing. Instead of having a happy face on some of these reports, we would perhaps have a red face. That might be bad for them, but I suspect it would be good for the rest of us.

As well as those things, they actually require information like the names of people who do the jobs and their telephone numbers. Can you believe that? The public would actually know who it is they want to get hold of to deal with a particular problem. That is inconceivable, but that is what the Australians would have you put in a report. To me it makes sense.

Then there is the question of timeliness. Does the report actually get filed on time? The Auditor General tells us a lot of them in this country do not, but in Australia they rap your knuckles if you do not get it in on time. You do not get a gold star on your work book the way you would in Grade 1 or 2. In Australia it is important that this be done, and I think it should be important here.

Then we have financial information. I see the Hon. Member for Québec-Est (Mr. Tremblay) over there. I know he is most concerned about Part III of the Estimates each year. They contain some expenditure material, but only of a minimal nature. The same thing with respect to the Public Accounts. We could be getting relevant, detailed and important information in that annual report if we followed a system like the Australians are.

I know that the Government in its response, because I was told ahead of time, is going to say that in fact it has a wonderful system in place right now. It makes a lot of sense. We do things perfectly. There is nothing wrong with the system. My suggestion of the Australian method would unnecessarily complicate things. It would just ruin the whole system we have, and it is such a wonderful system.

What I hope the Government will talk about is what the Auditor General had to say about that wonderful system. I hope it will mention, as I have, some of the Auditor General's concerns, the fact that he is not impressed with the quality of the reports, and the fact that there is nothing to specify what is to be in the report. There is no purpose to the report. There is no idea of who the Auditor General is. The reports are often late and perhaps completely irrelevant because of the time frame in which they have to report.

It will be interesting to see if the Government addresses those issues and, in doing so, can honestly say that it has a good system which does not need to be changed. This motion is put forward for the purpose of improving the system. Surely you and I, and all other Members in the Chamber here tonight, in fact all Members of the House of Commons, and all members of the Press Gallery who are watching on television, are here to ensure that we do things better. We are not here to do things worse. We are not here to just carry on making the same mistakes. We are here to do things better. That is the purpose of the motion.

That motion, which you so eloquently read and which I moved, says:

> That, in the opinion of this House, the government should consider the advisability of establishing uniform guidelines and an evaluation procedure similar to those presently in use in Australia, upon which Government Departments, Boards, Crown Corporations and Agencies should base their annual reports and thereby establish a system by which those reports which have most effectively complied with these guidelines may be acknowledged.

In fact, maybe rewarded. I would like to move that the motion be referred to committee so that we can deal with it properly and the Government can address it properly so as to improve the system.

[*Translation*]

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, in addressing the motion tabled by the Hon. Member for York East (Mr. Redway) to establish guidelines and evaluation procedures for annual reports, I would like to emphasize the major progress made in this country on the quality of the information the Government provides on departments and programs through the new version of the Estimates.

Hon. Members are of course aware they now have access to a vast store of new and more detailed information in the Estimates and that these documents, in their present form, are a remarkable improvement in terms of disclosure of the information that forms the basis for government accountability.

Briefly, the new Estimates are divided into three parts. Part I is concerned with the multi-year expenditure plan, which is first tabled in Parliament as part of the Budget brought down by the Minister of Finance, in the form of an overview of public spending which highlights past and future spending priorities and their impact on the economy. Part I also contains

a detailed description of the expenditure plan in terms of each of the eight policy sectors, including the Government's objectives and initiatives for each sector. Part I also contains an analysis of the Estimates according to the various types of expenditures, including operating or capital costs of departments and agencies, transfer payments, payments to certain Crown corporations, public debt charges, and loans, investments and advances.

Part II of the Estimates lists the votes we are asked to approve annually by the Government when it tables its appropriation Bills. Each vote justifies the amount that may be spent and, as drafted, constitutes a legal statement of the conditions for appropriation of funds. Consequently, the votes form the legal basis for Parliamentary scrutiny of the Government's use of appropriations.

Mr. Speaker, the most important change resulting from the extended review of the Estimates, a change that is directly related to the Hon. Member's motion, was the addition of a separate expenditure plan for each department to Part III. The plan describes every program implemented by a department and provides an overview of its operations, the factors likely to affect the program, action taken and objectives. The plan provides information on the results of individual programs, including facts that will help Members determine whether results were as expected and objectives were met. The scope of these documents covers both planned and realized results. Information on both planned and realized results is provided every year, so that Members have an overview of the output of a department over the last complete financial year.

Mr. Speaker, these expenditure plans are a tremendous adjunct to any serious consideration of the Government's programs, previous results and future objectives. On the whole, the information on plans and program output that appears in these documents contributes substantially to documenting the Government's accountability to Parliament. As pointed out by the Auditor General in a recent annual report, Part III of the Estimates is still the best instrument Members have for judging the validity and worth of individual Government programs.

We feel that the use of these plans as the main instrument of accountability to Parliament has a number of important advantages. First of all, whether for their own use or as Members of a Standing Committee, all Members now need only one document to examine both previous results and future plans. Second, plans established for the coming fiscal year are subject to a second scrutiny, since they have to be defined in terms of the program's recent results. This procedure has the advantage of cutting down on the administrative workload we would otherwise have if we had to examine in real output a separate annual report.

Mr. Speaker, that is probably what would happen if the House were to approve the Hon. Member's motion. The point is that the new Part III has kept both duplication and workload to a minimum, for users as well as for the departments who prepare these papers.

However, Mr. Speaker, these are not the only reports the Government receives as part of the accountability process. Hon. Members know that the Public Accounts of Canada now contain better information summaries on the Government's financial performance. Improvements were made in response to Parliament's need for appropriate and complementary information on the Estimates directly based on the Budget Papers.

Mr. Speaker, the Government is committed to ensuring that Parliament is well informed, not only by providing a vast amount of detailed information, but also by making a consistent effort to improve the quality of that information. As my colleagues must have noticed, tremendous progress has been achieved in the field of accounting practices and standards. As a result, Canada has an excellent record for the way we report on our activities to Parliament. Other countries have recognized Canada's leading position in this respect, and the Auditor General has commented publicly on this fact on many occasions.

I am sure Hon. Members are aware of the great progress accomplished in the field of communications, the results achieved through each program by providing summaries on program assessments, more detailed information on the goals of the programs as well as the efficiency and profitability of their operations.

I might also point out that our Government did respond quickly to requests from parliamentary committee members seeking to obtain different information. It is now possible to get more detailed information in Part III of the estimates concerning various public projects, including on such issues as transfer of technology, unemployment insurance benefits, industrial fallout, if any, and trade exchanges.

The fact that Members now have access to better information could not happen at a better time: as a result of the parliamentary reform, committees play a much bigger role in the consideration of policies, programs and recommendations with respect to public expenditures. To a large extent, the efficiency of the new committee structure and the benefits which flow from improved research and other technical support now available to committees depend on the accuracy of the information.

To sum up, Mr. Speaker, I would stress that specific and precise guidelines are in addition to the reforms made by this Government concerning the availability of information. I believe we should continue to set up new mechanisms and fine tune those already in use so that the Government can be proud of the efficiency of its programs and of its financial management processes. Canadian men and women alike may eventually benefit from our efforts in this field.

• (1720)

[*English*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to speak on this motion and I am glad that my hon. friend, the Member for York East (Mr. Redway), put it forward. Annual reports of government Departments, Crown corporations, and other government agencies are ignored for the most part by Members of Parliament and the public. I am glad that the Hon. Member had the opportunity to state his case and I enjoyed hearing the Government's response to it.

Before I make my own comments, I want to do something that is normally not possible in this House. I want to give my colleague, the Member for York East, the opportunity to respond to what the Government said about his motion that we take a serious look at annual reports.

The Member for York East has heard the government response and put his response to it in writing. He says: "After reading that speech prepared by the Government, will the Hon. Member for Quebec East (Mr. Tremblay) be able to look the Auditor General in the eye when he next sits with the Public Accounts Committee?"

That is a strong statement. It gives us the flavour of my hon. friend's response to the Government's response to his motion. That is a unique contribution to debate in this House. It adds to the public discussion and democratic process.

The Hon. Member has moved:

> That, in the opinion of this House, the government should consider the advisability of establishing uniform guidelines and an evaluation procedure similar to those presently in use in Australia, upon which Government Departments, Boards, Crown Corporations and Agencies should base their annual reports and thereby establish a system by which those reports which have most effectively complied with these guidelines may be acknowledged.

It is a good idea to look at annual reports. Why otherwise do we have them? The Government's response does not persuade me that it has thought the problem through. The Hon. Member for Quebec East basically said that there had already been progress made in the provision of information to Parliament through the new budgetary process. He said that the progress in the way budget and expenditure items are reported to parliamentary committees is sufficient and we need not bother with annual reports.

• (1730)

If we already have the information we need within the budgetary process, why am i wasting my time talking to this motion?

One could ask, what is the purpose of annual reports? Perhaps at one extreme it could be said that there is no need for annual reports because they do not provide the required information. At the other extreme it could be suggested that annual reports are such a valuable source of information that there is no need for the expenditure accounts or the budgetary papers even in their new format.

Clearly, both of those extremes would not be considered by the parliamentary committee if it were to study the motion being put by my hon. friend.

We must consider the basic question about the purpose of annual reports. I believe their purpose is to provide information to Members of Parliament, the public and the press. Next, we must consider what kind of information government Departments, Crown corporations and other government agencies must provide so that they are more accountable to the public.

My hon. friend has clearly pointed out that there is a real lack of guidelines for providing such information. Other countries, such as Australia, have devised a system that has basic guidelines with respect to what information should be included in annual reports. I believe we should follow that procedure.

It would be a progressive step for any Government to consider the purpose of annual reports and therefore provide the public with the required information to evaluate whether a government Department or agency is doing its job. The failure to address the question of annual reports reflects the general nature of Government not to address the purpose behind its activities. As a result, the taxpayer's hard earned money is wasted. That is why the Auditor General is able to write rather voluminous reports every year, indicating where money has been wasted.

Perhaps we can rectify this by beginning to study the whole question of annual reports. I commend my friend, the Hon. Member for York East, for bringing this motion forward.

My experience as the NDP Post Office critic supports the argument he is making today. The annual reports from the Post Office do not provide the kind of information we need in order to make a real evaluation of what it is or is not doing and determine how it can function better. The establishment of straightforward and simple guidelines for annual reports will improve the process of public accountability for the activities of Government.

I encourage the House to support his motion so that a parliamentary committee can consider this question and establish some good guidelines for annual reports which may contain useful information that will help keep the Government accountable, as is only proper in a democratic society.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, it is a pleasure for me to support the motion of my friend and colleague, the Hon. Member for York East (Mr. Redway). As a new member of the Public Accounts Committee, it has been my pleasure to work with him as the Vice-Chairman and with the Member for Trinity (Miss Nicholson) as Chairman. I want to congratulate them on their hard work on the committee and I am sure that

we will see better auditing and greater attention paid to annual reports as a result of their efforts.

It has been stated that many annual reports are shelved and little attention is paid to them. Since many of them are referred to a committee, perhaps it is the committees that should spend more time on these reports.

From time to time, the Auditor General makes an in depth audit of a particular government Department. As a Veterans Affairs' spokesman a few years ago, I found an extensive audit of Veterans Affairs by the Auditor General most helpful. As a result of that information, we were able to clean up the Veterans Affairs Department, which was being run very poorly.

I want to take this opportunity today to pay tribute to the late J.J. Macdonell, who was Canada's Auditor General prior to Mr. Dye. He introduced comprehensive auditing to Canada, and I am informed that he was one of the leaders in the world in introducing such a procedure.

Comprehensive auditing means value for money, which deals with efficiency, economy and devising measures to assess the effectiveness of auditing. Our present Auditor General, Mr. Kenneth Dye, has continued the fine work that was introduced by Macdonell. He is President of IDI, an international organization of supreme audit institutions. Its members form the national audit offices of countries belonging to the United Nations. Our Auditor General is showing leadership in helping the Third World countries have proper and effective auditing systems.

We must also pay tribute to our Auditor General for having probably one of the most efficient offices in government. His office works at 81 per cent productivity, which I believe is probably the most efficient of any government Department or Crown corporation. He must be congratulated for his efforts in obtaining such productivity in his office.

Our Public Accounts Committee will be dealing more extensively with productivity in the New Year. This is important because millions of dollars can be saved with increased productivity throughout the whole government system. There will never be 100 per cent efficiency with big government. We have big government in Canada which the majority of Canadians want. But they will have to understand it will cost them a lot of money, because it is so unwieldy.

• (1740)

I wish to point out that the Auditor General has congratulated the Government for making a lot of improvements in efficiency, and his reports are not as damaging as they have been in the past. The Auditor General's reports are most helpful to Government, Crown corporations, and different Departments in order for them to clean up their act, so to speak.

I also must congratulate my hon. friend, the Chairman of the Standing Committee on Public Accounts, on the tenth report. They have certainly gone to great lengths in making recommendations for proper accountability throughout the whole system. I hope that the Government pays strict attention to this tenth annual report. A lot of effort has gone into it, and there are many excellent suggestions and recommendations in this report.

The motion presented by my friend, the Hon. Member for York East speaks directly to the account to be taken of any performance indicators and other quantitative measures relevant to an evaluation of a Department's operations. I believe that the establishment of an evaluation procedure and uniform guidelines for government Departments, boards, Crown corporations and agencies to base their annual reports on would establish a system by which those reports could be most effectively compiled.

The Australian model endeavours to pursue such ends, and much of what I am saying here today is gleaned from their experience. The Australian model offers much in terms of streamlining the annual reports of government Departments, boards, Crown corporations, and agencies.

The following criteria exemplify the standards begged by this particular motion: The clarification of a Department's over-all function through the detailed reference to each division of a Department as well as its various branches; the integration of the objectives of a Department and a review of its operations so that there is some sense of how well that Department has been performing, and what, in the Department's view, are the relevant indicators. Because a Department is a large and complicated organization with responsibility for a wide range of related activities, the format chosen to serve as a sensible exposition should be detailed yet well proportioned; provide a brief introduction and overview of major or recent developments; relate management structures to the working environment; and provide an informative account of the Department's consultative mechanisms with other bodies.

Such reporting would be able to ensure a strong early focus on management issues, to allow frank statements of administrative problems and policies, and to provide, through an informative appendix, a listing of statistics on a range of important matters. Departments should be more selective, concentrating on those statistics that are relevant performance indicators in respect of a Department's basic responsibilities.

In the financial area, this motion concerns the use of program or functional statements of expenditures, the reporting of future commitments, and the details of any separate funds administered by Departments.

The demand for an annual report arises from the community interest in the accountability of public bodies. Whatever else reports might hope to do, they must address this demand. Information provided in a report should be relevant to this primary task, and in this regard there should be a judicious selection of tables and statistics to give the reader a well-informed picture of the Department's actual workload.

The value of reports is substantial, substantially influenced by their early availability. The timeliness of reports is so important that Departments should make every effort to publish their reports as early as possible in the new financial year.

Although departmental reports are first and foremost accounts of internal administration, they should seek to address for the public the basic purpose of answering, what we are, what we do, who does it, and how well we perform. The basics of public accountability would be served if such questions were answered in departmental reports.

I have a section here from the Auditor's General's Office. It is on value for money auditing. It is an excellent document for all Members to read to show what the Auditor General is attempting to achieve.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would also like to take a few minutes to speak in support of the motion put forward by the Hon. Member for York East (Mr. Redway). I would also like to take this opportunity to congratulate him for his contribution and for his work on the Standing Committee on Public Accounts.

[*English*]

Some years ago the Auditor General and his predecessors began to do their work for us in the House of Commons. They made a more uniform system of reporting some of the financial information. That has been very useful in terms of compiling numbers and expenditures of various government Departments, and some Crown corporations and agencies of the Government.

However, in our quest to standardize some of those procedures, perhaps we have overlooked another area that has to be far more uniform and standardized, and an area that we need to make more accessible not only to Members of Parliament but also to the general public. That area is the area of annual reports of the various government Departments, corporations, boards, agencies, and so on.

Hardly a day passes that a Member of Parliament does not receive an annual report of some sort in his or her office. As you will know, Mr. Speaker, there are days in which we actually get stacks of them coming from all over the place, including corporations of the Government, and also private corporations that are proud of their achievements and want to send Members of Parliament of all stripes their annual reports in order to highlight what it is they have done during the previous fiscal year. Sometimes those reports are interesting. Perhaps I am the exception, but I do not read every single one of those reports. Possibly other Members do, but we do try to read or glance over the ones that are important and informative to us.

As a Member of Parliament from a largely rural constituency, I represent probably a greater number of dairy farmers than anyone else in the House. One report that I always read from cover to cover is the annual report of the Canadian Dairy Commission. I find that the information contained in that report is indeed useful to me in representing my constituents.

This particular report contains everything, such as the cost of production formula that is utilized by the commission in establishing the revenues that will be generated to farmers, and so on. It talks about the importation of cheese into this country. It talks about the subsidies paid. It talks about the production of industrial milk versus fluid milk, and everything else Hon. Members would want to know about the operations of this particular commission.

• (1750)

In my opinion it is generally well prepared, well presented, and attractive to read and to view. It has a few pictures, not 14 eight-by-ten glossies of the Minister or anything excessive like that. However, it is well balanced and has the audited financial statements appended to the document in question. It is really a very useful tool. It is probably not perfect. I suppose none of them are, but at least it is interesting.

Sometimes other annual reports that we see have so little information that we actually wonder why anyone bothered to put them out. Others are so complex that they are virtual encyclopaedias of how the government Departments in question work.

Obviously what we need is a more standard formula, not one which is identical, because what is good for the Canadian Dairy Commission is not necessarily what is important for the Canada Lands Company, to use another corporation with which I have some familiarity. These two corporations or agencies operate very differently, and the procedures they use should probably not be identical. Nevertheless, there should be a standard form by which, if a parliamentarian or anyone else opens up one of these documents, he will know what it is. The first thing he is presented with is the letter by the Minister presenting his or her report. The second thing is the board of directors of the corporation, followed by the audited statements, the operations, and so on. Someone picking up one of these documents should be able to see at a glance what happens.

Another matter of interest to me—and I am not sure how it would be realized; but I am expressing the view nevertheless—is that there should be a standard or more uniform time of reporting for some of these corporations. Some of them operate on the government fiscal year, others operate on the calendar year, and some operate on scattered fiscal years in a way similar to that of private companies. Because they are all Crown corporations or agencies of the Crown in one way or another, we should at least make uniform, or a little more uniform, the time in which they are called upon to report. If that is deemed to be a serious overload on the system, perhaps we could have a number of them reporting on March 31 and a number of them reporting in September, October, or whenever. That would ensure that 90 days or 120 days after the end

of the fiscal year, Members of Parliament would be able to get the annual reports of all Crown corporations from *a* to *l*, and six months later it would be the same for the ones from *m* to *z*.

Not only must the information be made available to us, but it must be made available in a timely manner so that we can use it. Also, there should be a parallel means of identifying to parliamentarians, to the media, and to everyone else those occasions when people are in breach of the established procedure.

Yesterday it came to my attention that one Crown corporation had failed to file its audited statements in the prescribed time according to the Financial Administration Act. That information was not published in the Public Accounts of Canada. All Members of the House, and probably those of the other place, have received copies of the Public Accounts of Canada. We all had them in our offices. However, how many people actually knew that that information was missing from the complete set of volumes? There should be a mechanism by which the authority, responsible for publishing the information, releases some sort of communique at the time the documents are published to identify and highlight to parliamentarians and all other Canadians that the deficiencies in the system are such that the agency which has failed to report is easily identified. Then we can raise questions, or whatever we must do, to ensure that next year the offender does not repeat what it did. We could only achieve that if we can identify it. There must be a means to identify those who are delinquent.

The time available to me is probably close to an end, so I will conclude my remarks by suggesting to the Hon. Member that his initiative is excellent. I hope he will succeed in having the issue dealt with and voted on as soon as possible, so that it can be brought to the attention of a parliamentary committee in future.

I am not sure whether the Standing Committee on Public Accounts or the Standing Committee on Government Operations would be the appropriate one to deal with the issue. I think either one would be excellent. Hopefully we can come up with good and constructive recommendations toward having more uniform forms of reporting in terms of annual reports of government Departments, agencies, and Crown corporations.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the contribution made by the Hon. Member for York East (Mr. Redway) has been most important, but I could not miss this opportunity to say a few words, although I have not much time left. You are being rather hard on me, Mr. Speaker, in giving me so little time while other Members in this House have had a good ten minutes. All I have is those meager three or four minutes.

I am most pleased to mention that the Hon. Member for York East is referring to establishing uniform guidelines and an evaluation procedure similar to the one now in use in Australia.

Mr. Speaker, speaking of Australia, I am sure Hon. Members in this House will allow me a short digression concerning Australia, and I will take this opportunity to send my kind regards to my nephews Gaëtan and Sylvain Grisé who left Canada two years ago and have since been living in Australia, and especially, to Gaëtan, the elder one, who was married over the weekend in Sydney, Australia. I would therefore like to take this opportunity, on behalf of the whole Grisé family, to extend to them my best wishes of happiness on their wedding. And since in Australia a name like Gaëtan Grisé does not set you very far, Mr. Speaker, he decided to change his name to Polo Martin, which is much more popular in Australia. So, Polo Martin—

[*English*]

On behalf of my entire family I wish to extend to Polo and Fiona—

Mr. Redway: You are sending them a big koala bear.

Mr. Grisé: —best wishes in their married life and happiness together for a long time.

[*Translation*]

Mr. Speaker, I would like to mention, in connection with the motion—

An Hon. Member: Let's get back to it.

Mr. Grisé: We only went to Australia for a moment and I am seriously getting back to the motion moved by the Hon. Member for York East.

It should be mentioned, in fact, that Canada has one of the best systems in the world for presenting official documents, in both official languages, of course.

During the past 25 years, there were many reports and commissions, such as the Glassco Commission in 1962, the Lambert Royal Commission in 1979—

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for the consideration of Private Members' business has now expired. Pursuant to Standing Order 42(1), the order is dropped from the Order Paper.

It being 6 o'clock, pursuant to order made today, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Wednesday, December 9, 1987

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST FOR AMENDMENT OF LAW TO MAKE DEATH THREAT A CRIMINAL OFFENCE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, on Monday, December 7, 1987 in Montreal, Mrs. Irène Joly was killed by her ex-husband, a Mr. Dupré, who was arrested and jailed several hours later. In January 1986, Mrs. Joly had been stabbed several times by her ex-husband but survived, thanks to the unexpected arrival of her daughter. Her ex-husband received a suspended sentence, although the Crown prosecutor demanded a prison sentence. Since that time, Mr. Dupré had been following and harassing his ex-wife and her children. The court ignored the prosecutor's request for an order preventing the ex-husband from getting closer than 1,000 feet to his victim. For six months, her son drove her to work because he was afraid his mother would get hurt. Last Monday, Mrs. Joly was attacked and killed by her ex-husband.

Mr. Speaker, the law must be changed to make a death threat a criminal offence. At the present time, the police cannot do more than they are already doing because threatening to kill someone, however serious the threat may be, is not recognized as a serious offence. I want to ask the Government to act quickly, because I may remind the House that this is the second woman killed by her ex-husband in the past six months. Perhaps it would help reduce violence in the family and make ex-husbands realize their wives are not their personal property and that even if they leave their husbands, that is no reason to kill them.

[*English*]

REFUGEES

SENATE DELAY IN PASSING LEGISLATION

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, four months ago the Government introduced legislation that will make our refugee determination system faster and fairer. For four months that legislation has been held up by both opposition Parties and now by the Senate. It is time for action.

Thirty thousand people are expected to come to Canada this year and file refugee claims. Even though 70 per cent of those claims will be groundless, each case could take months and years to decide. Our present refugee system is inefficient, inadequate and inappropriate.

Canadians want and deserve a refugee determination process that treats all claimants fairly and promptly. The measures introduced last August will do just that.

Are the opposition Parties waiting for another boatload of people to arrive on our shores before realizing the necessity of changing our system? Or will they join with us and the majority of Canadians who recognize that it is time to take action and put the policy introduced by the Minister of Employment and Immigration (Mr. Bouchard) in place now? Canadians and needy refugees around the world can wait no longer.

* * *

TAX REFORM

FLOW-THROUGH SHARES—CALL FOR RETENTION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, Canadians living in northern regions are very concerned over the plans of the Minister of Finance (Mr. Wilson) for flow-through shares.

New Democrats realize flow-through shares have done much to alleviate a key problem in the mining industry, namely, the difficulties small companies have in raising capital for mineral exploration. Clearly there has been a very significant increase in activity and this has had the effect of creating many new jobs in regions of high unemployment.

Speaking in Noranda-Rouyn on September 24, our Leader, the Hon. Member for Oshawa (Mr. Broadbent), said:

This fiscal measure corresponds well to the objectives of my Party in terms of the creation of jobs and the development of resource-based regions.

We do have some concerns with the existing system.

[*Translation*]

More specifically, we want to channel the benefits to small businesses which always have trouble raising investment capital.

Actually, the corporate tax system is supposed to help capitalize small businesses which are the foundation of economic renewal and job creation in our regions.

[*English*]

It is vital that flow-through shares be retained in order to ensure an active mining sector which is one of the key pillars of regional development throughout northern Canada.

* * *

[*Translation*]

THE ECONOMY

SITUATION IN ABITIBI-TÉMISCAMINGUE REGION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the Abitibi-Témiscamingue region is still breaking records for the number of residents employed and the number of unemployed in the area.

The unemployment rate is the lowest in the entire province of Quebec. It was 6.7 per cent in November 1987, which is 0.7 per cent less then it was in October.

That is a striking departure from the unemployment rates we had under the former Liberal Government in this country, when employment was as high as 27, 24 and 20 per cent from 1980 to 1984.

Mr. Speaker, the unemployment rate continues to drop in Abitibi-Témiscamingue, thanks to the concerted efforts of our entrepreneurs and employees in the private sector and federal and provincial programs.

I want to thank the people of Abitibi for their participation and their faith in the economic renewal of our region.

* * *

[*English*]

LABOUR RELATIONS

CLOSURE OF ROUTE CANADA TERMINAL IN SYDNEY—TREATMENT OF WORKERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the closure of the Route Canada terminal in Sydney and the subsequent lay-off of 17 employees will hurt not only the workers but the community at large. The hardships that these employees will now face is one of extreme proportion. This workforce is a very senior one and its years of service range from 16 to 46 of dedicated and faithful work to the employer.

The severance package will be pursuant to the provisions of the Canada Labour Code and not the special agreement which was consummated by the Canadian National Railway company, Transport Canada, Route Canada, and the Canadian Brotherhood of Railway, Transport and General Workers. The special agreement provided many more benefits to the workers than what is being offered under the Canada Labour Code.

The activity by senior management of Route Canada in this matter is prejudicial to the workers involved. Where is the justice in this situation? Where is the obligation this company has to years of dedicated service by its employees? This situation is not acceptable. Route Canada managers and the corporation as a whole will just have to do better if they wish to operate in eastern Canada.

We are not in the stone age of labour relations, Mr. Speaker. In coming weeks I intend to point this out again and again to Route Canada management. It is time that it took its responsibilities seriously on behalf of the workers who have now been affected.

* * *

• (1410)

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF TORONTO BOARD OF TRADE

Mr. William G. Lesick (Edmonton East): Mr. Speaker, free trade with the United States has the potential to reap great dividends for Canada and we in Alberta support it unequivocally. But just so that Canadians and particularly those from the great Province of Ontario are not confused into believing that Premier Peterson, in opposing the deal, speaks for everyone, I would like to bring to the attention of Hon. Members the views of the Board of Trade of Metropolitan Toronto, an organization with over 15,000 members, the largest community Board of Trade or Chamber of Commerce in all of North America.

In a submission to the House Standing Committee, the board stated:

—rising U.S. protectionism has obliged the federal Government to secure and enhance Canadian access to that export market upon which Canada is . . . most dependent for its continued prosperity.

The board went on to say that failure to realize an agreement could pose a threat to national unity.

Is it not interesting how the Ontario Government can claim to have won its mandate by opposing the free trade agreement

when it does not have the support of so large a sector of its business community and all the workers who work within it?

* * *

REFUGEES

BILL C-84—NEED FOR FURTHER AMENDMENTS

Mr. Dan Heap (Spadina): Mr. Speaker, *The Globe and Mail* reports that the Minister of Employment and Immigration (Mr. Bouchard) may make amendments to Bill C-84, amendments he absolutely refused during weeks of debate in Parliament and committee. If he is beginning to wake up, that's good. However, he'll need to go much further than reported.

His Bill will surely fail at the Supreme Court as long as it makes criminals of Canadians who help a refugee without a visa to come to an immigration office in Canada; allows immigration officers to break and enter, search, and seize documents at will; detains new arrivals on mere Minister's suspicion, without habeas corpus rights, and violates Canada's signature on the UN Convention for Refugees by turning refugee ships away at sea.

The Minister must back down still further.

* * *

[*Translation*]

THE ADMINISTRATION

CONSERVATIVE GOVERNMENT AS MODEL FOR WORLD

Mr. Marcel Tremblay (Québec-Est): Mr. Speaker, the month of December gives me pause to reflect upon peace and what is happening in foreign countries where Christmas this year will be marred by violence, where people will suffer and cry.

Here is what we Canadians have achieved in 1987 after only three years under a Progressive Conservative Government: social peace throughout the country, joy of living, reconciliation of all Canadians from coast to coast, leadership highlighted by humanism and based on the individual's sense of responsibility and valorization.

Mr. Speaker, Canadians are now proud of themselves and their Government because they feel useful and responsible. They have confidence in their Prime Minister, and justifiably so.

Over a number of years the Liberal Party drew inspiration from the NDP in its quest for socialist order in Canada. As a result, Canadians sank $200 billion deeper into debt, they lost their self-confidence, and they now live in a climate of mistrust where aggressivity between individuals and cultural and economic interest groups prevails.

Mr. Speaker, it is my fervent wish that 1988 will enable countries torn by war and misery to establish institutions, policies and governments whose inspirational spirit will resemble that of the administration now headed by the Prime Minister of Canada, the Right Hon. Brian Mulroney.

* * *

AEROSPACE

SITE OF FUTURE SPACE AGENCY

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Government has earmarked $824 million for the space research program. This is not new money, but funds recycled from the appropriations of the National Research Council which, as we have seen this week, is seeking applicants for jobs with the famous space agency—yet we still have no idea as to where the agency is to be located.

Reading newspapers in recent days made me appreciate just why the Prime Minister simply cannot make up his own mind. On September 16 the Minister of State for Science and Technology stated that this essentially political decision rests with the Prime Minister.

Today's *Le Droit* reports that the same Minister is saying: "Decision not made yet". As we recall, the Minister of State for Science and Technology stated: "Within a few weeks".

We know that even the Minister of State told us: "No, no, never ever. The decision will not be made by tomorrow"!

Well, when will this Government have the nerve to tell us: The Space Agency—in Ottawa or in Montreal? Or half in Ottawa and half in Montreal? Where will it be located? Somewhere in limbo? Do something, you guys! This means jobs in my riding, in the national capital.

* * *

[*English*]

HUMAN RIGHTS

WORLD-WIDE VIOLATIONS—ROLE TO BE PLAYED BY PARLIAMENTARIANS

Mr. John Oostrom (Willowdale): Mr. Speaker, tomorrow, December 10, has been declared International Human Rights Day by the United Nations. Man has made tremendous technological progress to the point where nature can be challenged or controlled. However, a dark cloud hangs over the greatness of civilization.

Today in many nations, individuals are denied their basic human rights, rights which all Canadians take for granted. The Jews and Christians of Russia, the Baha'is of Iran, the Tibetans of China, and all the political dissidents held by the dictatorships of Africa, Asia, South and Central America and the Caribbean have only one hope, the hope that we parliamentarians in the free world must not let the world forget their plight.

Today, Mr. Knanh Le-Kim, President of the Vietnamese Buddhist Association of Toronto, is meeting with Ambassador Lewis in New York to bring him abreast of the religious persecution in Vietnam. We can never let our guard down even if there is only one individual left in the world who is being denied any right. Only when individuals in all societies enjoy all their basic human rights can man finally claim that he has advanced from prehistoric times.

* * *

DISARMAMENT

U.S.A.—U.S.S.R. AGREEMENT—INFLUENCE OF PEACE MOVEMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, as we contemplate events in Washington this week, I think it would be appropriate for all of us to remember the role various peace movements have played in coming to this particular point in human history.

The peace movement is often reviled, both in the East and the West, by the political leadership of those countries, and sometimes by Members opposite, but it is a fact that the peace movement has been that source of creative tension and criticism, that leaven within the loaf that is very important in keeping political leaders always rethinking their positions on these crucial issues that affect the future of planet Earth.

I think we should remember this with respect to the peace movement here in Canada, in Europe and in the United States of America, but we should also remember those within the Soviet Union and Eastern Bloc countries who often have to work under even more difficult circumstances.

We know that here, CSIS and other organizations keep an eye on the peace movement and regard its activities not as essential but as disloyal. We also know that in the Soviet Union and East Germany, Christian peace activists are from time to time harassed and rounded up and life is made difficult for them. Let us keep them in mind, and let us keep in mind that the peace movement on both sides of the so-called divide is very, very important and not unconnected to what is happening in Washington today.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECTS ON NORTHERN MANITOBA

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, the report prepared for the Canada West Foundation on the effects of free trade on Manitoba clearly indicates substantial benefits for the province from free trade and severe economic disruption if protectionism in the United States continues unchecked. Of particular interest in the study is the section dealing with northern Manitoba. It points out that jobs are threatened in the North and says:

> Northern Manitoba would be the most adversely affected region in Manitoba in the event of increased U.S. protectionism.
>
> Due to the high concentration of employment in resource industries which are largely dependent on access to the U.S. market, communities such as Thompson, Flin Flon and Lynn Lake would be devastated by any U.S. actions which would restrict exports such as nickel, copper, zinc and gold.

The Canada-U.S. free trade agreement assures and enhances access to the U.S. market. Given these facts, it is astonishing to consider the position of the NDP Member for Churchill (Mr. Murphy) who opposes the free trade agreement.

Even NDP MLAs from northern Manitoba are against the agreement. By following their anti-American ideology, they are selling out the best interests of northerners. Their constituents will not forget!

ORAL QUESTION PERIOD

[*English*]

HEALTH

TOXIC MUSSELS—TIME OF TESTING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, seven times on Monday the Minister of National Health and Welfare accused the Opposition of making false allegations about the toxic mussels. On Tuesday the Minister accused the Opposition six times of making false allegations about the toxic mussels.

The truth is that the Minister of National Health and Welfare has misled the House of Commons and has misled the people of Canada and must answer some serious questions on matters that have now put the lives of Canadians at risk.

What did the Minister say? He said that Dr. Todd received these samples from Prince Edward Island at 8.15 p.m. upon which testing began that evening, Saturday. Dr. Todd said on television:

> We received the samples about noon on Friday and we got an answer late in the afternoon that there was a reaction present in these animals.

Will the Minister explain that contradiction to the Canadian public and to Parliament? Will he admit his complete failure to protect Canadians from poisoned mussels?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I say to the right hon. gentleman that I did not mislead either him or the House. I did not mislead Canadians.

If the right hon. gentleman is interested in the facts, I will give them again. I said to the House that testing had been done prior to the information I gave yesterday and we have had two sets of testing. I will give that information, if he has some time, and it is this—

Mr. Guilbault (Saint-Jacques): Answer the question.

• (1420)

Mr. Epp (Provencher): I am answering the question. First, we had information prior to the weekend on some mussels. The testing done by Dr. Todd on the first set of samples was for PSP, paralytic shellfish poisoning. That was injected into the mice. In that type of test mice die within twenty minutes. That is the normal test. The mice did not die in that way, they died two to three hours later. Yesterday the Hon. Member for Hamilton East said that mice were dying during that period of time. I have never denied that, but it was not under PSP.

We looked at the testing very carefully, that was the first test, and we then stepped up the investigation through the weekend. The information I gave the House yesterday was the second sample which ended in the health alert that I gave on the Tuesday.

[*Translation*]

NUMBER OF CANADIANS HOSPITALIZED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister has yet to explain the discrepancy between his version and Dr. Todd's, and he is playing with words to cover up his incompetence.

If the Minister of National Health and Welfare cannot act immediately and with celerity to protect the public from food poisoning, who is going to do it?

Since the Minister claims he has all the facts, perhaps he could give us the following information: How many Canadians were hospitalized between the time the Minister ordered the shippers to stop shipping toxic mussels, and two and a half days later, when the Minister warned the Canadian public of the danger of eating these toxic mussels? How many?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, there is no contradiction between what I am saying today and what I have said on any other day in the House. My Deputy Minister, my Assistant Deputy Minister, Health Protection Branch, and the field operations people have all checked with Dr. Todd. I have not, and I will tell the right hon. gentleman why. I have said in this House time after time, and I insist on it, that I will not influence the scientists in my Department. I will take their advice on the basis of their scientific knowledge and experience.

The right hon. gentleman asked how many people have been hospitalized. As of December 1 there have been no new cases. What we have done diligently at Health and Welfare is go to provincial hospitals, the MUC in Montreal, clinics, and doctors' offices to find out the exact number of cases. I stress that there are no new cases, because of the action we took, since December 1. The number of cases reported to us as of today is 75. The number of hospitalizations is 17.

Mr. Turner (Vancouver Quadra): Mr. Speaker, we want to know how many Canadians were hospitalized from the moment the Ministry gave an order not to ship any further mussels. There are 1.2 million mussels shipped every week. We are talking about a possible 400,000 mussels being in circulation between the moment the Ministry stopped shipment and the moment the Minister warned the Canadian public.

REQUEST FOR MINISTER'S RESIGNATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to direct my question to the Prime Minister who sat listening to this conversation today and yesterday.

Does he not admit that his Minister acted in a manner which has not properly protected Canadians' health? For that reason, will he not ask his Minister to resign?

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Will he not admit the Minister has not been forthcoming in giving the House of Commons the whole truth about a matter now affecting the lives of Canadians?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker—

Mr. Hnatyshyn: Whatever happened to free trade?

Mr. Beatty: We expect better than that from you.

Mr. McKnight: John has now joined the rat pack.

Mr. Epp (Provencher): Mr. Speaker, I want to say to the right hon. gentleman that I have given all the facts. I have not tried to hide any facts. I do not operate on the basis of hiding the facts. I have not asked my Department to hide any facts. I did not contact the industry. I did not ask my Department for a second opinion. I did not ask my Department to hold back any information in any way.

What I said was, when we have got the scientific information on any case—mussels, English cucumbers, White Spot in Vancouver—and I can go on and on, in every case when I have had the scientific information I have acted.

I want to say to the right hon. gentleman that I think it is important for him as a national leader to stay with the facts and not try to destroy people in this House or in the Department when we acted responsibly.

Some Hon. Members: Hear, hear!

STATEMENTS MADE BY MINISTER AND BY SCIENTIST

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the halo is not shining for those families who have relatives in hospitals hovering on the verge of death.

Some Hon. Members: Shame!

Ms. Copps: Mr. Speaker, the Minister of National Health and Welfare claims he has told the truth to the people. Why is it that today he has finally admitted that tests were done on the Friday, not only in Ottawa but also in New Brunswick, which showed mice were dying? Why has he admitted now that a link was established on Friday, when in fact when he was speaking to the press last week about this issue he said on Sunday: "There was, when we asked the companies to stop shipment there was a suspicion that there could be a link. Then we have to feed that material to laboratory rats". In fact, the laboratory animals were dying two days prior to the Minister's claim that the laboratory rats testing began.

How does the Minister explain the absolute contradiction between his statement in the House yesterday and the statement of the federal scientist who was responsible for carrying out the tests who said that a link was established on Friday, November 27?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, no matter how loudly people speak I will stay with the facts and here they are again. I have said consistently and I say again today that there was not a link established on the Friday. The Hon. Member keeps using those words. I said, and I will repeat it again, that the testing that was done up until the Friday was for paralytic shellfish poisoning. That was the experience of the Department along with DFO. The mice did not react relative to the symptoms and reactions of PSP.

An Hon. Member: Big deal.

Mr. Epp (Provencher): That is a very big deal because it is important. Additionally, from that Friday, as well as the details I gave yesterday, we stepped up the investigation. The point that I make again is that those are the facts. We stepped up the investigation and the link between a toxin other than PSP was established on the Monday, the Tuesday. That detail I have given as well.

• (1430)

The Member talked about links. It is necessary to understand that the Department did not have the scientific basis at the times that she talks about which it had at the time which I have talked about which enabled me to give the health alert on Tuesday.

[*Translation*]

EXTENT OF KNOWLEDGE OF ISSUE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, yesterday in the House, the Minister of National Health and Welfare claimed that the injections were given on Monday, November 30 and Thuesday, December 1. From what the scientists said, it seems the first injections were given on the Friday before, and that the mice started dying in Ottawa and also in Blacks Harbour, New Brunswick, that Friday. Why didn't the Minister conclude there was enough scientific evidence to ask the companies to stop shipping mussels as of Sunday morning? He did not have the courage and he didn't even know the facts, because as late as Monday, he was not aware of what was happening. Why was he not sufficiently informed to be able to issue the same warning to Canadians? Up to Tuesday evening, consumers were still eating toxic mussels.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will go through it one more time and maybe most Members in the House will understand. On Friday, as I have already indicated, there was a test done and the mice did not react—

Ms. Copps: You did not indicate that.

Mr. Speaker: Order. The questions are detailed and probably call for detailed answers. I ask Hon. Members to refrain from calling out too often unless they are recognized. The Hon. Minister will complete his answer.

Mr. Beatty: She is not even listening to the response.

Mr. Epp (Provencher): As an investigative tool about which I asked my officials again today, on the Sunday we told the wholesaler, the supplier, and the shipper, that we had some indication that there could be problems with their product and to stop the shipment. That is what the Department did.

Ms. Copps: But you did not know about it.

Mr. Epp (Provencher): Mr. Speaker, perhaps the Hon. Member could give me the same courtesy as I am trying to give her, just for once maybe.

What happened was very clear. The Department informed the shippers. As I have said in the House time after time, I was notified on Monday. On Tuesday we had the link and the health alert was issued.

Mr. Nunziata: You are finished, Jake.

Mr. Epp (Provencher): Mr. Speaker, my information, my details, and my facts have been consistent. I do not think they have differed in any way today from the first day I was asked this question.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT

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

The Government has now reached a final agreement with the United States on the final wording of the trade proposal.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to thank the Members opposite for their applause, Mr. Speaker. It is very thoughtful.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Thirty-two per cent and falling.

Mr. Broadbent: Will the Minister tell us when Members of the House will be able to see that report? When she answers that question will she, on behalf of the Government, guarantee that there will be adequate time to debate that report and resolution in the House? In addition, will she guarantee that there will be a vote taken before the Government of Canada signs this agreement with the United States?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, my officials advised me before Question Period that the officials on both sides are into the final details of the proof-reading.

Mr. Riis: We heard that three months ago.

Miss Carney: Again, Mr. Speaker, the Opposition asks questions but does not have time to hear the answers. They are against this report. They have not even read it. They do not even want to know when it is available. That shows the consistency of the NDP policy.

Mr. Broadbent: Give it to us so we can read it.

Mr. Fulton: Has she read it?

PARLIAMENTARY DEBATE—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will try with the Prime Minister. The chairman of the House committee has said that the committee will not be reporting to the House based on the final wording. He said it would be "absolutely silly" to make an attempt to do that and that it would "make a mockery" of the whole issue.

Would the Prime Minister not agree that unless there is adequate time to debate and understand all the details involved, and to take a vote in the House of Commons, the Government would be absolutely silly to proceed and would be making a mockery of the importance of this question for the people of Canada?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, the chairman of the committee has already confirmed that the committee is free at any time to deal with any aspect of the report. Should it find that it is substantially different from the "Elements of the Agreement", which it is not, the committee is free at any time to pursue its own agenda on this issue.

With regard to the timing of the report, as I started to say earlier, we are expecting the tabling of the report by the end of the week. With regard to the timing of the debate, the Prime Minister has already assured us that there will be a debate. In view of the Hon. Member's enthusiasm for a debate, I suggest that his House Leader co-operate with the Government House Leader on the timing of it.

Mr. Broadbent: Mr. Speaker, I can assure the Minister that we will co-operate on the timing. However, the timing which is of interest to the people of Canada is that they have time to understand what this complex deal is all about.

Some Hon. Members: Hear, hear!

REQUEST FOR DEBATE AND VOTE PRIOR TO SIGNATURE

Hon. Edward Broadbent (Oshawa): I will direct my supplementary question to the Prime Minister. Witnesses from Vancouver in the West to St. John's, Newfoundland, in the East, including many witnesses who gave support in principle for the idea, pointed out the need to have time to study the final text.

Therefore, will the Prime Minister make a serious commitment to the principles of democracy, to the need to understand this document, and ensure that there will be adequate time in the House of Commons for a full debate and a vote on this before it is signed and becomes an official agreement with the United States, rather than rushing it through before Christmas?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I have already answered that question. The Prime Minister has repeatedly said that there will be a debate on this issue.

Mr. Broadbent: A vote?

Miss Carney: The timing and the nature of the debate will depend on the co-operation of the opposition Parties.

Mr. Broadbent: A three-day debate, right.

* * *

HEALTH

TOXIC MUSSELS—TESTING DONE WITH MICE AND RATS

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Minister asked us earlier to stick with the facts. I suggest that if the Minister had stuck with the facts in this whole debate and during Question Period in the last few days, he would not have the problems he has today. Also, he would not have had the contradiction that he had with Dr. Todd as shown on television last evening.

The Minister has mentioned that tests were made for PSP, paralytic shellfish poisoning. The fact remains that rats and mice died on Friday both in Ottawa and in Black's Harbour, New Brunswick. Those are the facts and I will stick with them if the Minister will stick with the facts.

If mice and rats were dying does the Minister not think that the product which was killing those mice and rats should not have been available to human beings?

• (1440)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will explain to the hon. gentleman. First, I said that we were testing for PSP. As a former Fisheries Minister, he would understand that.

Second, he would understand that most scientists will say that mice will die within a 20-minute period with the symptoms and development of PSP. The mice in question died between two and three hours, so that it was not indicative of PSP. I have said that all along. I am not giving any new facts. That has been common knowledge.

The Hon. Member should change his question somewhat because I am sure he did not phrase in that way purposely. The number of mice that were tested and the number that died additionally concern a second piece of scientific information. A small ratio of the mice in fact died, which again is different from any traditional type of PSP testing. Obviously, the investigation had to go from there.

We still do not have that toxin isolated. As a former Fisheries Minister he should look at what happened in Denmark, Sweden, and Japan. I refer him to what health experts clearly said in terms of the speed with which the Department acted.

Mr. Henderson: Mr. Speaker, I am not talking about PSP. Obviously that was ruled out as a possibility. I am talking about a substance, regardless of what it is, that killed mice and rats and obviously was harmful for human consumption.

AVAILABILITY OF SCIENTIFIC EVIDENCE

Mr. George Henderson (Egmont): Mr. Speaker, the Minister of National Health and Welfare has ruined the mussel industry in Atlantic Canada by his inaction.

Some Hon. Members: Oh, oh!

Mr. Henderson: What new evidence was obtained by the Department between 10 a.m. on Sunday morning, when mussel exporters were stopped from exporting mussels off Prince Edward Island, and 6.45 on Tuesday evening, that would make the Minister decide that an all-out alert would be posted for consumers of mussels in Canada that would not have been the same evidence which produced the stop order on shipment of mussels at ten o'clock on Sunday? What new evidence?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can answer that as well. I say to the Hon. Member that he cannot have it both ways. Like the action on the 2,600 cases that I mentioned to him, if I stopped the industry every time there was a first indication of any complaint he would be after me immediately, saying that I killed the industry. Now he wants to work it the other way, but he cannot have it both ways.

Some Hon. Members: Answer the question.

Mr. Epp (Provencher): I will return to the details for which he asked. The times that he gave are accurate and are exactly the times that I have given. It was during that period when additional samples were tested and those were the details I gave in the House yesterday. Clearly, once the medical link was established, without identifying the toxin, the decision was taken.

* * *

[*Translation*]

TRADE

FREE TRADE—ELIMINATION OF MARINE TRANSPORT SECTOR—GOVERNMENT POSITION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is directed to the Prime Minister. Could the Prime Minister explain to the House and to the Canadian people why the Government has agreed to eliminate maritime shipping from its trade agreement?

[*English*]

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I think the Hon. Member is anticipating the final report. I would urge him to wait until he sees the final report before commenting on any details.

SITUATION OF SHIPPING INDUSTRY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my supplementary question is directed to the Prime Minister. What can he tell the shipping industry and the shipbuilders of this country who have been expecting to achieve something against the discriminatory pressures of American law, particularly under the Jones Act provisions, which will force the import into Canada of Alaskan crude oil in Canadian tankers? What has he to say to the comfort of the maritime industries of Canada, given the failure in the face of the American shipping lobby?

Hon. Pat Carney (Minister for International Trade): Mr. Speaker, I would give them the same advice, which is to wait and read the final report.

CANADA LANDS COMPANY

ALLEGED FAILURE TO FILE ANNUAL FINANCIAL RETURN

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Public Works my question is directed to the Prime Minister. We have been raising questions about the suspicious circumstances involving the Crown corporation, Canada Lands Company at Mirabel, including the fact that the company broke the law by failing to file its annual financial return by last June.

The Minister explained that the company was having a difference with the Auditor General about the profiling of overhead. I learned, in examining the company's returns, that the Government fired all of the directors of that company and replaced them some time in late summer.

Were these directors fired because of the way they profiled the overhead, or was there some other reason? Why did the Government change the direction of that company in August?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, first of all, in the absence of the responsible Minister who is attending to departmental business, I think the Minister fully dealt with this question, and first of all with a number of false allegations which were made by the Hon. Member.

Second, the financial statements were submitted to the Auditor General, who noted certain discrepancies regarding specific expenditure items. The Department immediately set up an audit team which submitted a report. The report will be discussed tomorrow, and the Minister has promised to act on its findings, Mr. Speaker.

REQUEST THAT ANNUAL REPORT BE PRESENTED BY NEXT MONDAY AT LATEST

Hon. Bob Kaplan (York Centre): Mr. Speaker, the report was not tabled in the House as it should have been. The Minister said yesterday that there was a meeting on Friday, attended by the Auditor General and the Corporation. I now want to ask the Minister, if the difference of opinion is not resolved, whether he could confirm today that we will have the Corporation's annual report next Monday at the latest?

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, perhaps I could comment here. I think the Auditor General's report mentioned this Government's excellent management performance. He even said he was very optimistic about the Government's future record, Mr. Speaker, and I believe that this is more than he could have said about the previous government.

[*English*]

CANADA HEALTH ACT

REGULATIONS—CONTENT OF PROPOSED CHANGES

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I understand that the Minister intends to introduce changes to the regulations under the Canada Health Act later this week. Will he assure Canadians that those changes will not reflect what a director of the Canadian Medical Association said before the last election about the need for user fees on services? He said: "When the Conservatives get in power they will fix it up and make it right for us".

• (1450)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman will have to wait for any tabling until it occurs in respect of the Government's position on health care. It has been stated very clearly by the Government and I, as the spokesman both on user-fees and extra billing, that through the Canada Health Act we supported the removal of them or the financial penalty which the clauses called for.

GOVERNMENT POLICY

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is for the same Minister. In the past he has expressed some sympathy for privatization of some health care services.

Will he assure Canadians that any changes in these regulations will not encourage the privatization of any health care services or hospital services, as was recommended to the Minister about two years ago in a report by Mr. Bud Sherman, the former Minister of Health in Manitoba?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the hon. gentleman should recognize—and I am sure he does—that the delivery of health care is in the hands of the provinces. There is a Canada Health Act which governs the federal financial portion of the payment of those costs, along with the health portion of the Established Programs Financing.

There has been no change of policy, and in respect of the tabling of any other changes he will have to wait.

* * *

[*Translation*]

CANADA LANDS COMPANY

DELAY IN PRESENTING FINANCIAL STATEMENTS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in the absence of the Minister of Public Works, my question is also directed to the Prime Minister and concerns

the administration of the Canada Lands Company (Mirabel) Ltd. According to a spokesperson for the Auditor General's office, the Canada Lands Corporation was late in filing its financial statements, and not just in 1986-87 but also in 1985-86 and 1984-85. This means that since the Conservative Government came to power— Could the Prime Minister explain to Canadians why this was the only Crown Corporation to be late in filing its financial statements in the current year, and could he inform the House about the technical reasons which the Minister of Public Works suggested yesterday were the cause of the delay?

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, first of all, before talking about financial statements, what we started to do was to sell back land that had been unfairly expropriated.

Second, in implementing these policies and procedures, the Government made every effort to ensure that programs and policies were implemented satisfactorily, and we informed the Auditor General's office about this in great detail. It is also a fact that when financial statements are filed late, they appear in the subsequent year's Public Accounts.

M. Boudria: Mr. Speaker, the Government is hardly in a position to talk about unfair treatment.

[*English*]

GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary question is for the Prime Minister and it concerns the Canada Lands Company at Mirabel. During the last few days we have learned of no less than two RCMP investigations and an internal audit by the Department of Public Works. We now know of a fired board of directors of the Canada Lands Company and the possibility of 50 additional land flips.

Just what does it take to make the Government move on the issue of the Canada Lands Company at Mirabel? Why will the Prime Minister not learn anything from the Parker Commission of Inquiry and learn that it is time that he started to clean up his act?

[*Translation*]

Hon. Michel Côté (Minister of Supply and Services): Mr. Speaker, again, I believe the Minister already answered the question yesterday, and perhaps I may continue along those lines. Initially, the land redistribution decision was made and implemented by this Government, and as I said before, all the steps taken by the Government were aimed at ensuring these activities were justified and would be followed up. I repeat that in his report, the Auditor General commented on the excellent performance of this Government, and we are convinced, as I said before, that the Department and the Government have done everything to ensure the situation was dealt with satisfactorily.

[*English*]

DISARMAMENT

U.S.A.—U.S.S.R. AGREEMENT—COMMUNICATIONS WITH AMERICAN AND RUSSIAN LEADERS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is for the Prime Minister. I would like to preface it by saying how very pleased all Canadians are that a very historic treaty was reached in Washington yesterday between Secretary Gorbachev and President Reagan.

Some Hon. Members: Hear, hear!

Ms. Jewett: In view of the fact that there is some concern, however, that the elimination of intermediate range nuclear missiles may in fact lead to an increase in nuclear missiles that are submarine-based or air-launched, and the recognition by President Reagan that this indeed could happen on both sides, could the Prime Minister tell the House whether, in the period of time leading up to the INF negotiations, he communicated with both Secretary Gorbachev and President Reagan on the matter of the desirability of reducing submarine-launched and air-launched Cruise missiles and, if he did communicate, what was their reply?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I join with my hon. friend in conveying our congratulations to both sides on achieving an historic agreement on the reduction of nuclear arms, and in a special way I know my hon. friend would want me, on behalf of the Government, to convey congratulations to President Reagan and to all members of NATO whose solidarity brought about in large measure such an accomplishment.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think the fact that this kind of very important achievement, which escaped the leadership of both sides in the past, was brought about in large measure by the great solidarity of NATO and statesmanship on both sides should be underlined here in the House.

With regard to the communications, indeed I had the privilege of communicating with the General Secretary and the President in respect of the matters raised by my hon. friend prior to the signature some days ago.

AIR AND SUBMARINE-LAUNCHED MISSILES

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the Prime Minister has not made clear whether he asked both of them to address the issue of massive reductions in strategic offensive weapons.

Did he ask both or did he tell both of them of Canada's particular concern about air-launched Cruise missiles and submarine-launched Cruise and ballistic missiles? Did he specifically ask? Finally, did he also press upon both the need now for a comprehensive test ban before there is further enlargement or enhancement of the nuclear arms race?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, given the question of my hon. friend, I thought the answer was very clear. I regret that my hon. friend did not agree.

In the communications we have had on this very important subject, we have conveyed the views of the Government of Canada in regard to the steps which we believe ought to be taken to secure further reductions in the possible deployment of nuclear arms.

The Secretary of State for External Affairs set out very carefully the manner in which Canada has recommended that the alliance and that General Secretary Gorbachev pursue this. My recommendations and views expressed to both sides have been consistent with that policy as set out clearly by the Secretary of State for External Affairs.

* * *

[*Translation*]

NATIONAL DEFENCE

REQUEST FOR CLARIFICATION ON DEMOLITION OF SENNETERRE RADAR BASE IN ABITIBI

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is for the Associate Minister of National Defence.

The economic development of Senneterre in Abitibi is dependent on three major components: forestry, rail transport, and the Canadian Armed Forces Base.

Since it was announced in 1985 that the radar base would be dismantled in August 1988, the Senneterre economic recovery committee and I have been making concerted efforts to find a solution.

My question is this: Can the Minister confirm today that a private Montreal firm has made a study to estimate the cost of dismantling the base? If so, could the expenditures involved be transferred to the municipality by the municipal council of Senneterre which wants to keep the base because of the socio-economic impact the dismantling would have on local residents who have no other facilities and would make use of those already on the base, including the swimming pool, the curling rink and the community centre?

• (1500)

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, there has been a study conducted by a Montreal firm. We have an estimate on how much it would cost to demolish the base. We would have to be released by the Province of Quebec if we were not to undertake demolition, and have that assigned to another party in case they did not maintain the facility as it is.

We are willing to look at any proposal put forward by any of the municipalities in the areas where the 17 bases that are being closed are concerned.

* * *

ENERGY

ELECTRICITY SALES TO UNITED STATES—PURCHASES BY SPECIFIED PROVINCES

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

The Minister of Energy wants to deregulate electricity sales to the United States. If the provinces dependent upon this electricity do not have the option to purchase at least a portion of this electricity at a reasonable price, they will be placed in a very devastating position, for example, a province such as Prince Edward Island which already has the highest electricity prices in Canada.

Why is the Government deregulating electricity sales to the United States, and thereby placing provinces such as Prince Edward Island, New Brunswick, and Newfoundland, in the difficult position of not knowing if they will be able to get electricity at a reasonable price, or even if they are going to be able to get electricity at all?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would the Member make such a preposterous suggestion when, in point of fact, at the First Ministers' Conference 10 days ago, Premier Bourassa announced that he had just concluded an arrangement to supply hydro-electricity to the Province of New Brunswick at very favourable terms? In other circumstances he has indicated that this would be the policy of his Government, and the policy of Governments across the country.

At that same First Ministers' Conference, and here in the House of Commons, I indicated the willingness of the Government of Canada to work with the Government of Newfoundland and Labrador, and the Government of the Province of Quebec, in respect of Churchill Falls and related developments, precisely to ensure further availability of electricity that could be made available in these circumstances to the benefit of Canadian provinces.

GOVERNMENT'S RESPONSIBILITY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would ask the Right Hon. Prime Minister to study this question a little more. He will realize that, for one thing, the sale to New Brunswick is only for six years.

The Minister of Energy states that he will not duplicate any regulations placed by the provinces, even if those provinces

pass regulations which conflict with what the federal Government is doing at the present time. This will negate the federal Government's responsibility.

Why is the federal Government once again abandoning its responsibility in this country, and giving these powers to the provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that my hon. friend is opposed to the free trade agreement, and is trying to tie every possible objection that he can into it. But I ask him to go back and examine the words of Premier Ghiz of Prince Edward Island, at the First Ministers' Conference, when he acknowledged that one of the first actions taken by this new Government of Canada was action to reduce energy costs on Prince Edward Island. He expressed the gratitude of his Government for that.

Second, my hon. friend asks me about electricity prices and hydro prices in Prince Edward Island. They get their hydro from New Brunswick Power, which is why Premier Bourassa sold it to New Brunswick at a lower cost, in order that Prince Edward Island could benefit from this type of preferential treatment.

Mr. Speaker: I regret to advise Hon. Members that the time for oral questions has expired.

I have two rulings to give.

* * *

PRIVILEGE

DISPOSITION OF PRIVATE MEMBERS' BILLS—MR. SPEAKER'S RULING

Mr. Speaker: On Wednesday November 25, 1987, the Hon. Member for Broadview Greenwood (Ms. McDonald) raised in the House the manner in which her Private Member's Bill C-204 is being dealt with in the legislative committee appointed to study the Bill.

[*Translation*]

The Hon. Member for Broadview—Greenwood (Ms. McDonald) claimed that the Committee's proceedings were being systematically obstructed by Government Members sitting on the Committee and by the Committee's Chairman or Acting Chairman. She said that Government Members did not look favourably on the Bill and that the actions of the Acting Chairman on Thursday, November 24, 1987, reflected his prejudice against the Bill before the Committee.

[*English*]

I wish to thank the Deputy Prime Minister (Mr. Mazankowski) and the Hon. Member for Mission—Port Moody (Mr. St. Germain) for their contribution to this important matter. The Hon. Member for Sarnia—Lambton (Mr. James) must also be mentioned, and I thank him for his helpful intervention.

I wish to remind all Hon. Members of my ruling of November 18, 1987, where I cited several excerpts from the rulings of my predecessors concerning the established custom and traditions of the House in not interfering in committee proceedings until such committees have reported to the House. This is an important rule that has clear underpinnings in logic, and I, of course, want to follow it.

Thus, after careful consideration, I have come to the conclusion that the Hon. Member's complaint ought properly to be dealt with in committee and, therefore, it is not a question of privilege and cannot be dealt with here unless the matter is reported to the House by the committee.

There are established practices which have been followed for a long time. One is that Members refrain from criticizing the actions of another Member without the making of a clear charge set out in a motion. The traditional and proper way of dealing with the type of conduct alleged by the Hon. Member for Broadview—Greenwood would be by appealing the conduct of the chairman to the committee, or by way of a motion proposed to the committee and, if it is adopted, reporting the same to the House.

[*Translation*]

I hope that in future, Hon. Members will be guided by what I said on November 18, 1987 and will formulate their complaints and grievances in the committees, which are entirely capable of dealing with these matters, instead of wasting the precious time of the House. The precedents are clear: These questions do not come under the jurisdiction of the Chair.

[*English*]

JUSTICE AND SOLICITOR GENERAL—VISIT BY THE STANDING COMMITTEE TO MILLHAVEN INSTITUTION—MR. SPEAKER'S RULING

Mr. Speaker: On Wednesday, November 25, 1987, the Hon. Member for Burnaby (Mr. Robinson) raised serious matters in the House which he believed were tantamount to contempt of the Standing Committee on Justice and Solicitor General during its recent visit to the various penal institutions in the Kingston area.

[*Translation*]

The Hon. Member maintained that witnesses from Correctional Service Canada who appeared before the Standing Committee had been subject to pressure on the part of their superiors about what they should or should not say before the Committee. The Chair has allowed the House to spend quite some time discussing this matter because any allegation of suborning witnesses should be a matter of concern to all Hon. Members.

[*English*]

I wish to thank the Solicitor General, the Hon. Members for York South—Weston (Mr. Nunziata), Ottawa West (Mr.

Daubney), Niagara Falls (Mr. Nicholson), and London East (Mr. Jepson), for their timely interventions in this important matter.

[*Translation*]

After hearing these Members, especially the Chairman of the Committee, the Hon. Member for Ottawa West (Mr. Daubney), and after due consideration, I must repeat what I said following comments by Hon. Members on November 26, namely that "the Chair is really not in a position to interfere with the affairs of the Committee . . . I want to re-emphasize that, generally speaking, Members with a complaint should go back into the Committee and sort it out there."

[*English*]

For further clarity, I refer all Hon. Members to a previous ruling I made on November 18, 1987, which is found on page 10930 of *House of Commons Debates*, and I quote:

> Previous rulings and parliamentary custom are quite clear. Committees are definitely in control of their own procedures. In this respect, I may refer Hon. Members to Beauchesne's, Fifth Edition, Citation 569(3), which reads as follows:
>
> The Speaker has ruled on many occasions that it is not competent for him to exercise procedural control over the committees. Committees are and must remain masters of their own procedure.

• (1510)

From these and other citations quoted in that ruling I thus feel that the precedents are clear and, with regret, I cannot find that the Hon. Member for Burnaby (Mr. Robinson) made out a prima facie case of privilege.

This matter may or may not merit further consideration but it should be first raised in the Standing Committee on Justice and Solicitor General. It is in that forum that the Hon. Member should pursue the issue and ask the committee to report the matter to the House. In this respect I refer all Hon. Members to the debates of April 28, 1987 and May 5, 1987 when a situation involving a committee matter was reported to the House following which Members raised a question of privilege thereon.

The Chair has taken this opportunity to review several of the recent matters that have been raised in the House that relate to events in or around the committees of the House. I have told the House before that the Speaker has been somewhat tolerant because the new rules were made permanent just last June. It was, I think, predictable that the new committee system would experience some growing pains. In every case that I have reviewed since last June, every question of privilege on a committee matter probably should have been raised first in the committee.

The reason I mention this in this ruling is that I am increasingly concerned with the time consumed by the House on committee problems that now are fully within the Members' own reach and control. I regret that I must serve notice to all Hon. Members that unless there is something of extraordinary seriousness I will be less disposed to allowing debate on such matters unless a committee has first reported thereon.

The reform of the committees has conferred upon them larger mandates and greater powers. With that reform comes the responsibility and the challenge for committee members to deal with issues within the new parameters of the redefined committee system.

I would like to add, and this is only by way of a suggestion from the Chair which might prove to be helpful to all Hon. Members, that perhaps Members, when they are carrying out their duties in committees, could go that extra mile to ensure that the sensibilities of fellow committee members are taken into account. If that is kept in mind, then some of the matters that have come before the Chair might well be able to be resolved with perhaps much less dispute and much less time consuming debate.

I thank all Hon. Members for bringing these matters to the Chair. I hope that we can keep in mind the necessity that the Chair is bound by the rulings and the precedents and that Members will try to resolve these matters in committee. There is always a possibility of some extraordinary matter happening and, of course, under those circumstances I would want to look very carefully at that. I am not saying I would never take an application under those circumstances, but I would ask the co-operation of Hon. Members, the co-operation of the chairman and members of committees to resolve the matters there.

ROUTINE PROCEEDINGS

[*English*]

DISABLED AND HANDICAPPED

GOVERNMENT RESPONSE TO REPORT OF SUBCOMMITTEE

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, I have the honour to table in both official languages a further comprehensive response by the Government to the initial report of the subcommittee on the disabled and the handicapped.

You will recall that the Government responded initially to the subcommittee's recommendations on June 30, 1986. At that time we undertook to respond with additional information. That information is contained in this document in considerable detail.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr.

Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions, Nos. 332-3264, 332-3290 and 332-3291.

* * *

INTERPARLIAMENTARY DELEGATION

PRESENTATION OF REPORT OF CANADIAN PARLIAMENTARY DELEGATION

Hon. Steven E. Paproski (Deputy Chairman of Committees of the Whole House): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House the report of the official visit to the Philippines, Singapore and Indonesia in both official languages.

* * *

JUDGES ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, I have the honour to present in both official languages the report of the legislative committee on Bill C-88, an Act to amend the Judges Act.

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

* * *

CANADIAN WHEAT BOARD ACT

REFERENCE TO STANDING COMMITTEE OF BILL C-92

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. I believe the Government House Leader may have a proposal about a committee. Does he intend to make it today.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Yes, Mr. Speaker. There have been discussions among the Parties and I think you will find unanimous consent for the following motion dealing with the committee reference of Bill C-92.

I move:

That the order for second reading and reference to a legislative committee of Bill C-92, an Act to amend the Canadian Wheat Board Act, standing on the Order Paper, be changed to read second reading and reference to the Standing Committee on Agriculture.

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

Some Hon. Members: Agreed.

Motion agreed to.

PETITIONS

OPPOSITION TO CANADIAN INVOLVEMENT IN SDI

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have two petitions to present today, both particularly relevant in view of the summit.

The first one points out that, whereas the U.S. Strategic Defence Initiative is a dangerous escalation of the nuclear arms race and has been condemned by over 15 Nobel Prize winning scientists as economically disastrous and strategically destabilizing, the petitioners humbly pray and call upon Parliament to guarantee that there will be no testing, development, manufacture or deployment of SDI systems or components in Canada and that Canada actively support positive alternatives to SDI, including the strengthening of the 1972 Anti-Ballistic Missile Treaty, that we support the establishment of an international satellite monitoring agency and a ban on all nuclear weapons testing.

OPPOSITION TO PURCHASE OF NUCLEAR POWERED SUBMARINES

Mr. Jim Manly (Cowichan—Malahat—The Islands): The second petition, Mr. Speaker, points out the great danger of accidents while nuclear armed or powered ships are in Canadian ports. The petition points out that such a procedure is a threat to the environment and to Canadian citizens. The petitioners call upon the Government not to purchase nuclear powered submarines for Canada.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Is it agreed?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Is that agreed?

Motion agreed to.

GOVERNMENT ORDERS

[*English*]

CANADIAN WHEAT BOARD ACT

MEASURE TO AMEND

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)) moved:

That Bill C-92, an Act to amend the Canadian Wheat Board Act, be read the second time and referred to the Standing Committee on Agriculture.

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

Some Hon. Members: Agreed.

Mr. Mayer: Mr. Speaker, Bill C-92, an Act to amend the Canadian Wheat Board Act is important. The Canadian Wheat Board is of considerable significance to grain producers in western Canada. The Wheat Board has been in existence since 1935 and it has served western grain producers very well in that period of time. It is especially valuable now in an international market that is very depressed and very competitive. As testimony to the performance of the board, one need only look at what has happened to Canadian sales in the last three years.

• (1520)

At a time of very depressed international grain prices and very fierce competition for market shares, Canada's share of the international wheat market has increased every year for the last three years. It has gone from approximately 17 per cent two years ago to about 20 per cent. In this year, the International Wheat Council estimates that our share could be close to 24 per cent. That tells us something about the effectiveness of the Canadian Wheat Board and how it has functioned and served Canadian producers in the last period of time.

The Government of Canada recognizes the very difficult situation in which grain oilseed producers find themselves. We have as part of an over-all approach to the problem taken an approach that has involved three things. First, we have been very aggressive in the international market. The evidence is there and I just mentioned what has happened with wheat sales. We have been able to increase our market share because of the very good reputation of the Canadian Wheat Board. We have also relied on the reputation of the Canada Grain Commission which is a government agency that looks after the grading and weighing of Canadian grain. Its reputation worldwide is one that serves Canada very well.

We also have a good reputation as a country. We have never embargoed the sale of food to anyone and that serves us well in dealing with our customers. Those things have all helped us in our selling.

Second, we have as a policy provided a large amount of direct financial support to farmers. We know that no matter how much Government provides, the need is such that Government cannot step in and cover the total loss of income resulting from very depressed international prices. Nevertheless, in the time we have been in office the Government has increased by over 350 per cent its spending on agriculture and most of it has been in the grain and oilseeds sector. Again, that is an indication of the Government's recognition of the very serious problem agriculture is facing and the willingness of the Government to deal with it.

The third thing we have done, and I think most farmers and people who follow the situation agree that this is of vital importance, is to pursue a solution to the depressed prices internationally. We know, for instance, that in Europe those who produce durum wheat, a product used to produce macaroni, spaghetti and lasagna, receive in some cases as much as four times the amount Canadian farmers receive, yet Canadian farmers produce a very high quality product. Because of the discrepancies and differences in the system of support, Canadian producers are put at a very great disadvantage.

The solution to those problems must be an international settlement of the issue. Here we give considerable credit to the Prime Minister (Mr. Mulroney) who has raised this issue at both of the last summits. He has also shown leadership in seeing that the Government raises those issues internationally whenever there is an opportunity to do so. The Secretary of State for External Affairs (Mr. Clark), for instance, raises these issues. The Minister for International Trade (Miss Carney) has also been very effective in having some of these items placed on agendas involving trade Ministers.

This brings me to the amendments to the Canadian Wheat Board Act, the selling aspect of it. The Canadian Wheat Board is the sole agency responsible for the selling of wheat, oats and barley outside our country. It also has responsibility for selling wheat, oats and barley in the country when it is used for human consumption. Hon. Members can see that it has a very large role to play in the four western provinces in the marketing of wheat, oats and barley.

Additionally, the Wheat Board administers initial payments and operates a pooling system for sales of grain. The Wheat Board is also involved in the movement of grain in the sense that opportunities for producers to deliver are equalized over the crop year. The Wheat Board has a major function to fulfil.

The amendments before us are rather straightforward. Three of them bring the Act up to date and two of them make changes we think will allow the board to operate in a more effective manner. I will simply outline them.

The first amendment deals with the way the quota system operates. The Canadian Wheat Board uses a quota system which allocates a certain amount of delivery opportunity to each producer throughout the year, so that throughout the delivery or crop year each producer has an opportunity to deliver an equal amount of grain at certain times of the year. The reason for that is to give producers, whether large or

small, close to an elevator or far away, an opportunity to deliver a certain percentage of grain throughout the whole delivery season as sales opportunities arise.

One of the amendments we propose will see that grain that is delivered through a producer car or a platform car must be entered in the quota book the same as grain that goes through the elevators. There is a technical concern that the Act may in fact give producers who deliver through the producer-car system the opportunity to delivery grain without having it shown as part of the over-all quota. In that sense, they are able to have an advantage other producers do not have because of these additional delivery opportunities. We are simply changing the Act to see that that will no longer be done. I am not sure that it is being done deliberately, but there is a concern that because of the way the Act is worded, grain delivered through producer cars may not in fact have to be entered in a permit book.

The second amendment we are proposing changes the definition in the Act for legal purposes of what is now Canola. Some Hon. Members may know that in 1960, Canada, through some very dedicated research and testing, developed a strain of rapeseed with very low erucic acid. It has become very much sought after internationally and it is a very high quality product. Canadians gave it the name Canola. One of the amendments simply change for legal purposes the definition in the Act from rapeseed to what is officially called Canola. Again, it is a rather technical amendment, but one that brings the Act up to date.

The Canadian Wheat Board usually operates with five commissioners. The Act calls for a minimum of three and a maximum of five. Associated with the Wheat Board is a producer advisory board whose members are elected by the producers. As such, they are allowed a per diem and expenses for their activities as part of the advisory board.

The advisory board meets on a regular basis, approximately once a month. There have been occasions in the past when the advisory board has set up special committees to deal with certain topics that need to be looked at by a smaller group and on a more concentrated basis. There is no provision in the Act to allow for advisory board members who are part of a special committee to receive any kind of expense allowance or per diem. The Bill will simply amend that to allow for per diem payments to members of the advisory board who sit on special committees of the advisory board to the Canadian Wheat Board. That is something we think is useful and something the board has recommended. The Government is very pleased to recommend it to the House.

Just by way of example, it might be of interest to know that right now, there is an *ad hoc* special committee of the advisory board looking at the over-all quota system and how it applies to producers in the Wheat Board area. That is an example of how this amendment could be used.

The other two amendments simply provide for changes that we think are useful and will allow the board to run its affairs on a more equitable basis. I might say also that all of the proposals we have in front of us for amendments were recommended by the Canadian Wheat Board.

• (1530)

The fourth amendment we are proposing has to do with the financial operations of the board. To pick a figure, the board regularly markets 25 to 30 million tonnes of grain. If you take an average price, even at today's very low market, of $100 a tonne you can see that the board regularly deals with literally billions of dollars a year. It has a big responsibility for managing its cash flow.

The Act limited the board to borrowing from chartered banks. In the last 10 years things have changed. Markets have altered considerably. The banks are not the only place where people can raise funds. There are other institutions such as trust companies and credit unions where you can raise money for a Crown corporation the size of the Canadian Wheat Board. The amendments we are proposing will be very useful to the board in managing its fiscal affairs in a more effective way, thus saving producers money.

The board has a very significant financial section itself. It has a treasurer, internal auditors, several chartered accountants, and is subject to an external audit every year when it presents its report to the Government. We think these measures will allow the board to be more effective, not only in borrowing money but in investing its surplus cash from time to time.

The last amendment changes the provisions dealing with cost assessment when producer cars are loaded. Most grain on the Prairies is shipped through an elevator system. Certain interest and carrying charges are then deducted from the price the producer receives. There is a relatively small amount of grain which is not shipped through the primary elevator system. The grain is loaded by producers directly into producer cars. Grain shipped that way to export points, whether it be Thunder Bay, the West Coast or Churchill, even if it does not see the inside of an elevator, by regulation incurs certain charges as if it had been stored in an elevator.

When you talk to people that load producer cars they say they think that is not correct. They think because their grain does not see the inside of an elevator it is not fair to have to pay these charges. On the other hand, some people see the issue from a different point of view. They say we have an integrated system where costs are shared. Regardless of whether or not you use an elevator, you benefit from its existence. We all would have to admit that it would be impossible for Canada to move the amount of grain we do if it was all loaded individually into producer cars. They say that even though the grain does not go into an elevator it has benefited from that elevator because it makes the whole system operate more effectively and more grain is moved out, thereby providing a benefit to the person who delivers his grain through a producer car.

There are arguments to be made on both sides. I do not think it is necessarily a cut and dried situation. The amendment we are proposing will allow the board, at its discretion, to refund what it assesses as a reasonable part of the storage charges to a producer who loads his grain into a producer car. We think this will be useful in the over-all operation of the system and give some recognition to the fact that grain does not always go into an elevator.

In conclusion, I want to say that we are pleased to propose these amendments. I emphasize the fact that the Canadian Wheat Board requested them. We have had a chance to sit down and talk through the amendments with the board and this Bill is the result. It will improve the over-all effectiveness of the Board and hopefully reduce some of its operating costs, thereby saving producers money. We think the administrative procedures which will come about as a result of these amendments will also allow for a more equitable system with respect to costs and benefits for each producer.

Lastly, and I am not too sure we do enough of this, I want to give credit to the Canadian Wheat Board. It has served grain producers in western Canada very well. We think it is an extremely well run Crown corporation. The evidence of its effectiveness and ability to sell in a very difficult and depressed world market is in the figures. We have not only maintained but increased our market share during a time of extreme competitiveness and depressed prices.

I look forward to having the Bill go through as quickly as possible and into committee. Some of its provisions can be put into effect as soon as the Bill is passed. That will provide benefits to the board and producers as well.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, speaking on behalf of the Liberal Caucus of the Official Opposition, I welcome the opportunity this afternoon to take part in the debate on Bill C-92, a Bill tabled by the Government to amend the Canadian Wheat Board Act.

[*English*]

We in our Party do not intend to take up too much time of the House on this Bill. Not that it is not an important Bill, because obviously it is, but we do not think it is controversial to the extent that would preclude us from allowing speedy passage. Outside of the fact that the Opposition is usually co-operative, as you know, the reason we want to give our approval is because of the benefits to be derived by farmers from the legislation.

We know the Bill gives the Canadian Wheat Board the authority to borrow, with the approval of the Minister of Finance (Mr. Wilson), from financial institutions other than Canadian chartered banks. I have a concern in this respect, not of great magnitude but one which I hope the Minister will be able to address, perhaps in committee. I cannot help but wonder why the Government is so interested in permitting the board not to borrow from other sources, because we agree with that, but on the world market. We know, of course, that the Wheat Board has indicated that it may want to do that in the future.

• (1540)

I have before me an article from the *Star-Phoenix* dated December 1. Mr. Joe Kyncha of the *Star-Phoenix* interviewed Mr. John Morriss, a spokesman of the Wheat Board in Winnipeg. The article reads:

> Projections have been done on how much it might save by being able to take advantage of competitive financing on world markets "but we'd rather not make it public," Morriss said.

In other words, this is something which may be undertaken in the future but which they would prefer not to discuss.

I have some concerns with that, particularly since on occasions in the past Canada has borrowed on international markets and subsequent currency fluctuations were not advantageous for us. That concern is quite apart from my general concern about addressing ourselves to the international market when we could be doing something domestically. It is quite true that on occasion there could be savings in doing this, but I am not convinced that those savings are always justified. I invite the Minister to address that concern at some time in the future.

I would also like to know whether the Minister is of the opinion that there will be other legislative changes necessary to make this Bill work. For instance, I am curious to know whether the issuance of bonds and debentures will require amendments to the Income Tax Act and whether there will be guarantees by the Government on these bonds, as I assume there will be.

In addition, who does the Minister think the investors will be, particularly if they are from outside the country? Has the Minister or the Department of Finance done a market study to determine who the investors in these bonds would be?

I do not ask these questions to demonstrate an unwillingness to co-operate with passage of the Bill. However, I think these questions should be addressed at some time in order that all Members of Parliament can have a fuller understanding of the implications of the amendments to this Act.

Perhaps while talking about this Bill we should take the opportunity to speak a little bit about the Prime Minister's trade deal with the United States. The Minister said some moments ago that Canada has managed to hold its own in terms of quantities of exports. However, in terms of holding our own in revenues it would be wrong to think that we have fared well in the international subsidy wars which are taking place right now.

I have indicated to the House in previous speeches that I have had the opportunity to go to Washington and study the U.S. Farm Bill, that legislation in the United States which has caused such damage to the Canadian farming industry. When

I participated in the symposium on the Farm Bill in Washington that Bill was to involve $70 billion U.S. of subsidies. That is over $100 billion Canadian. That is one pile of money to be spent, and a large portion of those funds have been spent and will continue to be spent with the specific purpose of displacing the markets of other countries, including Canada.

One cannot help but wonder, first, why the Prime Minister's trade deal did not address this issue and, second, how the Government could have signed that agreement knowing that as they were negotiating the trade agreement the U.S. had placed this enormous barrier, this wall of money around itself in order to displace our markets and totally destroy the prices we are getting for agricultural commodities.

As the Minister has said, there may have even been a small increase in the amount we were able to sell in the past. While that may be so, the price which we have been getting for our commodities makes holding our own in terms of quantity insufficient. I do not say this to fault the Wheat Board. It is not the Wheat Board's fault that the Government has failed to convince the United States not to go ahead with the United States Food Security Act, 1985, more commonly known as the U.S. Farm Bill.

The Minister's deputy addressed a group of Members of Parliament and gave us some excellent briefing material on the U.S. Farm Bill. Although the information was interesting, it was far from rosy and far from showing a prosperous immediate future for Canadian wheat producers and other Canadian farmers.

There are a few more issues I want to raise, but I will be brief. The Bill provides for Canadian Wheat Board Advisory Committee members to be paid an honorarium for the days they actually work advising the board as well as for travel days. We support that amendment for the people who give up their time to serve in this advisory capacity. However, we are concerned that the advisory committee members are not always consulted on issues, the one of obvious concern being this Bill.

Some people have suggested that the advisory committee was not consulted in depth with regard to the implications of this Bill having to do with foreign borrowing and so on. If the Minister tells us that that is not so, which I hope he will do, perhaps he could then provide us with whatever information was provided to the advisory committee.

The Minister indicated that producers delivering grain to the Canadian Wheat Board by way of producer cars currently share in the board's cost of carrying grain in the country elevator system with regard to storage and financing charges, even though they do not physically store grain in a country elevator. The Minister has indicated that there is an inherent benefit in having the facility there even if they do not use it. People have made arguments on both sides of that issue and I do not intend to repeat them all here today. I suppose it is somewhat like discussing the Crow's Nest Pass freight rate. There will always be two opinions on how the payment should be made in the future. It is one of those issues that will be debated for some time to come.

• (1550)

Nevertheless, having made those brief remarks, I want to indicate to the Minister that we hope he will provide us with additional information at the committee level. Judging by the usual co-operation we get from the Minister, I have no doubt that we will get that information.

On behalf of my Party I want to indicate that we have no intention of delaying and hope that the legislation is adopted without any unnecessary delay so as to benefit the agricultural community in western Canada as soon as possible.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak to Bill C-92, an Act to amend the Canadian Wheat Board Act. I have some concerns about the Bill, but first I want to congratulate the Wheat Board on its ability to sell wheat. While we may complain about the price, at least the wheat is being sold. I do not believe any farmers in the West who depend upon Wheat Board sales would suggest that it has not done a good job in selling grain and in fact increasing our markets in the last year, which has been particularly difficult. While the price may have been low, it is something we have to accept considering the structure in which the grain had to be sold.

During a particularly difficult period for the Wheat Board in the last two years, there have been only four commissioners. While the Act only requires three to five commissioners, there were five commissioners when it was facing much less difficulty. I hope the Minister will tell us whether he intends to fill that vacancy.

I also want to comment on what impact the so-called free trade agreement might have on the Wheat Board. Presently, the Wheat Board is responsible for licensing of grain imports to Canada. We understand that legislation will probably be presented in the next year to eliminate that.

Mr. Mayer: You are talking about permits, are you not?

Mr. Hovdebo: That is right. Permits to bring in grain. I am concerned, as I think are many people, that the ability of the Wheat Board to control imports, which is a basic underpinning of the marketing system, may be eliminated as part of the free trade agreement. In fact, that is a real concern about all marketing boards, whether or not they are in supply management. I think there is some danger of undermining the Wheat Board, making it weaker.

I recognize, as I believe do most producers, that things are not the same on the farm as they were even five years ago. They are definitely not the same as they were 20 years ago. While they believe the changes the Minister has made in the sale and movement of wheat are probably steps in the right direction, it would be unfortunate if, by the stroke of a pen, we

undermined an institution on which western farmers have learned to depend and trust.

The mandate of the Canadian Wheat Board is to sell grain for the farmers at the best possible price. The regulations and the sales process that have been in place since 1935 were established to allow the Board to fulfil that mandate. Most farmers would not want to see its ability to fulfil that mandate undermined.

The Wheat Board has expressed the hope that it will be able to sell more grains when the free trade agreement is signed and the markets are opened. I know that the Minister has suggested that the Canola market would be expanded. It may be a surprise to some to learn that we already sell a considerable amount of our high quality wheat to the United States, who very much appreciate the quality of our wheat and mix it with their own low grade wheats for the making of much of their pastry and bread.

I think they will buy much more wheat than has been sold to them, but I wonder whether the U.S. farmers will stand still for this kind of incursion into their market. How will they react? The Wheat Board, with its mandate to control imports and exports, has always limited the amount sold to the United States in view of the concern about any reaction by the United States to our exports. I am not sure that a free trade deal would give us that protection.

I want to thank the Deputy House Leader and the Chairman of the Agriculture Committee, who is in the House, for changing the reference of this Bill from a legislative committee to the Standing Committee on Agriculture. I had some concern about this because the areas which are being changed by the Bill require some study on the part of the Standing Committee on Agriculture and the entire agricultural community. Consequently, that would not likely happen if the matter were referred to a legislative committee that has been set up for a short period of time and dies immediately upon the Bill being reported to the House. There is a need for all members of the agriculture committee to have insight in respect of the Bill.

• (1600)

I understand that at some time in the future the Minister is likely to bring in some changes to the Canada Grains Act and that those changes will be affected by any study that takes place.

I recognize that generally the Bill is a housekeeping Bill. Most of its clauses are of value to the board and its operations. As I said, perhaps they are long overdue in some cases.

I am also concerned about the fact—and the previous speaker mentioned it—that there does not seem to have been a great deal of consultation in terms of the drafting of the Bill with the people who are to be affected by it. I called three advisory committee members and not one of them knew what was in the Bill. They had not been consulted in any way.

I was particularly concerned because one thing the Bill would do is pay them a little more for their work, and I think we all agree with that. However, in the précis which we received from the department it was suggested that there be an amendment to expand the number of activities of advisory committee members for which per diem payments could be made to facilitate their additional involvement in developing policy advice for the board. Representatives of the producers are elected to the advisory committee to make suggestions to the Canadian Wheat Board. The Minister said that these amendments were recommended by the board, but they were never tried out on the advisory committee. It is worth while for the Bill to go to the Standing Committee on Agriculture for advisory committee representatives to appear before to discuss how producers feel about these changes.

Coincidentally, the day before yesterday I had occasion to talk with the three presidents of the prairie pools which handle approximately 60 per cent of prairie grain. They were a little surprised by the Bill and some of its clauses. I think they should also be given an opportunity to appear before the committee and express their concerns. That may not change the Bill. In fact, it may not be the desire of any of the groups to change it.

I would like to refer to the transportation change. Both CN and CP are required to handle producer cars, for instance. I am not sure whether they have been contacted, but they may have some concerns about that suggestion. I should say that some people I contacted knew about some of the changes but not all of them. I was particularly surprised that the advisory committee had not been fully briefed and did not know what changes were to be made.

I do not intend to speak much longer, but I would like to go over some of the changes to the Act. I have no particular concern about the addition of Canola under the Act. It probably should have been there before.

I appreciate the probable need for changes in borrowing. In talking with people involved with the Canadian Wheat Board over the years, I can see the value of that, but I have a couple of questions which I would like to ask of Canadian Wheat Board officials.

Probably we have not been giving committee members the amount of remuneration they had the right to expect since they were elected members. For instance, the member from Alberta can spend a day getting to Winnipeg for a day's meeting and another day getting back. Under the old structure he was paid for only one day. This piece of legislation would allow the Canadian Wheat Board to pay them more than it has in the past. They can also be paid for attending subcommittee meetings, which in itself is valuable. If they are not being paid to attend subcommittee meetings, quite often the fellow who is closest attends. However, if one is from northern Alberta, for example, it is a little difficult to be part of a subcommittee meeting in Winnipeg over a longer period of time. In any event, many committee members who are now serving and

have served in the past have attended subcommittee meetings as representatives of the farmers.

I have some concern about Clause 8 respecting additional payments for producer cars. As the Minister indicated, there are two sides to this question. This particular amendment to the Canada Wheat Board Act resulted from the reaction of one group. I recognize that it is permissive legislation, that the wheat board may not do it or does not have to pay any particular amount. However, it is an area which requires a little more study by members of the agriculture committee than it has received to date, so that anything they have learned in the process of passing the Bill will not disappear but will stay with them when they deal with other parts of the grain handling process.

Legislation respecting producer cars does not come under this Act; it comes under the Canada Grains Act. It would give the Wheat Board the ability to make additional payments to people using producer cars. The Minister outlined very well the controversy and the concerns on both sides, but I think it is a matter which needs to be dealt with a little more deeply before this piece of permissive legislation is passed. I suppose my concern about this type of legislation is that too often we see legislation passed which is permissive and then it becomes the fact. The level of payment is not indicated here, but it could be very detrimental to the whole system.

• (1610)

As the Minister indicated, in the process of producer cars there is a concern that they should not be paying for the storage charges. There is also a suggestion that they should not be paying for some of the handling charges. I would like to look at what areas they should be paying for. For instance, they do use the railway system, and they pay freight. They also use the sidings.

During the last year I attended some of the hearings on variable rates and at those hearings some of the elevator companies stated that the sidings cost them approximately $12,000 per car spot. Is that something that should be considered in the producer car operation? Anybody who uses a producer car knows that it is being used because the system is there. One could argue that it is being used at the expense of someone else. I have been involved in arguments between farmers at a delivery point where the elevator was plugged, there was no room for any grain, and one of the local farmers got a producer car. One can imagine the type of reaction that caused in that particular community. The producer cars are taken off the top, and that means fewer cars for the general public.

Mr. Mayer: That is not true.

Mr. Hovdebo: Consequently, there are those types of reactions to the producer car structure.

We must look at what they are paying for now, what they should pay for, and what they should not pay for. It is a major concern. I thank the Chairman of the Standing Committee on Agriculture. It is so much of a concern that a group of producers in western Canada have gone to the trouble of hiring someone to produce a study on the current and future role of producer cars in Canada, grain handling and transportation system. It includes a number of recommendations.

I noticed when reading the report that they have contacted the Canadian Wheat Board and other groups including the Grain Transportation Agency, the Canadian Grain Commission, CN Rail and CP Rail. They neglected to contact the people who handle the rest of the grain, the elevator companies. There is also concern as to who should pay for the paper work, and the effect of producer cars on the whole of the handling system.

I think I have raised most of the concerns that I have. Those concerns can be opened up in the committee and looked at a little more closely when the Bill comes before it. The concern about producer cars is probably the greatest concern in the Bill, and it is something that concerns the agriculture committee and those in the grain handling system.

There have been several studies. In 1978 there was a study on the use of producer cars. There is now another one before us. I am concerned that this legislation might be the first step to putting in place something with which perhaps all of the producers, all of the grain handlers, and the grain handling system would not agree.

I appreciate the opportunity to speak on the Bill. I look forward to some in-depth discussions on factors contained in this Bill, and asking questions of the people who are much more expert at it than I am.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to speak to this Bill because in my years in Parliament, which are the same as yours, Sir, several times we have had amendments to the Canadian Wheat Board Act, and transportation legislation. My experience has been that every time there were amendments to the Railway Act, or the National Transportation Act, or the Canadian Wheat Board Act, usually the farmers lost. I am sure the Minister will forgive me if I am a little leery and suspicious about some parts, if not all, of this Bill.

A number of years ago we had trouble getting quotas and we had trouble getting railway cars. Finally enough farmers came up to my railway station and signed a car order book in order to get a car. Two or three of them went together and pooled their quotas in order to get a car, because the elevators were plugged. Out of 150 some permit book holders at the shipping point at which I was located, there were over 100 cars on order by one or more individual producers, so that they could load railway cars on their own. It had to be done over the loading platform with their grain augers. Some of them even used shovels.

Well, Mr. Speaker, what happened? Most of those 100 cars at our little shipping point were met over the course of the crop

year, or the remainder of the crop year. But the railroad said, "This shipping point has had so many cars, as many or more than other shipping points have had". The next thing we knew, a week or two before the end of the crop year, the elevators were plugged and the quota had been raised from five bushels to seven bushels per acre. One of the elevator agents of the Saskatchewan Wheat Pool, the last two days of the crop year, July 30, went out and bought about 50 rolls of tar-paper. He spread it out on the ground down by the stockyards. He phoned all his wheat pool members and said, "Bring in your last two bushels per acre". We ended up with 57,000 bushels piled on the ground on top of the tar-paper. Then the railroads had to provide an additional 25 cars to pick that grain up off the ground.

• (1620)

I mention that story from my experience only to illustrate what I think is a problem about whether there is a large volume of producer cars. A large volume of producer cars, particularly in light of the experience of this past late summer and fall with a shortage of railway cars, means that those cars get siphoned off to individual producers while our elevator system is clogged, and then there are not enough cars.

The Minister sat on the committee when we were dealing with legislation that ended up getting the Western Grain Transportation Act which got rid of the Crow rate. He will recall very vividly, because I remember him getting a little angry once in a while too in dealing with the then Liberal Government, that we were told as an article of faith, let alone a leap of faith, that there would be lots of railway cars. What was it? "You get rid of the Crow rate, establish the Western Grain Transportation Act and all will be well. Never again will there be a shortage of cars. The tracks will get fixed up. There will be no more abandonments". It was going to be heaven on earth for those grain producers and grain companies. But what have we gone through this past few months, Mr. Speaker? There have not been enough cars. The railroads want to abandon another 6,000 or 7,000 miles of track in western Canada. Whatever happened to this great heaven on earth by having the Western Grain Transportation Act? The western grain farmers have been had again.

The Government seems to think that by relaxing measures regarding producer cars that somehow or other that will solve the problem of adequate transportation and that somehow or other that will lower the costs for producers. Well, Mr. Speaker, it does not. Who the dickens asked for these amendments on producer cars? I am not aware that the three wheat pools asked.

Mr. Mayer: The Wheat Board asked for them.

Mr. Benjamin: I am not aware that the Wheat Board Advisory Committee asked for it.

Mr. Mayer: The Wheat Board itself asked, Les.

Mr. Benjamin: I am not aware that the National Farmers Union asked for it. The Minister tells me that the Canadian Wheat Board asked. It seems to me that that would have been the time for the Minister to say, "Look, you better listen to your advisory committee members and go back to the drawing board on this one." I do not care who is running the organization or who set it up, none run 100 per cent perfect. I do not understand, unless the Wheat Board is trying to remove pressure for itself, the grain transportation agency and the provision of rolling stock, that this is the way to go about it.

We were also told that with the benefits of the Western Grain Transportation Act the grain producers would get their grain moved because the railroads would be fully compensated for the cost of transporting grain. They have been, and they are being fully compensated. The grain producers are paying an extra $300 million a year in freight charges. The federal Government is paying a little over $600 million a year extra to the railroads but we still do not have the tracks all fixed up. We still do not have enough rolling stock, yet the railroads want to abandon thousands more miles of railway track.

I think the Minister and the Government are attacking the problem from the wrong end. At best, just to satisfy a very few thousand individual producer cars and likely only a few hundred, or one or two thousand grain producers, you put higher costs in the handling system on all the other producers. You leave the elevator companies stuck with costs that they will be paying, for and they did not handle the grain.

Mr. Mayer: They all get the money now anyway. What are you talking about?

Mr. Benjamin: The elevator companies pay the railroads. Is every producer car assessed a charge for the cost of that siding? I do not think they are. Is that built into the freight bill? Is that an additional charge in the freight bill? Whatever happened to the system whereby a grain producer going into an elevator, if he were not satisfied with the grade or the dockage being offered by the elevator agent, could put his grain into a car subject to grade, dockage and condition? Once it arrived at Thunder Bay or Vancouver he would accept whatever the findings were there. In a sense, it was a producer car. He chose not to accept what the elevator company said it would grade his grain at but shipped it subject to grades dockage and condition. In a sense until that car arrived at export position or at a flour mill in the interior of Canada, he was in effect using a kind of producer car.

I hope the agriculture committee will go into this matter in a great deal of detail. I hope the committee will ask to hear from grain producers and organizations from all over western Canada. I hope the committee will question the Canadian Wheat Board very closely as to the reasons and the logic for the changes regarding producer cars. I am a little suspicious. I suspect, and I hope I am wrong, that it is for the likes of the former Palliser Wheat Growers Association which now calls itself the Wheat Growers Association, a few hundred of them.

Mr. Mayer: It is called the Western Wheat Growers.

Mr. Benjamin: It is the same difference. It is the same breed of cat. They are the ones who have always opposed orderly marketing, always opposed the Wheat Board, but I suspect it is the result of political pressure from the Conservative Party and outfits like the Western Wheat Growers the barley growers and the flax growers, all of which have 200, 300 or 400 members, while the wishes of the wheat pools with something like 140,000 members get overlooked. Any kind of a thing that will convenience the so-called free and open market forces of the friends of the Minister in charge of the Canadian Wheat Board seems to get an inordinate amount of attention, disproportionately, from what the overwhelming majority of grain producers want. I know the Minister always has maintained, and does not take a back seat to anybody today, his support of the Canadian Wheat Board and orderly marketing, et cetera, et cetera. When I look at some of the friends the Minister has in the agricultural movement, in the grain industry—

Miss Carney: He has lots of them.

Mr. Benjamin: When I look at the friends the Minister has and some of the outfits that support his Party, I cannot help but be a little suspicious.

Mr. Mayer: Talk to my neighbours.

Mr. Benjamin: I do not think it is paranoia, Mr. Speaker. I cannot help but be suspicious.

Miss Carney: It is Christmas!

Mr. Benjamin: The Hon. Minister, who is such a great protector of orderly marketing, the Canadian Wheat Board and grain producers, along with his colleagues, is telling us that grain producers will benefit a great deal under the free trade agreement. It will be nothing but another heaven on earth for the grain producers. It will be just like getting rid of the Crow rate. I believe you too, Mr. Speaker, were somewhat involved in that fracas. Anyone who tells the people that he is a true blue representative of western Canada will have to explain to me and to a lot of grain producers as well as the Saskatchewan Wheat Pool and CSP Foods what is so beneficial about losing the benefits of the Western Grain Transportation Act on the movement of rapeseed meal, grain pellets and grain screenings to the United States and having to pay the full commercial freight rate. I would like the Minister responsible for the Canadian Wheat Board as well as the Minister for International Trade (Miss Carney) to tell us how it will be better for western farmers if the freight rate for their grain screenings, Canola meal, alfalfa pellets or any products used for animal feeds in the United States is to be higher. I know that the farmers would be interested to hear that.

• (1630)

Mr. Mayer: Mr. Speaker, I rise on a point of order. I would like, with the indulgence of the House, to offer to go through it and explain it to him. The Hon. Member has asked for an explanation. I would be more than happy to provide it for him if he is agreeable and if there is unanimous consent.

The Acting Speaker (Mr. Belsher): That is not a point of order, Sir.

Mr. Benjamin: When I am through, the Minister can rise to answer all these questions and I will be happy to listen. He has our consent to speak again.

I would also like to know how it will be better if American agricultural producers can send any of their grains into western Canada with or without a Wheat Board licence. I do not understand that. I am just an innocent, stubble-jumping prairie boy, and I do not understand it. Since we are up to here in all these grains, how would it be beneficial to western grain producers for Americans to move their grain, particularly cereals, into western Canada?

Considering the amount of subsidies for those American grains, I would like to know from the Minister, regardless of the free trade agreement, not if but when the Americans start moving those specialty crops into western Canada, will the Minister and the Government of the day, the present one with which we are stuck, be prepared to levy our own countervail or tariffs on any subsidized grain from the U.S. that moves into western Canada with or without the Canadian Wheat Board? The grain producers of western Canada would like an explanation. How is it better for western grain producers from an area of Canada that cannot get rid of all the grain it has for the Americans to sell grain in western Canada? I need an explanation for that as do about 150,000 grain producers.

We are told that the free trade agreement gets rid of the two-price system. There are two explanations we would like on this matter. On the one hand, Americans will countervail, slap on tariffs or duties or place embargoes if they feel that we are charging ourselves less than we are charging them. With international trading habits these days, that is the normal practice. One country thinks another is dumping and charging itself less than it is charging for exports, so it hits the other country with a tariff, a countervail, an embargo or an excise tax. There are lots of ways to do it.

On the other hand, when we charge ourselves more for the grain we consume in Canada than for the grain we have exported, the Americans do not like that either. If we charge ourselves less, that is a subsidy. If we charge ourselves more, that is no good either.

The Canadian Wheat Board will have to live with the results of these negotiations. Why then did it accept the elimination of the two-price grain system under which we charge ourselves more for grain used for human consumption in Canada than we charge for grain sold abroad? That is the exact opposite of the normal practices of exporting countries. That means $260 million to grain producers.

I would like the Minister to explain how it is better for western grain producers to lose the two-price wheat system. Does that mean that the Government will make up that $260 million? If so, does that not fly in the face of the so-called agreement? Will the Americans not accuse us of unfair subsidies and take the appropriate action?

I do not think we are getting the whole story. I have just cited three examples of this. The soft fruit industry and a whole slew of other industries in western Canada will, I submit, be victimized as well.

Let me return to the Canadian Wheat Board and its welfare and good order. If there were ever a time to be strengthening the Canadian Wheat Board, that time would be now.

I do not suppose that it makes a lot of difference whether the Wheat Board borrows money from a Canadian bank or from a bank in Switzerland, as long as the federal Government guarantees the loan. It is immaterial whether we get taken by domestic bankers or by international bankers. If the federal Government is guaranteeing it and we get taken again on the foreign exchange markets, at least Canadian grain producers will not get stuck for the losses. As far as I am concerned, as long as the Government guarantee is there, where it borrows money is immaterial. As far as I can tell from the Bill, at least the Minister is not weakening that protection for western grain producers.

I would like to ask the Minister or one of his colleagues to answer the points I have raised. My colleague from Prince Albert and I would like to have a full explanation as to how the costs are shared. One of the principles under which the Canadian Wheat Board functions, the principle that underlies the Wheat Board and other similar agencies, is orderly marketing. Farmers pool their products and resources and share in the benefits. They share in the costs and they share relatively equally. I know the system is not perfect, but whatever happened to that basic fundamental principle, the *raison d'être* for the Canadian Wheat Board, orderly marketing?

If we are to allow a few producers to escape some of the costs by using producer cars, surely that is unfair to all the other producers. Surely it helps undermine for the umpteenth time something which was started by the present Hon. Member for Qu'Appelle—Moose Mountain (Mr. Hamilton) when he threw feed grains on the open market. The price has never been good since.

I would like government Members to explain why they would want to resort to any kind of weakening or potential weakening of the Canadian Wheat Board through which farmers pool their products. The board is an agent which acts on their behalf in both domestic and export sales and the producers share the benefits and the costs. Whatever happened to that?

Let us not just pander to a minority of interests who think that somehow or other, they will be able to save some money or take advantage of a neighbour by getting a producer car. I hope that either in the House at second reading or in committee we will get full, complete and frank answers to the questions we have raised about why the amendments concerning producer cars had to be brought in.

• (1640)

Mr. Mayer: Mr. Speaker, let me make just a brief comment in response to some of the questions the Hon. Member raised in his speech.

If the Hon. Member lived on a farm in Saskatchewan and farmed, which he does not, he and his neighbours would be producing some of the highest if not the highest quality product in the world.

Mr. Benjamin: Tell me something I did not already know.

Mr. Mayer: His province produces probably the best quality durum, used for pasta, and milling wheat in the world. In that part of Canada we also produce some of the highest quality oil seeds in the world.

Mr. Benjamin: I know that. What has that got to do with the questions I raised?

Mr. Mayer: The Hon. Member asked about the opportunity in the U.S. market. We have an opportunity to take advantage of that market. I do not understand the Hon. Member being against people in his province having a chance to show the rest of the world the high quality products they produce.

To make the point of how good we are in what we do in agriculture, and what this opportunity of selling across the line in the U.S. can do for us let me say that about a month ago the American Health Institute named a product called Puriton Oil the health food product of the year. For the Hon. Member's information, that product was made from 100 per cent Canadian Canola oil. That tells you something about the quality of the product we produce. It also indicates the type of marketing opportunity there is in the U.S.

The trade arrangement worked out between Canada and the U.S. allows us to take advantage of that market because of the high quality products we produce.

Mr. Benjamin: Nothing new about that. We have always had that.

Mr. Mayer: You are asking me to explain some of the advantages and I am giving you that explanation. The Hon. Member might also remember, and the Member for Prince Alberta (Mr. Hovdebo) made reference to this, that the U.S. produces roughly four times as much wheat as Canada. We produce about 20 million tonnes, and the U.S. produces 80 million tonnes. They buy virtually no wheat from us. Given that fact and the fact that the U.S. exports twice as much wheat as we do, why would they buy any wheat from Canada at all? North Dakota is right across the border from both Manitoba and Saskatchewan. Montana is as well. Why would

the U.S. buy any wheat from us? Yet in point of fact last year they were about our fifteenth largest customer for wheat, not because we are nice people but because we have a product in demand in that market. We would sell them more except for the fact that under present U.S. trade law they can close the border down literally on 24 hours' notice. The trade arrangement opens up that border.

The Hon. Member talked about explaining some of the benefits for Canadian agriculture in this trade arrangement. We have tremendous potential in the market because of the quality of the product we produce. We are not afraid of competition. What we are afraid of is competition without rules. We know, for instance, that we cannot ignore American and European farm subsidies because they are hurting us, wrecking our farms. Yet we also know that we cannot compete with them because they have much larger treasuries. The common sense thing to do is to sit down at a table, work out an arrangement with rules that make sense, and go. We have done that, and the agreement provides some very great opportunities for us to sell in that market.

Mr. Benjamin: Mr. Speaker, in his opening remarks the Hon. Minister said: "If the Hon. Member lived on a farm". Earlier in the debate he yelled out that I do not have a Canadian Wheat Board permit. I have heard the Hon. Member make speeches about transportation in the House and in committee and, boy, he knew lots of things about railroads. When did he ever work on a railroad? The Hon. Minister should know better than to spout that kind of specious nonsense. He knows damn well that I spent 20 years here and the previous 20 years fighting for orderly marketing for grain producers in western Canada. When he was in diapers I was shovelling wheat and helping harvest grain.

Mr. Mayer: Come on, Les.

Mr. Benjamin: The Minister says we are going to have rules under the free trade agreement. I would like him to explain again. He is quite right, our products are of the best quality in the world. The only reason Americans buy durum from us and some other specialty crops and our No. 1 red spring wheat with a 16 per cent protein content is that it is better than their own. However, would the Minister explain how we keep that small, marginal market in the U.S. if our grain producers lose the Western Grain Transportation Act?

Mr. Mayer: They are not.

Mr. Benjamin: I read it myself.

Mr. Siddon: What did you read? You have not seen the agreement.

Mr. Benjamin: I read it even in the transportation annex. You can read between the lines.

Mr. Mayer: That was not the whole thing.

Mr. Benjamin: If this is such a good deal, why can the Americans sell up here with or without a Canadian Wheat Board licence when we have the best grains in the world?

The Minister still does not have an explanation of why our grain producers are better off without the two-price system.

Mr. Mayer: They are not going to be without it.

Mr. Benjamin: Oh, well, how are they going to get the $260 million?

Mr. Mayer: We said the benefits are going to stay.

Mr. Benjamin: That money automatically becomes a subsidy under U.S. trade law which the U.S. Senate is not about to change. That means nothing has changed under the agreement. The U.S. Senate will implement a countervailing duty just like that.

The Minister conveniently forgets that President Reagan wrote to Senator Packwood, in order to get them to agree to the fast track, that the constitutional authority of the U.S. House of Representatives and the U.S. Senate remain in place regardless of what trade agreement Canada arrives at with the U.S. Therefore, nothing would have changed. The U.S. Congress will continue, under their rules and their laws, to slap embargoes and countervailing duties on agricultural products of all kinds and fisheries products from coast to coast. Nothing has changed. The Minister may be willing to buy a pig in a poke, but I am not and I do not think the grain producers in western Canada are either.

He still has not answered the questions. He has run away from them completely and I hope that when he gets in front of the committee he is better prepared to answer them and explain his way out of it than he has been up until now.

Mr. Mayer: Mr. Speaker, let us lay on the table what is in the deal. We have agreed not to subsidize the movement of product into the Pacific northwest through West Coast ports. We do not lose the whole Western Grain Transportation Act and the Hon. Member knows that.

Mr. Benjamin: I did not say that.

Mr. Mayer: He should not imply it either. Let me tell him what someone from the Canadian Canola Council said. Bob Broeska said:

> The opportunity to compete freely in a market 10 times larger than Canada's far offsets the loss of Western Grain Transportation Act subsidies on shipments to the U.S. through western ports.

For Canola that represents about one-third of our total exports. He went on to say:

> In recent years, land sown to canola on the prairies has averaged between 6 and 6.5 million acres.
>
> But if we're successful in our U.S. marketing efforts in the next year or two, we will need an acreage base of at least eight million to meet demand.

We are already beginning to be successful. Broeska suggests the system should be gearing up now to cope with that increase. That is an opportunity for us.

The Hon. Member referred to two-price wheat. We said the benefits are going to remain. I had a chance to meet in Toronto yesterday with the whole industry to talk about how we are going to deal with the two-price wheat system.

The benefits are going to stay there. It has nothing to do with what goes on in the free trade agreement. There is nothing in there to say the U.S. will stop supporting its farmers or that we are going to stop supporting ours. The Hon. Member does not know what he is talking about. He is raising absolute nonsense for the sake of making political brownie points. That should be an embarrassment to his Party which presently has a lot of support in an area which is suffering from very severe problems. We do not need more uncertainties raised for the sake of making political brownie points.

• (1650)

Mr. Benjamin: Mr. Speaker, I would like to make a quick response. The Minister still has not explained how our Canola growers, our crushers, and the people who ship grain screenings, are better off paying a freight rate three or four times as high as that under the Western Grain Transportation Act. He still has not answered that question. How are we better off paying higher freight charges for shipping the products he has talked about to the northwestern United States? All that means to me is that the feed, pellet, and meal producers' lobby in the U.S. has been a lot stronger than our Minister responsible for the Canadian Wheat Board.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. If the Hon. Member would like to talk to the Minister behind the curtains that would be very nice.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we do not want to prolong this debate unnecessarily. It is certainly our intention to have the Bill moved into committee before the day is out. We appreciate the generosity of the Government House Leader (Mr. Lewis) in arranging with the Minister and the spokespersons of the opposition Parties to have this Bill referred to the Standing Committee on Agriculture where it will be dealt with more expeditiously than in a legislative committee. That will also provide an opportunity for the learned members of that committee to examine a number of related issues. I believe that that is in the best interests of the legislation and the House with regard to the issues which have been raised.

The representatives of the Wheat Board will have an opportunity in committee to respond to a variety of inquiries. As well, grain producers will have an opportunity to make their views known, particularly with regard to producer cars. We have probably raised more questions in the debate today than we have heard answered on the reasons for the changes to producer cars in this legislation. Who made the requests for changes and for what reasons? That is a legitimate question which has so far not been responded to comprehensively.

The Canadian Wheat Board Act certainly required some updating. This legislation moves in that direction, particularly with regard to the upgrading of the definition of Canola. People from western Canada appreciate not only the decision to expand acreage into Canola but also the research which has been done in western Canada to upgrade the quality of rapeseed. The reduction of acids has resulted in one of the best products in the world for producing oils, that being, of course, western Canadian Canola. We are proud of that accomplishment.

In a number of other jurisdictions we have changed the name from rapeseed to Canola to reflect the improved product. The amendment to the Canadian Wheat Board Act evidences the fact that the Canadian Wheat Board now includes in its definition of grain—in addition to wheat, oats, barley, rye, flax and rapeseed—Canola. That represents one more of the astonishing accomplishments which western Canadians have made in the development of agricultural technology around the world.

This Bill recommends changes in terms of raising funds. Traditionally the Canadian Wheat Board has been limited to loans from financial institutions. The board anticipates that it could achieve significant savings by issuing commercial paper. Considering the substantial borrowings which the Canadian Wheat Board undertakes each year, the savings resulting from this amendment should improve returns to grain producers and open a whole set of options for raising funds which hitherto did not exist.

At first blush I believe that that is a major step forward. I am sure that we all want to do whatever we can to assist the Canadian Wheat Board to assist Canadian grain producers. The spirit of the debate today verifies that.

My uncle, who runs the family farm in central Saskatchewan, reminded me that in the 1930s farmers received about $2 for No.3 wheat. Today his son, my cousin, is getting about the same price for No.3 wheat. That tells the woeful tale of what western grain producers are up against. In some cases the price of wheat has remained unchanged since 1978. I do not think there are many commodities for which the price has not increased to reflect the cost of doing business, although that has certainly not been the case in the wheat-growing business.

Our farmers are up against some incredible odds. If the amendments in Bill C-22 can enable the Wheat Board to provide a greater service to grain producers, we will want to support them enthusiastically.

I am glad that the Government has decided to move beyond borrowing from traditional financial institutions. There has been some indication that the banks and other financial institutions have not always given the best deal, simply because the Wheat Board was restricted in where it could obtain funding. This amendment will enable the Wheat Board to

issue commercial paper which, I suspect, must be in the board's best interests.

My colleagues from Prince Albert and Regina West have outlined the concerns of my Party on the producer cars issue. As I cannot add much to that, I will step down and look forward to having this legislation moved as expeditiously as possible to the appropriate standing committee for further examination.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have a chance to make a few observations on Bill C-92. At first blush, this Bill appears to be quite technical in that it provides for the addition of the word "Canola" rather than only rapeseed in the Canadian Wheat Board Act. It provides for greater flexibility in the honorarium paid to members of the Wheat Board Advisory Committee and in the payment of their travelling expenses. They make a tremendous contribution to Canadian agriculture, especially to the grain industry in western Canada. We want to provide that kind of flexibility in the Canadian Wheat Board Act.

The legislation also enables the Canadian Wheat Board to borrow from a wider range of agencies rather than only from chartered banks, credit unions, and trust companies. The ability to borrow has even been extended to foreign Governments and provincial Governments. I hope the Minister will be able to explain why we want to borrow from foreign Governments. We recall that the Wheat Board lost $200 million a few years ago when dealing with China in the British currency rather than in our own currency. We certainly want to know what is the advantage of being able to borrow from foreign Governments.

• (1700)

We also want to know why the Government is planning to eliminate the investment committee of the Canadian Wheat Board. To my knowledge, that committee has been functioning well. The representative of the Minister of Finance (Mr. Wilson) is always there in any event. Surely the Minister of Finance is not capable of being privy to all the activities of that investment committee, and it could become an administrative problem for the Wheat Board to have to turn to the Minister of Finance for each new borrowing arrangement, rather than to work with the investment committee of the Wheat Board itself.

Some agricultural groups in the West have expressed some concern about the Government's plan to move to the issuing of bonds and debentures. They wonder whether this is a further move toward privatization of the Wheat Board, as has been done in some other countries. There is concern whether the next legislative package with regard to the Wheat Board would be to move to the issuance of shares and so on.

This Bill appears to be simply a technical amendment to the Wheat Board Act to give greater efficiency to its operations and provide more flexibility in choosing financial instruments for greater efficiency and reduction of cost. It would be interesting to know from the Minister exactly how much would have been saved last year if the Government had been able to borrow from a wider range of money markets other than that which is authorized under the present legislation.

Another cause for concern is that this legislation seems to come in tandem with the changes that will occur in the operation of the Wheat Board as a result of the free trade agreement with the United States. Clearly, a free trade agreement will put greater pressure on the Canadian Wheat Board. Farmers living in border areas in the West who have to secure a Wheat Board permit for the sale of their grains to the United States will be limited to the quota provided under our quota system. At the same time, unlimited quantities of cheap grain flowing into Canada under a free trade agreement will put great pressure on the whole Wheat Board system. There will be even greater stress and demands on the producer groups than there is today when they are restricted to selling to the limit of their quota while American producers can deliver an unlimited amount, as economics allow.

What guarantees will be offered by the Wheat Board when the Government issues these bonds? Will amendments to the Income Tax Act be required with regard to the bonds which the Wheat Board proposes to sell under the provisions of this Act? Who will be the investors, and what market studies have been done by the Wheat Board? These are some questions being raised by farm groups with regard to this legislation.

There is a third element beyond the advisory committee and provisions for greater borrowing and investing powers by the Wheat Board. It is the question of producers delivering grain to the Canadian Wheat Board by way of producer cars. This is now available, but the individual producer must pay for the storage charge and the financing charges of the country elevator. This recommendation has been supported by a number of groups, including the western Canadian wheat producers. The standing committee reviewed this idea and suggested it to the Government in its input cost study last year. While I believe any efficiency we can build into the system is desirable, on the other hand we must ensure that the savings are not disproportionate to the advantages of having these delivery points throughout the West.

If everyone were to do this, the whole pooling arrangement and delivery point system would be destroyed. Those who view the Government's actions in the free trade agreement as a move toward the ultimate privatization or emasculation of the Wheat Board are extremely concerned about this arrangement. One only need look at many of the provisions in the free trade agreement to realize that there will be great disadvantages in many aspects of the whole grain handling industry.

The sale of Canola and Canola meal to the Pacific Northwest is an example. The Government has moved the Crow benefit which will result in a higher cost in some areas of Alberta, as high as $23 a tonne for Canola meal, and over $30 a tonne in areas of Saskatchewan and Manitoba. That would

be removed January 1, 1989, whereas the tariff of approximately $35 or $40 a tonne for Canola oil to the Pacific Northwest that is being applied by the U.S. Government would be removed over a 10-year period. We had an advancing market in this area that was growing by leaps and bounds. There was a dramatic increase in the market, and consumers liked it. The Canola producers were going to have a great advantage in the long run because of the quality of that Canola oil. The margins for those producers will be dramatically cut because of the free trade agreement. I have seen the estimates for the market in the Pacific northwest, and they are tremendous. Of course, when the market was completely saturated, there was opportunity to go into the California market, which would have been many times larger.

• (1710)

The industry wonders why the Government removed that. It is an admission, not only to the Americans but to our competitors in the grain handling industry abroad, that the Government of the day has agreed that it is a transportation and export subsidy. It will give our competitors great fire-power in the battle at the GATT, not only to call the Crow benefit with regard to the Pacific northwest a transportation and export subsidy, but to call the entire Crow benefit a transportation and export subsidy.

The Government is committed to going to the GATT and to reducing export subsidies on farm commodities. It is committed to a "me too" policy. To whatever the Americans say at the GATT, it will say: "Aye, ready". That will be its support for the issue. I would be interested in knowing how the Government can say "Aye, ready" to the removal of the Crow benefit, which is an integral part of the transportation system of western Canada and extremely important to our producers. Yet it is being put in jeopardy by the free trade agreement and the admission that it is a transportation subsidy in terms of the Pacific northwest.

Many producer groups in the West wonder why the Government did not simply provide the Crow benefit for Canola, Canola meal, and all other shipments going to Vancouver so that it would be uniform assistance across the board. Likewise, in the free trade agreement the Government has agreed to support the United States in its undertakings at the GATT. We wonder why it is doing that since essentially we are competitors in international grain markets. We are not always purchasers of their commodities, and they are not always purchasers of ours.

These are some of my concerns about the legislation. At first blush it appears to be strictly a technical Bill which provides for a few technical amendments such as the inclusion of Canola in the legislation. It also provides for greater borrowing power by the Canadian Wheat Board, more agencies, and more lending institutions. We wonder why that provision would be extended to foreign Governments. Perhaps the details can be provided.

We want to see efficiency in terms of producer cars, but at the same time we do not want to see the entire pooling system or delivery point system destroyed in the grain handling mechanism of the Canadian West.

I understand that there has been agreement to refer the Bill to the Standing Committee on Agriculture rather than to a legislative one. I think that is a good idea, because those of us who serve on that standing committee would also be required to serve on the legislative committee. It will be much easier in terms of scheduling, and I think we can do as good a job in handling the details in the standing committee rather than in a legislative committee.

When the Minister of State for Grains and Oilseeds (Mr. Mayer) appears before the committee, I hope he will be able to answer some of these questions. I also hope that groups such as the prairie pools will have a chance to appear before the standing committee so that they can provide their input to this piece of legislation. We need to view it not only as technical legislation but in terms of the general challenge that will be before the Canadian Wheat Board after the free trade legislation has been pushed through the House, which we assume will be in the next week and a half.

Having made those few comments, let me say that I want to see the Bill go to committee for further discussion and consideration.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, referred to the Standing Committee on Agriculture.

* * *

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Tuesday, December 8, consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the third time and passed.

The Acting Speaker (Mr. Paproski): When Bill C-87 was last before the House, the Hon. Member for Ottawa Centre (Mr. Cassidy) had the floor.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to continue some of the remarks I made yesterday about Bill C-87 which, as I said, is a bit like a Trojan horse. It purports to be a routine Bill to harmonize the Canadian tariff system's nomenclature with that of other countries. In fact it is also a Bill which gives or continues powers given to Cabinet to cut tariffs to other countries in return for compensation, without defining what it should be and without any form of accountability to Parliament.

We are just about at the Christmas break. As the House began meeting in mid-August, I think Hon. Members are looking forward to a few weeks away. I am sure that that is true of most Canadians as well. If I may put it bluntly, we are not in a mood to consider a major and fundamental decision about tariffs, yet essentially that is what is being done with Bill C-87.

As I was saying yesterday, I speak with particular reference to the Canada-United States trade deal because it involves the reduction of tariffs worth some $2 billion a year, at current values, which Canada imposes on goods imported from the United States.

Therefore, the tariff cutting powers in Bill C-87 are not just theoretical matters nor powers which can be used in the event of some minor deal with Papua New Guinea or some other such country. In fact they are powers which the Government now has every reason to use if it intends, as seems likely, to avoid any more than a very modest kind of reference to Parliament of a text that none of us have yet seen.

I must say as well that as of today all we have to go on in terms of the tariff cuts that are about to take place and to be mandated by treaty between Canada and the United States are a series of announcements, some rumours, some back-stage briefings that have been given to certain journalists, and the elements of the agreement, which are extremely vague. We do not know which tariffs are to be removed immediately. We do not know which tariffs are to be removed over a period of five years. We do not know which tariffs are to be removed over a period of ten years. Yet the Bill, as it stands, allows the Government to make those decisions without any further reference to Parliament.

• (1720)

I would have to say that it is grossly inadequate that the text should be released perhaps tomorrow, perhaps the next day, perhaps Monday, who knows, and that the House will then be asked to debate it for a few days and then a motion of approval would be given at that time. On other important matters such as the Bill that we have just debated on grain handling, I think of the fact that a Bill has to go through a number of stages. If it is a financial Bill, it requires a Ways and Means motion. If it is a non-financial Bill, it requires first reading, second reading, reference to committee, report stage, and then third reading. In the case of Bill C-87 those stages have been followed. Bill C-87 is the umbrella Bill which allows the Government to cut tariffs. But when it comes to the actual tariff cutting, there is no such requirement on the Government. Since this Bill refers to the compensation that may be given in return for tariff cuts, there is also no way by which Parliament has a chance to study whether or not the compensation being offered is adequate.

I notice that the Chairman of the Standing Committee on External Affairs and International Trade indicated that his committee is not in a position to make a judgment about the final text. The committee has decided that it will issue an interim report towards the beginning of next week, but not a final report. So we have a situation where, using the powers given in Bill C-87, the Government is going ahead and signing a treaty with the United States, despite the fact that Parliament, through the relevant committee, has been put through a sham. The committee went from coast to coast in a couple of weeks. It was a joke of a parliamentary hearing process in which no witness, group, individual, company, or interested party who wanted to comment on this trade deal was able to comment on the specifics because details were not available. A few of the people who commented may have known some of the details, because certain details were released to the sectoral advisory groups which were made up of persons representative of different industries across the country, almost all of whom were spokespersons or representatives of different business concerns. However, in that particular case those persons had no ability to talk because they were bound to secrecy.

I know you wish me to talk about the Bill, Mr. Speaker, and I am talking about the Bill. I want you to understand that very clearly. I am talking about the Bill, because the Bill gives the authority to the Government to do what it is doing without adequate access or recourse to Parliament. You will know, Mr. Speaker, because you sat in this House for some time as we were looking at the Bill, that in a number of ways my Party tried to reinforce the concept of accountability with respect to major trade actions by the Government. Unfortunately, we were beaten back by the majority on the government side at every effort that we made. I have to say with regret that we lost on the simple concepts that we were putting forward, which is that it is not fair to make major tariff changes without reference to Parliament; that it is not just for Parliament to be ignored in those matters; that it is not right for a trade agreement to be signed with a major trading partner without a means by which Canadians in general, and not only this Parliament, can have access to what is being done and an ability to influence the result before the decision is made. It seems that the government side did not understand that at all, which I regret. I think that that fundamentally undermines this Parliament, and I believe that that is is wrong.

When I was first elected to this place in 1984, one of the promises made by the Government was that we would reform the parliamentary process. Back-benchers would be given more of a say. Parliamentary committees would be given more

standing. A number of reforms were put into force, and in fact they were pioneered by the former Hon. Member for St. John's East. Those matters were put into force, but it requires a commitment and a political will to ensure that that really happens.

We see an example in this particular Bill where the Government is putting into place a trade deal that hurts average Canadians without allowing average Canadians to have a say. That was what we were trying to say on Bill C-87 from the beginning of second reading, and through all the various hearings that the Bill has been subjected to.

If, under the powers in this Bill, Canada embarks upon a lopsided arrangement where tariffs are cut and we do not receive very much in return, and if as a consequence hundreds of thousands of average Canadians see that their jobs are put at risk, or they may lose their jobs, I think they are right to be concerned. If it goes beyond that, and rather than allowing the details to be out there in order that people can comment for some substantial period of time, the Government instead keeps the details secret—that is done in Mr. Gorbachev's Russia, but I would assume that that would not happen in a democratic country with the democratic values that all of us are elected to uphold in this particular place—I would have thought that a Government should understand that major decisions which appear to be lopsided should not go forward unless people have a chance to have their say.

With regard to the tariff changes now being contemplated, those tariff changes have not been communicated to the public. People have not had a chance to do anything about it. We have tried to do this through this particular Bill, and we have not succeeded. It is conceivable that many more workers fear for their position than may be actually affected. I cannot say, because I have not seen the details.

There are grave fears among women that their position may be seriously affected. They are not in a position to comment because they have not seen the details. When we tried to ensure that that would be done through the process of this particular Bill, we were not able to do that.

There have been grave questions raised with respect to the elimination of the tariffs which affect automobile production. Therefore, the tariffs are an essential part of the automobile free trade agreement, the managed trade agreement between Canada and the United States. It has not been possible for the automobile industry and the workers in that industry, or for Members of Parliament who represent those parts of the Provinces of Ontario and Quebec which have an important stake in that industry, to comment in any detailed or knowledgeable way, because they too have not seen the details.

We are seeing changes in terms of compensation which are phoney compensation. As you know, Mr. Speaker, we have been assured that the health of regional economies in northern Quebec, Atlantic Canada, British Columbia, and places like that, are not being traded away. Our efforts to ensure that there was an adequate opportunity to see what the compensation might be in this particular case were frustrated by the Government. I will come back to that particular point later, but it is a very important point.

I for one have real reservations when the Government uses its tariff cutting powers which are reaffirmed in this particular Bill in order to enter into agreements that seriously and profoundly affect many other aspects of Government in this country. That is the compensation, except that the compensation is one-sided. It seems to me that we have deliberately decided to give the Americans what they were looking for without getting anything in return. That is very serious. We have lost control of Canadian energy. We have lost control of Canadian agriculture. We are losing control of the way in which Canadian Governments have traditionally helped to direct and been involved in the economy.

Sir John A. Macdonald, the architect of a national policy that helped to create industry in this country back in the 1860s and 1870s would, as a good Conservative, be turning in his grave at seeing what is happening under those in his Party who purport to call themselves Conservative and who have put into place such a sell-out of Canada as has essentially taken place.

Mr. Siddon: Rubbish.

Mr. Thacker: You don't know your history.

Mr. Cassidy: Of course I know my history. The Hon. Member states that I do not know my history. One of the things I do know is that a Canadian Government under Sir John A. Macdonald went ahead and saw to it that we created a national east-west railroad which brought the country together. That railroad would be deemed to be an illegal subsidy, according to the Americans, and any goods that were carried along that railroad in future, according to American trade law in this free trade agreement, would in fact become countervailable. That is why I say that Sir John A. would be rolling in his grave. He was a man who had the foresight to bring the country together. He was a man who had the foresight to see that Atlantic Canada, Quebec, Ontario, the Prairies, and British Columbia could live together. He was a man who had the strength and foresight to see that Canada did not have to succumb to all the economic forces that were forcing trade, cultural, and other types of development in a north-south direction, but that we could have a country with separate traditions and with a separate way of proceeding.

• (1730)

Members opposite are disowning the spiritual father of their Party, I would suggest. The Hon. Member for Parkdale—High Park (Mr. Witer) seems to disagree. He is disowning the spiritual father of this Party in saying that what Sir John A. tried to create in Canada is no longer valid. It is a pretty day when you have Conservatives adopting the free trade line, which was always a Liberal hallmark. Free trade was tried in 1911, in the 1930s and in the 1940s. The Liberals had to back

away because they got defeated every time they tried it. Now the Conservatives are trying to do what the Liberals could never do.

It is essential to ask whether the Government passes the test of honesty, fairness and openness with this Bill.

Mr. St. Germain: We have already.

Mr. Cassidy: The Hon. Member for Mission—Port Moody (Mr. St. Germain) says that the Government has passed the test of openness. That is why the text has not been released on this particular arrangement for two and a half months. That is why the Premiers are being asked to endorse it with 24 hours' notice this Thursday and Friday when the Prime Minister (Mr. Mulroney) meets with them. That is why this Parliament is being asked to confirm a deal some 2,000 pages in length which will fundamentally change the way Governments work in this country. Yet the Member from Mission—Port Moody says this Government passes the test of openness, honesty and fairness. If you want to talk about honesty, Mr. Speaker, why is it that the Hon. Member who is now the Prime Minister spoke against this kind—

The Acting Speaker (Mr. Paproski): I would like to hear the Hon. Member, but I think the Hon. Member should mention the Bill once in a while instead of going out on a tangent.

Mr. Cassidy: The Hon. Members are my constituents.

Some Hon. Members: Oh, oh!

Mr. Cassidy: They read my constituency reports religiously.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Unfortunately, they have not yet been persuaded to my way of thinking. I promised that I will continue always in hope, confident in the knowledge that if not converted they will return to their constituencies when the next federal election occurs.

I could remind you that Clause 62 of the Bill states specifically:

> The Governor in Council may, on the recommendation of the Minister of Finance, by order,
>
> (a) reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted by that country or any other country, subject to such conditions as may be specified in the order—

I recall that because when I first picked up this Bill I had been assured by the Parliamentary Secretary that this was just a very minor affair. There was reference to an interdepartmental committee setting up a Customs Tariff which talked about the new harmonized commodity description and coding system, or the HS system, and it was seen to be absolutely and benignly routine and boring. Then I picked up the Bill and read it and discovered that, lurking beneath that benign, routine and boring exterior were powers which had existed before but which I believe now are seriously subject to question. You know, Mr. Speaker, that we have been changing a number of the ways things are done around this place since 1984 because Canadians are more alert to the need for a democratization of the way government works in Canada.

It is interesting that the United States will not cut any tariffs until it has taken the trade treaty with Canada through the Senate and the Congress and through lengthy procedures of hearings which will last another six or eight months after Canada signs the deal on January 2. Here in Canada the Government can commit itself by means of a treaty because of the executive power which was given to the Prime Minister as a consequence of the 1984 election. That is our system right now and I believe it is profoundly wrong.

I think that it is wrong for the Prime Minister by the stroke of a pen to make decisions that cut tariffs and thereby imply some other cuts or increases in taxes by $2 billion that fundamentally change the way this country works. It is wrong for the Prime Minister and the Cabinet to make a quickie decision about whether or not the compensation or concessions granted by the U.S.A. as to whether they are adequate without any real means by which we and other Members of Parliament or Canadians in general could look at it. That is why I am continually referring to tariff cuts which can now be made if this Bill passes third reading without any further consent from Parliament. We would not even need a vote next week.

I do not know whether or not the Government will seek to bring matters to a vote next week, but does a resolution in this House really accord with your understanding about the way in which major measures should go forward, Mr. Speaker? That is not the way we handled things on tax reform. We had a White Paper which was out for a number of months. We had 570 briefs and almost 200 witnesses. The committee spent several weeks hearing witnesses both in Ottawa and elsewhere across the country. It finally produced a report after a great deal of lengthy and detailed consideration. That report was then referred back to the Minister of Finance (Mr. Wilson), who will still have to come forward with a Ways and Means motion and with a series of measures which then must pass scrutiny by Parliament. It is quite clearly understood that if, for some reason, those measures are found wanting, even though they may be put into force on January 1, 1988—and I have questions about that—nonetheless those measures will be invalidated if Parliament rejects them, withdraws its consent or in some way amends the legislation put forward based on the Ways and Means motion which we will see next week.

Tax reform is important. It affects almost every Canadian. It has a profound influence on the economic lives of our country. This is a process which has gone on now for two and a half years. We have had White Papers. The Minister has announced his intentions. There has been a great deal of canvassing and consultation taking place. Then there was a formal declaration of government proposals in the White Paper, followed by the Ways and Means motion which we will see in another week. Is that happening with something more profound in its influence on our country? No, it is not. Not in

any way. In fact, if some Canadian who voted in 1984 and then left the country to go to Africa, who has not been in touch with the news over the course of the last two or three years, came back to Canada now, he or she would be scratching his or her head and saying, "I don't understand this at all. Why is it that the Government is not only seeking renewed powers to cut tariffs without reference to Parliament"—which is what we have before us this afternoon—"but also intends to use those in the greatest tariff cuts Canada has ever seen in a precipitous fashion without any further reference to Parliament? Why is that taking place?" They will say, "I remember hearing the Prime Minister say that Canadians would never accept a free trade agreement. Therefore I assumed when I voted"—no matter how that individual voted in September, 1984—"that I was not voting for this and that the integrity of my country would stay intact while I was away. I certainly did not see this happening".

There is in a very profound way a problem in this legislation, namely, this legislation perpetuates a kind of elitism to which the Government is particularly prone. I have heard representatives of the Business Council on National Issues say it would be a great thing to reduce Canadian tariffs and American tariffs, presumably as part of the free trade deal. That council advocated that some time ago and is a major proponent of it. Nobody talks about the fact that those corporate presidents of the 150 largest companies in Canada are in large measure the heads, presidents or CEOs of companies that are controlled in the United States. Whether some of them as Canadians may have some misgivings about what is taking place is a possibility, but nonetheless for the most part the companies for which they work are indifferent as to whether they carry out business in Canada or in the United States. If they all emigrate to the United States because of changes in tariffs and if they find they can serve the Canadian market from Cleveland, Philadelphia, Milwaukee or Seattle, then it is no skin off their backs because their company will continue to make profits, pay dividends to the shareholders and be able to continue its amount of business. Therefore, as a company or an organization, it will not be profoundly affected. The Canadians in the company will of course be profoundly affected, and that is why the labour movement has raised such concerns over such measures as are contained in Bill C-87, measures which allow what sociologists call elite accommodation. I think it is significant of the fact—

[*Translation*]

I think it is quite significant that at recent hearings before the Committee on External Affairs and International Trade, witnesses representing the business world, big corporations and big companies mostly spoke out in favour of the Government's proposal to reduce tariffs in our trade with the Americans, while witnesses representing farmers, women, and coalitions of average Canadians spoke out against the free trade proposal, because they were defending the interests of ordinary Canadians, while the business people who appeared before the Comittee did not have a second thought about the average Canadian. One wonders, Mr. Speaker, whether the elite should really run this country. Are we supposed to tolerate that from time to time, as an afterthought, Canadians are referred to in an election campaign? That advertising campaigns are used in an attempt to influence Canadians, campaigns paid by whom? By the taxpayer. Mr. Speaker, to promote the tariff cuts that are being sought or have been made possible as a result of Bill C-87, an advertising campaign costing taxpayers about $12 million will be launched in the next few weeks. Vast amounts of very expensive leaflets have been printed to persuade Canadians that tariff cuts are a good thing and will benefit the average Canadian. Mr. Speaker, it is clear now that more and more Canadians are rejecting these arguments, but nevertheless, the process of accommodating the elite is an antidemocratic process now being implemented by the Government a very unfair process which involves accommodating the Americans, with the support of the business world but without referring at all to the average Canadian.

Mr. Speaker, I would like to see an election before we introduce measures that are as important as the Government's proposed tariff cuts in the agreement with the United States. This is not just my position, it is my Party's as well. We believe that Canadians have been deceived in terms of what they were promised during the previous election campaign, considering that the Government planned to go ahead with a measure that threatens not only our jobs but also the sovereignty of this country, its social programs, regional development, and so forth.

Unfortunately, it is not within my power to force the Government to call an election right away. However, Mr. Speaker, it is within my power to insist that a Bill that affects Canada's trade should become a piece of truly democratic legislation. Instead of the Government having the power to make tariff decisions without reference to Parliament which represents all Canadians, the Bill should either be rejected or amended to provide for truly democratic participation by the elected representatives of the Canadian people, the three Parties and 282 Members of the Parliament of Canada.

• (1740)

[*English*]

As I have said, I very much fear that business will say yes and the Government and its 210 Members will jump. Canadians as a whole will say no or will be unsure because many people really are unsure about these matters. They are technical, and of course it is hard to understand what is in a particular tariff-cutting exercise without having the details until the very last minute.

I am really uneasy about that. I think we ought to have a full national debate based on the over-all picture of our trade with the particular country with whom we choose to cut tariffs and a full national debate that touches on the compensation or the concessions that are made. My concern is that the concessions we are getting from the United States are in fact so inadequate.

Speaking of elite accommodation, I have a very real fear that we have something more than that here. The Government is unpopular. I regret that. While I respect you, Mr. Speaker, I know that even your seat might be threatened in the next election because of the unpopularity of the Prime Minister and the Government as a whole.

The Government is profoundly unpopular among Canadians and increasingly takes a right-wing view of the kind of agenda that should be imposed on Canada. It believes in privatization, deregulation, scrapping any effort to intervene in the energy sector, trying until just the other day to deregulate the transportation industry totally. This Government has been trying to change profoundly the way Canada is run.

How will it change the way Canada is run? It will put the control of Canada's future in the hands of large corporations, many of which are American owned, and take the control and power to influence away from the people of Canada who traditionally have exercised that power through Governments.

I spoke a few minutes ago about Sir John A. Macdonald. Sir John A. was a pragmatist, besides being a lover of good Scotch. He saw that we could not create the country of Canada if we did not have a substantial amount of participation in creating that country. He created a national railway without which we would not have had a country.

During the time of the Conservative Prime Minister, R. B. Bennett, a man whose memory is perhaps sometimes treated with a bit too much disdain, there was the creation of Air Canada, another means of binding the country together, a means which this Government wants to privatize. The Canadian Broadcasting Corporation was formed at that time, another national body that helps to knit the country together but which this Government would like to privatize if it had the opportunity to do so.

During the 1920s and the 1930s, the Canadian National Railway was developed as another way of bringing the country together. What is happening now? All of these are now being reviewed by the Minister of State for Privatization (Mrs. McDougall). If the Government thinks it can get away with it, it will in fact get away with it.

The Government prefers to stand for the world of the rich and forget about the world of the longshoremen in Montreal who are facing a lock-out by their employers and the world of the Brinks guards with whom I was on the picket line today. They have been forced to strike because they have received pay increases of only 50 cents per hour in the course of the last five and a half years. These are average Canadians who are suffering because of the agenda which has been put into force by this Government.

What is happening to the trade agreement? What concessions are taking place? All the concessions appear to be from Canada, and I think Canada got nothing in return. In return, we got a limitation of our ability to use energy as an instrument of economic development. We got a limitation of our ability to continue to use agriculture as a means of maintaining rural life in Canada. We got a limitation on our future ability to develop industry and create jobs in Atlantic Canada. We got a fundamental interference with the traditional role of the Government in having a cultural presence for Canadians here in Canada.

As many more commentators are saying, the nature of the concessions that were made by the United States is in fact very difficult to see. In the papers today, Mr. Cedric Ritchie, no New Democrat he, an eminent banker, has written to the president or the director of the Canadian Business Council on National Issues, breaking ranks with big business's stand in favour of the free trade agreement. I think that is very important because, if I can refer it back to this particular Bill, Mr. Ritchie is saying that the arrangement proposed right now is so lopsided that Canada is basically throwing away all of its bargaining chips without getting necessary concessions in return.

An Hon. Member: Nonsense.

Mr. Cassidy: The Hon. Member says "nonsense". Yet it is true. I think those comments are extremely relevant. Based on the outline of the deal he believes that a reasonable case can be made that we have not made adequate progress towards our principal goal of secure access to the U.S. market. Yet that is the concession being used to justify Canada giving up $2 billion worth of tariffs and the U.S. giving up only $1 billion.

• (1750)

We left the question of subsidies undefined. We left it as a matter of discussion for the next five or seven years. Goodness knows what is going to happen after that. In the meantime, because it is very hard to put tariffs up after you have reduced them, we will be left with no means of fighting back if the Americans do not fight fair. I have to say that there is a lot of evidence that the Americans tend not to fight fair.

Another reason I think it is important that these matters come back to Parliament, and why we tried to do that in a number of different ways with respect to this Bill, and ensure that treaty-making powers would not be used to accomplish an end-run around Parliament, is because of the way it weakens our traditional reliance on and adherence to GATT.

As a long-time Member of Parliament, Mr. Speaker, you know the importance of that and how in the past we have respected our obligations in that respect. We have participated actively in GATT negotiations. Just a few months ago Canada provided very active leadership at the launching of the Uruguay round of tariff cuts. That has been a lengthy and public process, yet I have to say, in line with what I am saying here, that even there we had problems. The process was flawed because the cuts made in the Tokyo round, the Kennedy round, and others were made without direct reference to Parliament.

If we turn around and unilaterally cut tariffs for the U.S. which accounts for 78 per cent of our trade, and do it in such a way that 90 per cent of our trade within a few years will be with the U.S., then I think the other countries in GATT will quite rightly look on Canada as simply a puppet or pawn of whoever happens to be the President of the U.S. and whoever happens to be in the U.S. Congress at a particular time. In fact, it has even been suggested that there may be Canadians starting to say that this is crazy, why the devil do we not simply give up and become the fifty-first state?

As Canadian industries struggle, and they will, some unsuccessfully, will Canada then go and negotiate away further protections, or will we no longer be prepared to provide leadership on the issue of multilateral tariff reductions in GATT?

With respect to trading rules under which other countries can collectively put pressure on the U.S. for concessions in their unjust and unreasonable legislation which allows them to harass businessmen who import goods not just from Canada but from many other countries, Canada will have essentially given away its ability to deal with that in GATT. We have already said we are not going to play in that particular sandbox. We have already made our own deal. If we discover it is not a very good deal, it will be too late.

I repeat, we will have cut tariffs for inadequate compensation and the people of Canada will not have had an opportunity to participate in any meaningful way.

I read with some interest the directives given by the U.S. when it was talking about the compensation and concessions it would give to Canada with respect to tariff-cutting arrangements, which is what we are talking about in this Bill. It is very interesting that in his communication with Senator Bob Packwood of the Senate Finance Committee, President Reagan did not talk about concessions to Canada. It was all about concessions to the U.S. Since Canada has had a trade surplus with the U.S. of up to $20 billion, I suppose it is natural for the Americans to say they are not getting a good deal, so they will try to improve it. That is what they set out to do, and they succeeded.

I for one, as a Member of this Parliament, would have appreciated the opportunity to have talked to that issue in detail, not just in a hurried debate that will take place for a week next week when everyone is buying their Christmas presents and worrying about whether they can make adequate transportation arrangements to go back home for the Christmas break.

The President looked for comparable treatment for American and Canadian investment. He wanted increased access to government procurement opportunities. These are not concessions by the Americans, they are concessions to the Americans. There are no concessions by the Americans. We cut tariffs with no concessions by the Americans except for the fact that their very low levels of tariffs are being cut. They are not a real obstacle to Canadian industries right now. They have agreed to talk with us for the next five or seven years.

Mr. Hawkes: On a point of order, Mr. Speaker. We are at third reading debate on the customs harmonization Bill. The Hon. Member is reading from an American document, I suspect because his Party turned down a chance for detailed briefings all the way along. Therefore he is not familiar with the Canadian position. In either case, he is not talking in a manner relevant to the Bill before the House.

The Acting Speaker (Mr. Paproski): I think the Hon. Member is getting to the Bill now.

Mr. Cassidy: Maybe the Hon. Member is getting to the Government.

Mr. Witer: Wishful thinking.

Mr. Cassidy: We had an option. We could have shared the information available to the average Canadian or we could have taken briefings from the Government on the condition that nothing we learned would be imparted to the public. When we had that option we stood with average Canadians and not with the small elite group which has been kept informed of what is actually happening behind the scenes in the tariff-cutting process.

I want to tell you about the concessions. Clause 62 says that Canada can reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted by that country. The Hon. Member may have misunderstood that. It is not concessions to that country, it is concessions by that country. Yet the President wanted to ensure that the U.S. would get reduction of government subsidies and support to industry in Canada; that there would be non-discriminatory treatment of supplies and services in Canada; that there would be effective protection against transshipment problems in Canada. In other words, President Reagan was not looking to make concessions to Canada in return for our eliminating $2 billion worth of tariffs. He was looking to us to pay the Americans with a $2 billion tariff cut, which will come from God knows what increases in taxes in Canada, and then make further concessions in order to sit down at a table and talk with us for the next five or seven years. That is why we have been saying the Government is dishonest, unjust and unfair in the way it is handling our trade relations and in particular our tariff cutting.

If you would like me to call it six o'clock, Mr. Speaker, I would be happy to do so.

The Acting Speaker (Mr. Paproski): It is six o'clock and the Hon. Member for Ottawa Centre (Mr. Cassidy) will still have the floor when the debate resumes.

[*Translation*]

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

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, December 10, 1987

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

THE ADMINISTRATION

TABLING OF 1988 FEDERAL REGULATORY PLAN

Hon. Barbara McDougall (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am pleased to table in both official languages copies of the 1988 Federal Regulatory Plan.

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HUMAN RIGHTS

ANNIVERSARY OF UNIVERSAL DECLARATION OF HUMAN RIGHTS

Hon. David Crombie (Secretary of State of Canada): Mr. Speaker, it is with pleasure that I rise to inform all Members of this House that today is Human Rights Day and marks the 39th anniversary of the universal Declaration of Human Rights. This historic document on basic rights and fundamental freedoms was proclaimed on December 10, 1948, by the United Nations. Its philosophy of equality and personal dignity symbolized a new era in human understanding and tolerance. The member nations that signed the declaration in 1948 voiced their united support for individual liberty in all countries throughout the world.

For our part, we in Canada have continued to stress the importance of these principles within our own borders with a distinctly Canadian vision of a fair and harmonious society.

[*Translation*]

The 1960 Canadian Bill of Rights affirmed the privileges which all Canadians enjoy as citizens of this country. Bearing the signature of the Right Hon. John George Diefenbaker, this monument to freedom which we hold so dearly states, among other things: "... in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the ... human rights and fundamental freedoms ...".

[*English*]

Our Canadian Human Rights Act came into being in 1977, followed by the Constitution Act of 1982. This encompassed the social principles of our Canadian Charter of Rights and Freedoms, a statement in support of human dignity and equality that is the envy of many of our neighbours worldwide.

On December 1, I tabled in this House the Canadian Multicultural Act. When passed, this historic Bill will confirm the constitutional freedom of all Canadians of whatever origin to preserve and enhance their multicultural heritage and to share it with others. It will recognize that all of us are equal participants in our society, thereby reinforcing both our Canadian identity and the unity of this country.

[*Translation*]

Mr. Speaker, Canada has also heralded civil rights on a world-wide scale. The position we have taken against the injustices we see in South Africa, in Central America, and in a number of other regions of the world vividly attests to our firm determination to restore the kind of climate where all nations of the world will be able to feel like true equals.

• (1110)

[*English*]

Another example of the Government's commitment to human rights lies in its plans to establish the International Centre for Human Rights and Democratic Development as jointly announced by the Secretary of State for External Affairs (Mr. Clark) and the Minister for External Relations (Mrs. Landry). This centre's important mandate will be to uphold human rights and strengthen democratic institutions by means of international co-operation.

International Humans Rights Day is a time for recalling the millions in the world who are denied their basic rights. It is also an occasion for solemn reflection, for some through prayer, for others through giving thanks, for the blessings we enjoy in Canada where human rights for everyone is a central pillar of our society's structure.

[*Translation*]

As Canada grew to maturity, its citizens displayed ever increasing openmindedness in mutual respect for one another. But we still have some way to go because it is always possible to improve the situation. Given the understanding which has

developed between the people and the Government of Canada, I firmly believe that the principles underlying our hopes are that much stronger. Indeed, cultural or racial origins must not stand as obstacles to the free expression of fundamantal rights.

[*English*]

Allow me to conclude by quoting from the introduction to the Multiculturalism Act a week ago. It states:

> . . . The Government calls upon all citizens to make a renewed commitment to the principles of equality, diversity, and community and to continue the great task of building their homeland into a free and united country that will continue to be a symbol of hope in a fractious, turbulent world . . . The proposed Act should reinforce Canada's stature among the nations of the world, adding another page to the country's long record as a leader in matters relating to human and civil rights.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I read the text of the Minister's statement which I received about an hour ago, and I have listened carefully in the hopes that it might be amended. On an occasion as important as International Human Rights Day, I am frankly disappointed that he would limit himself to painting such a rosy picture of human rights in Canada and, in a sense, publicize or promote his own legislative program when the world is in such agony and chaos. Instead of addressing the problems facing our native people, or the inequality affecting women, or the problems of discrimination faced by visible minorities, the disabled and handicapped, he has reviewed and rehashed generalities with which I am sure we all agree. I wonder if the Minister wrote the statement himself.

The Minister spoke about the Multiculturalism Bill, and of course we have all supported the multiculturalism concept for decades. Yet I would have liked him to have told us what it actually achieves. What does it do, for example, about racism and discrimination?

The Minister passed over the world's problems in several sentences, yet at this very hour burning issues exist. Let us take just one example, that of Haiti, where a brutal military regime has savaged its population for several years and sponsored or condoned death squads which have been murdering citizens lining up for an election. The election had to be cancelled for that reason and that Government has had the audacity to announce today that it is trying to call illegal elections for January 17. That is just one of many tragic examples of international problems. On a day of such importance and such solemnity as International Human Rights Day, I am disappointed that the Minister has not risen to the occasion and discussed with us the problems, instead of shovelling self-serving and self-congratulatory propaganda of sweetness and light for the Government.

Perhaps he would like to deal with the real human rights issues here in Canada. What about the failure to appoint a commissioner from the Atlantic region to the Canadian Human Rights Commission? What about the slow pace of dealing with human rights cases before that commission, some reputedly taking as long as a year to a year and a half or even two years? What about the failure to deal with the human rights concerns of our native people? What about the aboriginal land claims? What about the way in which we deal with our native people in our system of justice? What about the human rights problems facing our native people with respect to housing? What about the problems faced by our native people with respect to medical care? What about youth programs? We know so many young people in the native communities are struggling to find meaning in life. What about the basic right to life? What about the fact that our native people have a higher mortality rate than others in Canada, particularly for their children? What about human rights issues in this country?

On International Human Rights Day, I was pleased that the Minister recognized the occasion but I have to ask him, on a day of this importance, can you not get serious?

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, once again I rise on behalf of the NDP to add my voice to that of the Secretary of State (Mr. Crombie) and the Official Opposition spokesman in recognition of the thirty-ninth anniversary of the Universal Declaration of Human Rights. This day marks the culmination of the recognition of a new ideal among nations in a world where, only a century before, slavery and the attitude that supported it were pervasive.

It is because of this new ideal that we have a better world, but not a perfect world. Even now, in the glow of *glasnost*, Jews plead for Russian refuseniks and Afghans for their land. In Haiti the people struggle for a blood-free vote. In southern Africa, El Salvador, Nicaragua and Guatemala human rights lay victim to local tyranny and foreign conflicts. In Iran, Pakistan and elsewhere we see that religious intolerance is still a powerful force for suppression.

We in Canada, as the Minister says, can look with pride upon a nation striving to become a new model for understanding among an increasing diversity of people. As we increasingly reflect the many peoples of the world in our own citizenship, we are asked to become an increasingly powerful voice on the world stage for equality, justice and freedom. Whether it be in southern Africa, Central America or elsewhere, we must be sure that our voice will be heard above the cacophony of national or big power interests which tempt compromise. In our own land the recognition in legislation of the multiculturalism of our land is not enough unless equality is absolutely assured.

On this thirty-ninth anniversary of the Universal Declaration of Human Rights, let us not forget that, as we celebrate Meech Lake, we still have not dealt with the limits on equality presented in our Charter of Rights by the override clause. Those of us who have supported Meech Lake and those of us who look upon Canada as a multicultural nation insist that the first priority, as the provinces and the federal Government deliberate about the next constitutional change, be the elimination of the that clause which says to too many of us

who are not of English or French descent that we are not quite equal if there is a need for compromise for some purpose.

Let us also recognize that increasingly those of us who looked with hope upon the Human Rights Commissions of the federal Government and the provinces see now that they have virtually deserted us. When it takes not days, not weeks, but years all too often for complaints of discrimination to be processed by provincial human rights commissions or the federal Human Rights Commission, it suggests to many that we are willing to move too slowly on something which should have been completed long ago and for which there was so much hope not too long ago.

• (1120)

We join in celebration. We are proud of the contribution that Canada has made. We are pleased by the changes which make this country more representative of the world's population, but we cannot sit down on this day satisfied that we have achieved perfection domestically or internationally. We have done well, but we have much more to do.

Mr. Speaker: I wish to inform the House that because of the ministerial statement Government Orders will be extended by 14 minutes beginning at one o'clock.

* * *

[*Translation*]

STRIKING

PRESENTATION OF FORTY-SIXTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Forty-sixth Report of the Striking Committee.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 82—CANADA-UNITED STATES TRADE AGREEMENT—EXTENSION OF DEADLINE

Mr. Speaker: Since today is the final allotted day, the House will go through the usual procedures to consider and dispose of the Supply Bill. In view of recent practices, do Hon. Members agree that the Supply Bill be distributed now?

Some Hon. Members: Agreed.

Hon. Edward Broadbent (Oshawa) moved:

That this House condemn the government for its failure to allow an adequate period of review prior to the signing of a highly complex trade agreement with the United States on January 2, 1988 and, as a result, this House calls upon the government to seek an extension of the January 2nd deadline by at least 60 days.

He said: Mr. Speaker, we are just three short weeks away from signing what has been described as the most significant economic agreement in the history of the relationships between Canada and the United States. That description is one which my Party shares. This deal is indeed very significant, if not quite comparable to the Magna Carta which the Prime Minister (Mr. Mulroney) would like to suggest from time to time in his highly exaggerated rhetoric, and will have an immense impact on the lives of Canadians, not only for the rest of this century but into the next century as well.

Yet, as serious as this is, the incredible fact remains that the Parliament of Canada has not yet seen the final text. This is absolutely outrageous.

Some Hon. Members: Shame, shame.

Mr. Broadbent: The Conservative Government and the United States administration agreed to the elements of this proposal in the first weekend of October. We were assured at that time that the people of Canada and their representatives here in the Parliament of Canada would have a final legal text within a matter of weeks. Weeks turned into months and it will be more than two months after that promise was made that a final text will be presented.

We are now told that tomorrow the Government of Canada will release publicly a 250-page agreement with over 1,200 pages of tariff tables for the people outside of Parliament and the Parliament of Canada finally to consider in detail. In terms of the parliamentary agenda leading into the Christmas period, that means that an agreement of this immense complexity and seriousness will have to be discussed and debated, according to the Government's proposed schedule, for only five days, the five sitting days of next week.

On behalf of all the members of my Party and, I am sure, of Canadians from coast to coast, this is not a democratic process but a mockery of the democratic process.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister, regrettably, is still determined to sign this deal on a schedule imposed and proposed by the United States of America. The January 2 date was not decided upon as a consequence of a Canadian initiative even though the impact of this deal will be much more significant on the lives of Canadians than it will be on the lives of Americans for the obvious reason that their society and economy is so much larger than ours. Even though the consequences are much more horrendous from our point of view, and positive from the Government's point of view, the Government has accepted the January 2 deadline which was proposed by the United States.

Even the Conservative Chairman of the Committee on External Affairs and International Trade which looked into this accord in the past few weeks, without the final wording of course, has said that it would be "absolutely silly", to use his words, for his committee to consider the final text until some time in the new year.

Surely when a government proposes such a massive change in Canada-U.S. relations there is an obligation to ensure that the democratic rights of Canadians to consider this deal are honoured. If it was absolutely silly to think that the committee could consider the final wording of this text in a matter of days, it is absolutely silly and irresponsible for the Government to expect the Parliament of Canada to do so in a matter of a few days.

Some Hon. Members: Hear, hear!

Mr. Broadbent: For once the Government should act in a responsible and serious manner. It has an obligation to live up to the implications of the serious agreement which it has signed. It has an obligation to give Parliament, the provinces and, most of all, the people of Canada, the facts on which they are supposed to make a judgment.

[*Translation*]

Mr. Speaker, the Conservative majority decided that the Standing Committee on External Affairs and International Trade would be on the road for less than two weeks. Dozens of private citizens and groups have been unable to make presentations before the Committee. Only a few groups and individuals have had a chance to explain their concerns to the Parliamentary Committee. Day after day, NDP Members on the Committee moved to have the hearings opened to the public. Day after day, they moved to give ordinary citizens a chance to express their views, and day after day, the Conservative majority voted against this democratic opening up of the consultation process.

Mr. Speaker, the Conservatives did not want a democratic process. They merely wanted to give the impression it was democratic. That is typical of this Government.

Today's debate is not about the substance of the Agreement. We may have a debate on that Monday, at least I hope so. Today, our subject is the need for a real, informed debate in this country. We are talking about the democratic rights of the Canadian people. Whether Canadians are for or against the Agreement, most Canadians would like to see the details of the Agreement. They want a chance to judge the Agreement with all the facts.

Mr. Speaker, many Canadians share our concern about fundamental changes in our political, social and economic life. The status of our relations with the United States is crucial for Canadians, especially for our trade relations.

Today we are each other's principal economic partner, and that will remain so. However, Mr. Speaker, as a nation, we are masters in our own house and we want it to stay that way. The Conservatives must understand this fact. All Canadians understand the basic reality of our economic and foreign policies and their impact on our relations with the United States. All Canadians understand as well that in business terms, a healthy relationship with the United States is of vital importance to our economy, our communities and our jobs. That is why we are so concerned about the impact this trade agreement will have, whether on energy, agriculture or regional equity. All these concerns are central to our economy and our way of life. In all these areas, Mr. Speaker, the Conservatives have sacrificed our sovereignty. That is the truth.

• (1130)

[*English*]

On Monday I will outline at length the New Democratic Party opposition to very specific parts of the deal. Today, I simply want to note some specific matters of concern in a discussion that is fundamentally about the democratic process.

One must ask, why this particular deal? Why are we making major concessions on the control of our decision-making in energy, on our right to retain control over business enterprises to ensure that they stay in Canadian hands in almost every sector. Why are we making major concessions that will negatively affect the agricultural sector, the manufacturing sector and particularly will have a negative effect over the capacity of our western provinces to become industrialized and not simply remain resource exporters?

The Deputy Minister of Finance has already announced major changes affecting our capacity to have just and equitable regional development programs. All of these elements are found in this deal. Why is the Government doing this? I hope that either today or in Monday's debate these questions will be faced head on.

When the Prime Minister first proposed this, we had a $20 billion surplus in trade with the United States in our commercial exchange. We were doing quite well in trade with the United States. It is true that from the time the Prime Minister announced this the United States has taken negative actions against some of our key exports which, incidentally, were supposed to be going in duty-free already.

In spite of those actions, most of which were unfair and totally unwarranted, even today the monthly trade figures for October show that we had a surplus in our merchandise trade with the United States of $840 million. So far this year we have had a trade surplus with the United States of $10.1 billion without this deal.

I say, as a Canadian and a New Democrat, that we are a confident and competent people. Whatever the domain of activity, whether it is the arts, athletic activity, or business activity, during the last 25 years in particular I believe that Canadians are second to none in the world. In terms of our ability to compete with the United States of America, we have never been in a better position. In sector after sector we are winning the competition with the United States already.

I want to remind the Conservatives who are embarking upon this historic mess that already 95 per cent of our exports into the United States are duty free or at a level of duty or tariff of 5 per cent or less. We are doing well in competition. We are not confronted by significant tariff barriers for most of our exports to the United States.

The Government reminds us that the Americans took unfair actions in some parts of our economy. We all noted that and objected to it. The Minister for International Trade (Miss Carney) promised that the Conservative Government would move "to get unfair U.S. laws changed", and said that we had to have guaranteed access to the United States markets. The Conservatives went after a dispute settlement mechanism which the Minister for International Trade and other spokespersons for the Government said would give us this guaranteed access. They got no such thing. There is a tribunal that does not have the authority to change U.S. laws.

Mr. McDermid: Or Canadian laws.

Mr. Broadbent: Or Canadian laws. I say to the Member opposite that it was not our agenda, it was the Conservatives who promised to get us guaranteed access to the U.S. markets. After making so many sacrifices, they did not even get that.

If we are winning in our trade competition with the United States, whether it is in shakes and shingles, softwood, tubular steel, pork or any other part of our trade, the U.S. Congress will have exactly the same powers to pass unfair laws against us as they had before this agreement.

Mr. McDermid: Wrong.

Mr. Broadbent: We find that unacceptable.

Mr. McDermid: Wrong.

Mr. Broadbent: The Member says that is wrong. I hope he can prove it. If he can, it will be the first time he has done so in the House.

Unless there is a fundamental change in the nature of the dispute settlement mechanism, the constitutional right of the U.S. Congress to take action against us when we win the competition will remain in place. The Government got nothing, having given away so much on the part of the people of Canada.

• (1140)

Not only did it get nothing out of what was stated to be its central goal in these negotiations, but our prairie farmers, in this case, the grain exporters, thought that if we had this locked in trade agreement with the United States, at least they should be protected from massive American subsidies in grain exports when they export directly to countries in which we have had traditional markets, whatever other limitations in the agreement.

Our grain exporters are the most efficient producers of grain in the world and are quite prepared to meet honest competition. But the Secretary of State for External Affairs (Mr. Clark) tried to justify the continuity of these subsidies by saying: "Oh, these were from a pre-existing program established by the U.S. Congress". It is a pre-existing program that will still be applicable, that can still use the massive resources of the U.S. treasury against our agricultural sector which is effective and competitive, and I say, once again, the Government sold out the interests of our grain producers.

The right of Canadians to export processed products as opposed to unprocessed products is something we in this Party have maintained as a goal. We have wanted this, particularly for the development of western Canada; not to be hewers of wood and drawers of water, not to go for the quick buck fix so characteristic of the Tories. We wanted the right to maintain as a nation the sovereign control over resource development to whatever level of finished processing before we export it.

There was a preliminary decision by GATT against a very important part of the British Columbia economy, the export of processed fish. According to news reports about the change in the wording of this agreement, incredibly enough, this Conservative Government is prepared to sacrifice this right. It has—and we will see if they got it—maintained the right for the east coast fisheries to ensure that we can export processed fish without having action taken against us by the U.S., but it has completely capitulated in terms of the interests of British Columbia, and we find it totally unacceptable.

To give one more example, late yesterday afternoon I had incredible news presented to me by a document produced by the Automotive Parts Manufacturers' Association of Canada, which up to this point had been supporting this deal on a tentative basis. It has now unequivocally withdrawn its support. Why? Interestingly enough, when it saw the first wording on the weekend of October 3 and October 4, the Automotive Parts Manufacturers' Association, like the New Democratic Party, opposed this deal in this particular instance because of its impact on the automotive sector. It went to work to try at least to persuade the Government to increase the North American content in automotive production.

I remind Conservatives Members we are talking about 65,000 direct jobs in automotive parts alone, not considering the indirect jobs. The Automotive Parts Manufacturers' Association wanted the Government to at least raise the North American content from 50 per cent to 60 per cent in this agreement. I learned yesterday that the American side had agreed to this, that the Americans saw this could be like the original Auto Pact, if it applied equitably to both sides.

If we consider competition from other parts of the world, both Canada and the United States could benefit from increasing the North American content provisions from 50 per cent to 60 per cent. It would have been beneficial to Canadians, and the Americans concluded it would have been beneficial to the Americans as well. Incredibly enough, I learned yesterday that it was the Canadian side in the negotiations that said no to this. The Canadian spokesperson said this was not in the Government's interests. So we have the incredible situation that the Government gave away the enforcement mechanism of tariff imposition to enforce the Auto Pact, the Canadian Automotive Parts Manufacturers' Association arguing for some improvement, at least raising North American content from 50 per cent to 60 per cent, the American side agreeing with this and the Canadian side turning it down. I say this is disgusting behaviour and totally unacceptable to Canadians wherever they may live.

As I said at the outset of my comments on this motion, although I referred to a few of the details of the resolution today, the debate is fundamentally about process, about the denial of a serious opportunity to Canadians to consider the impact of this major proposal in their lives. When so many significant groups representing all walks of life have indicated their concern about having the opportunity to learn, to understand and to comment upon the agreement, the Government has an obligation, in our view, to respond fully and to facilitate such a debate and discussion. It is a denial of democracy not to give the Canadian people an opportunity to fully examine this deal.

The committee studying this proposal, as all Members of the House know, went simply to a handful of cities across the country from Vancouver to St. John's. It obviously heard from some people in those hearings. However, I ask, what about the people and groups who were denied the opportunity to speak to the committee either to give their views or to obtain information? Even given the committee's own democratic decision not to advertise, many groups and individuals in all these communities tried to appear before the committee and were frustrated in their attempts.

An anti-poverty organization in Fredericton, womens' groups in Edmonton, a textile firm in Montreal, seniors' groups in Toronto, all were denied their right to be heard on this important matter which affects their lives and the lives of all other Canadians. In Manitoba over 30 different groups wanted to appear before the committee and could not. In Charlottetown, the coalition against this deal was forced to hold its own hearings because it was denied access to the committee. A British Columbia coalition of 43 groups was given only a 30 minute hearing. That worked out roughly to 20 seconds each. I repeat, this is not a democratic process. It makes a travesty of democratic process.

Other groups which did get to appear, particularly in Atlantic Canada, gave the deal only qualified or lukewarm support. Many said they wanted to see the final text before making up their minds. The Economic Council of Newfoundland, the Halifax Board of Trade and the Atlantic Chamber of Commerce gave the deal what could at best be described as lukewarm support. The Yellowknife Chamber of Commerce said the Government is trying to sell free trade and not educate Canadians as to its content. The Prince Edward Island seafood processors complained of what they described as political manipulation.

The Prime Minister and the Government have to be seen to be doing more precisely what they are doing. What they are up to is not presenting a democratic process. What they are up to is railroading a deal through Parliament, disregarding the whole democratic process of this country. They are doing it in a way with which we totally and fundamentally disagree.

While the Canadian Prime Minister refuses to give Canadians adequate time to assess this measure, it is worth noting that in the United States members of the U.S. Congress will have a minimum of three months to consider its impact. Our Parliament does not again reconvene after next week until after the January 2 deadline. While Canadian families will be celebrating with their loved ones, friends and neighbours, and while they are enjoying themselves during the Christmas period, this Government will be busy signing away the country's control over its own future. Beginning the new year by signing away the control of the country without allowing the country a chance to study this deal is absolutely unacceptable to the New Democratic Party and the people of Canada.

• (1150)

Just last week the Prime Minister (Mr. Mulroney) said in the House:

> January 2 is a day of no great significance to Canadians or to the House of Commons.

He was right when he said that. It remains true today. But the Prime Minister has refused to act on what the logical implications of that announcement are. If January 2 has no great significance to the people of Canada and to the Parliament of Canada, why doesn't the Prime Minister put an end to January 2 as the deadline?

Mr. Deputy Speaker: The Hon. Member's time has expired. Is there unanimous consent of the House to allow the Leader of the New Democratic Party to continue his speech?

Some Hon. Members: Agreed.

Mr. Broadbent: Mr. Speaker, I thank members of the Government and others for giving me the extended time. I will not abuse that privilege.

I want to conclude by saying that the Prime Minister does owe the people of Canada the right to thoroughly look at, to understand in all its complexity, what he has described as the most important economic deal in the history of relations between our two countries. There is nothing magic and there is nothing of significance about January 2. We need as a people at least the amount of time the Americans have to assess the impact of this proposed arrangement on our lives. Canadians want, Canadians deserve and Canadians should have the democratic right to a real debate on the facts. The deadline of January 2 must be extended.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I have listened today with great interest to the leader of the socialist Party in Canada. There are a couple of areas in his speech with which I agree wholeheartedly. One is that Canadians are good, they are competitive. They work well and they are able to compete in this world today. I agree with him wholeheartedly, they are. That is what this agreement is all about. There is no question that we in the Progressive Conservative Party and the Government of Canada have great faith in our workers and our competitive position within the world. We can compete with the best.

We are following a process which started after the Second World War when tariffs dropped from an average of 40 per cent on a myriad of items to an average of 9 per cent on a few selected items. What has happened to this Canada in that period of time, Mr. Speaker? We have become a stronger country, a more sovereign country and a more affluent society. Prosperity has followed. This is just the natural progression following on those reductions in tariffs to get an open trading agreement, and not only with the United States. I am sure we will have some good progress in the current negotiations that are going on under the General Agreement on Tariffs and Trade in Geneva today.

My friend from Oshawa fears a great American takeover. The economy of his riding is generated by one of the finest automobile manufacturing operations in the world, namely, General Motors. He fears the American investment and he fears the Americans coming. He keeps saying around the country that we are going to be the fifty-first. Yet he welcomes with open arms $2 billion of investment by General Motors in his riding. That is welcomed with open arms. He does not call for an investigation or a review of that investment, not at all.

An Hon. Member: That is not free trade, it is managed trade.

Mr. McDermid: He is there applauding it. The Member thinks it is great if investment is in his riding. He thinks the Auto Pact is terrific because it helps his riding and his UAW friends. It does. We say that is great. I like it too because it helps in Brampton as well. I have an auto manufacturing operation in my riding as well. But if anybody else wants to take advantage of this agreement the New Democratics say, "We are opposed."

We have heard the doom and gloom and we have seen the crocodile tears.

Some Hon. Members: Oh, oh!

Mr. McDermid: I sat and listened quietly to the Hon. Member's speech. I have got the New Democrats going on the other side. I must have pinched a nerve.

Mr. Orlikow: You are not telling the truth, that is why.

Mr. McDermid: There is the Hon. Member for Winnipeg North (Mr. Orlikow) yelling that "You are not telling the truth".

Mr. Orlikow: You are not.

Mr. McDermid: But the NDP is trying to frighten Canadians. Here is the latest development from the New Democratic Party which is hot off the press. The NDP business development Minister in Manitoba, Al Mackling, would have Canadians believing that an armed invasion from the United States might occur if Canada tore up the free trade agreement or did not live up to its part of the deal.

Mr. Holtmann: Invasion?

Mr. McDermid: Have you ever heard anything so silly and ridiculous in your life, Mr. Speaker?

Mr. Broadbent: Stick to the motion.

Mr. McDermid: I am sure the guys at Fort Bragg are having a good chuckle today after that. The Hon. Member for Winnipeg North says we are not telling the truth. What about the nonsense of an armed invasion which the NDP is spreading around the countryside. It is such utter nonsense.

Mr. Blackburn (Brant): He was wrong. Tell us about free trade and farm implements.

Mr. McDermid: Let us get to the crux of the motion. I want to emphasize the importance of this free trade agreement to all regions and all sectors of our economy and talk about the unprecedented program of consultation with Canadians. If the Hon. Member for Brant (Mr. Blackburn) would sit back and relax, I will let him speak after me—

Mr. Blackburn (Brant): A thousand jobs have been lost in Brantford on free trade.

Mr. McDermid: That had a lot to do with free trade, sure.

Mr. Broadbent: You lunkhead. If they had an Auto Pact there it would not have happened.

Mr. Deputy Speaker: Order, please. Can we allow the Member to continue his speech? The Hon. Member.

Mr. McDermid: We sure have the New Democrats going this morning, Mr. Speaker.

As I was saying before I was so dramatically interrupted, the consultations that we have had in the last number of years with Canadians on the free trade negotiations are unprecedented. Most legitimate, if not all legitimate studies done outside of Government have recommended that we enter into these trade negotiations. It was most important that this be done to protect and enlarge our markets. From the time the negotiations were begun, we have had those consultations and they have allowed us to enter into a two-way dialogue with business, labour, consumers, and with the provinces. The core of the system of consultation has been the International Trade Advisory Committee system to provide a two-way flow of information and advice between the Government and the private sector.

• (1200)

Under the distinguished chairmanship of Mr. Walter Light, bringing together more than 40 leaders from business, labour, consumer groups, and academia, the ITAC, the International Trade Advisory Committee, has concerned itself with broad matters relating to international trade access and marketing. It has made valuable recommendations to the free trade agreement negotiation process.

Complementing the work of ITAC are 15 sectoral advisory groups of international trade, SAGITs. The SAGITs represent a broad cross-section of the Canadian economy. For the record, I wish to cover the sectors that are represented. There is agriculture, food and beverage; fish and fish products; minerals and metals; energy products and services; chemicals and petrochemicals; forest products; industrial, marine and rail equipment; automotive and aerospace; textiles, footwear and leather; apparel and fur; consumer and household products; communications, computer equipment and services; financial services; general services; arts and cultural industries.

The SAGITs were all selected in close co-operation and consultation with various national trade groups, provincial Governments, and labour. Both the ITACs and the SAGITs were provided regular briefings on the state of the negotiations by the senior negotiators of the trade negotiation office, and had the opportunity to formulate recommendations directly to the Minister for International Trade (Miss Carney). More than 150 meetings of the sectoral advisory committees and their working groups have been held over the past 18 months. We asked for advice, we listened to it, and we acted on it.

Over and above the formal SAGIT consultations there have been dozens of briefings and consultations by officials from the trade negotiations office with all segments of the private sector. Recently the Minister of Agriculture (Mr. Wise) has held extensive consultations—

Mr. Blackburn (Brant): Couldn't sell free trade to the farmers either.

Mr. McDermid: —with representatives of grape growers and wineries in the Provinces of Ontario and British Columbia—

Mr. Cassidy: They turned them down four to one.

Mr. McDermid: —to discuss mechanisms to facilitate the process of adjustment.

Mr. Blackburn (Brant): Give us the whole story, John.

Mr. Cassidy: Don't just put your side of the story.

Mr. McDermid: In addition, for weeks government Ministers and other Members of the House have been criss-crossing the country holding meetings, speaking, answering questions, and appearing on radio and television all in an effort to enhance the two-way dialogue with Canadians on this important issue.

Mr. Cassidy: The Tory propaganda machine.

Mr. McDermid: We have helped explain this agreement to Canadians, and equally important we have listened to the views and the concerns of Canadians in every region of this country.

Apart from close consultation with the private sector, the Government undertook to work closely and co-operatively with the provinces. The First Ministers were briefed and consulted regularly as the negotiations progressed. They received briefings with slide presentations on every detail of the agreement. Typifying the co-operative spirit which this Government has fostered, through the Meech Lake Accord and other federal-provincial co-operative endeavours—even our Liberal friend from the Province of Ontario stated that the new attitude is very positive for Canada—the First Ministers were kept fully apprised, not through personal briefings but by a detailed network of contacts at the senior officials level.

In fact, since the negotiations began, we have held approximately nine First Ministers' meetings where the free trade agreement was the single agenda item; three First Ministers' Conferences where free trade was extensively discussed, most recently in Toronto on November 26 and 27. There have been 19 full day committee meetings of the senior officials forum, the continuing committee on trade negotiations, and scores of working group meetings on every subject of the free trade agreement. More than 500 documents have been shared with the provinces. In addition, provincial trade Ministers and designated Ministers have met with the Minister for International Trade on several occasions to review the free trade issues. No previous Government has involved the provinces so extensively in such a comprehensive process of consultations and information sharing.

It is not only the private sector and the provinces that had an opportunity to express their views and participate on the process. On March 16 of this year the House debated a motion introduced by the Minister for International Trade:

> That this House supports the negotiation of a bilateral trading arrangement with the United States, as part of the Government's multilateral trade policy, while protecting our political sovereignty,—

Done!

social programs,—

Done!

agricultural marketing systems,—

Done!

the auto industry—

Done, and—

Mr. Cassidy: Done in.

Mr. Blackburn (Brant): Sold out.

Mr. McDermid:

and our unique cultural identity.

Done!

Hon. Members opposite were given a full opportunity to express their views on that occasion.

To ensure further that Parliament fully take account of the views of the Canadian people on this important national issue, the Standing Committee on External Affairs and International Trade of this House, representing all Parties, has been holding hearings in Ottawa and across the country.

Today I listened to the Leader of the socialist Party stating that all those groups and individuals could not appear before the committee. I do not know how many committees he has served, probably not too many because he has primarily been the Leader of the Party, but I can tell him that there has not been a committee that I have served on where it was humanly possible to accommodate all the witnesses who wanted to appear before any committee, no matter what it was.

For over one month now this committee has been hearing why the free trade agreement is so important to Canadians in all regions of the country. It held hearings in Vancouver, Edmonton, Yellowknife, Regina, Winnipeg, Toronto, Ottawa, Montreal, Fredericton, Charlottetown, Halifax, and St. John's. Prior to that, hearings were held for two and a half weeks here in Ottawa.

The Minister for International Trade and senior officials of the trade negotiations office have appeared before the committee whenever requested to ensure that the terms of the agreement are clearly understood. Women's groups, labour leaders, representatives of our First Nations, trade associations, have all had and are having a chance to be heard. Altogether, this committee has now heard from nearly 200 Canadian organizations and individuals from every province and territory in Canada.

Furthermore, despite the large majority of Conservative Members on that committee, which reflects the composition of this House, Members from the Opposition have been given an unprecedented degree of influence to guide the course of these hearings, including the power to select fully one-half of all the witnesses invited to appear before the committee. I do not think that anything has been fairer.

I do not understand the weeping and gnashing of teeth today of the Leader of the socialist Party, because there have been over 200 representations. If the Hon. Member took time to analyse the composition of those who appeared, I am sure he would find that virtually every corner of this country was represented by one group, organization, or individuals who appeared before the committee. Alone, the churches that appeared before the committee represented a very large cross-section of Canada.

To round out this comprehensive consultative process, the standing foreign affairs committee of the other place has been holding public hearings on the free trade agreement for nearly one month. I might say, Mr. Speaker, it was a study by the Senate that also supported Canada entering into free trade. It was the Liberal dominated Senate that recommended that the Government enter into trade negotiations with the United States.

The Senate committee has been receiving highly detailed evidence and testimony from a wide range of Canadian experts and specialists, and making an extremely important contribution to the public dialogue on this critical issue. This adds up to a major effort of consultation, allowing the Canadian people in all provinces and territories an unprecedented degree of input and awareness. It is a reflection of the commitment of the Government to hear the views of the people of Canada as individuals—

• (1210)

Mr. Blackburn (Brant): How can you read that with a straight face, John?

Mr. McDermid: —through their provincial Governments, through their federal MPs, through their business, economic, labour, and church leaders.

The Hon. Member opposite laughs. The church leaders appeared before the committee. What is he laughing at? I mean, what is so funny?

Mr. Cassidy: You ignored them.

Mr. McDermid: Why is the NDP laughing about the church leaders appearing before the committee?

Some Hon. Members: We are laughing at you.

Mr. McDermid: The Hon. Member for Brant is laughing at church people appearing before the committee. What is so funny about that?

Mr. Blackburn (Brant): Go ahead, John.

Mr. McDermid: What is so funny about that? This is only one element that chose not to participate in the consultative process.

The groups were offered the opportunity of confidential briefings and refused. They should remember that. The Leader of the New Democratic Party and his buddy, the right hon.

gentleman in the Liberal Party, say that everything is secret, that everything is done in secret, and that nobody knows what is going on. They were offered briefings, they were offered confidential briefings. Not only were they offered them; they asked for them.

Mr. Hopkins: Briefings in secret.

Mr. Riis: Secret briefings.

Mr. McDermid: They asked for them. They asked for confidential briefings. We offered it, and they turned it down.

Mr. Riis: They didn't want to do things in secret, under cover, or *in camera*.

Mr. McDermid: Is it not terrible that they turned it down? Dear, oh, dear! They stand up with this great song and dance about how badly they have been treated on this. There has never been, to my knowledge, as much consultation or as much involvement with the Canadian people in an agreement.

Mr. Riis: You should go to Kamloops and say that.

Mr. McDermid: NDP Members sit there and howl. They know, for example, that the Auto Pact was never brought to the House. It was negotiated in secret. It was signed. It was a *fait accompli*. There was absolutely—

Some Hon. Members: So what?

Mr. Cassidy: We are talking about the people of Canada now.

Mr. McDermid: I know, but let me finish my point.

The Hon. Member for Ottawa Centre (Mr. Cassidy) likes to sit on the seat of his pants and yell. We understand why the Ontario NDP kicked him out as leader. The only time he ever made any sense was when he was sitting on the seat of his pants.

Ms. Dewar: You are really stretching it.

Mr. McDermid: Let me say that there has never been consultation in any trade arrangement—

Ms. Jewett: Even Pat Carney is better than this.

Mr. McDermid: —by any Government in Canada like there has been on this one—never, never in history. For them to stand here and say that we have not consulted is absolutely ludicrous. Given the extensive, wide-ranging, consultative effort in which the Government has been engaged for over two years, it is unnecessary, in our view, to delay the signing of the free trade agreement beyond January 2. Not only is an extension unwarranted but, as Hon. Members opposite should know, it is manifestly unrealistic.

Barring a Congressional extension, the U.S. President does not sign the free trade agreement. We know what they are up to. They are going to try to scuttle the agreement any way they can. We know that. We know what their bottom line is. This talk about "give us another 60 days to consider" is nonsense. They are out to scuttle the deal. They know that. They have known the timetable of these negotiations right from the beginning. It has not been a secret anywhere, any time. Now they want it extended because they know what happens if we do not sign the agreement. They know that Congress would no longer be bound to the fast track rules requiring a straight up or down vote, with 90 legislative days following the submission of the implementing legislation. They are going to be considering their legislation as well as the agreement. The same process will be going on here in Canada. We will be considering the agreement and our legislation as well.

This means that the U.S. Congress would have the right then to pick apart this delicately balanced accord and introduce any amendments it saw fit, or simply delay the action indefinitely. Clearly it is not in Canada's interest to have this fast track process derailed for any amendments at this stage by the U.S., because it would not serve—

Some Hon. Members: Oh, oh!

Mr. Andre: I wish the camera would be on the whole House so that the people would see how the Opposition is acting.

Mr. McDermid: Yes, that would be a good idea. I would support that amendment.

Mr. Hopkins: That would put you on too, Harvey.

Mr. McDermid: Furthermore, while the January 2 deadline could theoretically be extended by Congress, it is hardly likely, given that Congress is set to recess at the end of next week and in the meantime is preoccupied, as the Hon. Member knows, with a full agenda including arms control and deficit reduction. Deficit reduction, which the NDP does not understand. In summary, as I have outlined, the free trade consultations that we have conducted with the Canadian people have been extensive, exhaustive, and thorough.

Even if it were possible, therefore, there would simply be no need to delay the signing of this historic agreement.

The Canada-U.S. free trade agreement is crucial to Canada's long-term economic prosperity. I urge my hon. friends opposite to set aside their narrow partisan interests and join the Government as it prepares Canada to take its place in the new competitive environment of the 21st Century.

In closing, I want to remind the people of Canada that it is the same bunch that opposed the Auto Pact 23 years ago—

Mr. Broadbent: Another lie.

Mr. McDermid: The same gang exactly that opposed the Auto Pact 23 years ago.

Mr. Broadbent: Lie after lie.

Mr. McDermid: Today they are protecting it with their lives.

Mr. Broadbent: I called you a liar. Did you hear?

Mr. McDermid: I will make a prediction today, that 20 years from today that same bunch over there will be standing up and saying that this was one of the best agreements that Canada ever signed in international trade and will be protecting this one with their lives.

Mr. Blackburn (Brant): Mr. Speaker, I have a comment and a question. I would like to put a question to the Member who just spoke. He was talking about the Auto Pact. Tories love to refer to the Auto Pact in the same breath as they are referring to free trade. The Auto Pact is not free trade. It is managed trade with sanctions against those companies or those countries that do not go along with the specific agreement.

However, thanks to managed trade in the Auto Pact in the last 10 years, between 1974 and 1984, we created 4,000 new jobs in this country.

Let us take a look now at free trade in the agricultural implement industry. We have had free trade in farm implement manufacturing with the United States since 1948. In every year since 1948 we have had a net deficit with the United States in the manufacture of farm implements—a net deficit. Between 1974 and 1984 we lost 5,000 jobs thanks to free trade. We lost 1,000 of those jobs in the City of Brantford when White Farm implements was forced to close, I believe it was, in 1985.

I want to ask the Minister or the Parliamentary Secretary how he can explain that. The point here is that through free trade—and I am not talking about the three or four bad years farmers went through before White Farm went down in 1985, I am talking about the good years in the fifties, sixties, and seventies—we had a net deficit in farm implements. That is the devastation which this Mulroney trade deal will bring upon the whole country.

Mr. Deputy Speaker: The hon. future minister for Brampton—Georgetown.

Mr. McDermid: I keep getting promoted.

Mr. Broadbent: With that kind of performance I think you are ripe.

Mr. McDermid: I thank the Hon. Member for Oshawa (Mr. Broadbent). It is very kind of him to say that.

The Hon. Member knows full well that the Americans lost about 50,000 jobs in the farm implement business too. It was an international problem, and he knows that full well. He cannot blame that on free trade between Canada and the United States. He is comparing apples and oranges, and he knows that full well.

Mr. Blackburn (Brant): You are talking about the recession. I am talking about the good years, the fifties, sixties, and seventies. I am talking about 30 years.

Ms. Dewar: It is scary.

Mr. Riis: He does not understand the elementary aspects of this.

Mr. McDermid: They are trying to say that the free trade between Canada and the United States in farm implements destroyed that particular industry for Canada.

Mr. Broadbent: You got it. Right on.

Mr. McDermid: It did not.

Mr. Blackburn (Brant): There is only one Canadian firm left.

Mr. McDermid: Why is there one Canadian firm left? It is because they are competitive, because they are good, and because they can compete in the market-place. That is the whole story.

Mr. Blackburn (Brant): Where did the other ones go?

Mr. McDermid: Why can Canadians compete in so many other areas? It is because they are good at it. If there is one firm left and it is competing in that area, it is because it is good at it.

Mr. Blackburn (Brant): That is incredible, John.

Mr. McDermid: It is as simple as that. The Hon. Members knows that comparing the farm machinery matter with this agreement is comparing apples and oranges.

Mr. Blackburn (Brant): It is not. It is free trade.

Mr. McDermid: He is totally out to lunch on it, and he knows it.

• (1220)

Mr. Axworthy: Mr. Speaker, I have a very simple question for the Hon. Member. During the course of his speech he took some pride in announcing that churches had been consulted during the course of the committee hearings. It is true that the Primate of the Anglican Church appeared, the Moderator of the United Church appeared and Bishop De Roo representing the Conference of Catholic Bishops appeared. They represent the three largest denominations in Canada. All three said that the proposed trade agreement was immoral. All three said that it should not be signed. All three said that the process is undemocratic. All three said that it would fundamentally change the structure of the economy.

If the Hon. Member believes in consultation, is the Government prepared to listen to those church leaders representing a vast majority of Canadians speaking from an ethical point of view who are saying that this agreement stinks, is immoral and

should not be signed? If he believes in consultation, why is the Government not listening to those church leaders?

Mr. McDermid: Mr. Speaker, we have listened to them. My father was a United Church minister. I am a member of the United Church of Canada. One of the United Church ministers who appeared before the committee said that every Christian should oppose this trade deal. As a Christian, I am offended by that type of representation. I believe that there is nothing immoral about this agreement whatsoever. It is a commercial agreement. The ministers to whom I have talked in my community from those congregations do not necessarily support what their churches are saying.

The point I was making earlier was that the Leader of the New Democratic Party was saying that we did not consult broadly. That was the point he was trying to make and I was saying that we did consult broadly.

We listened to them. We listened to what they had to say. However, we can have differences of opinion. That is allowed in this country, thank God.

Mr. Broadbent: Mr. Speaker, I listened with considerable interest to the Hon. Member's erudite comments on the auto industry in which he repeated the systematic disinformation the Conservative propaganda machine has been kicking out about this free trade agreement. I want to ask the Hon. Member a straightforward question.

If it is a free trade agreement, why is it that when it came into being it had investment requirements in Canada built into it? Quite specifically, the presidents of General Motors, Chrysler and Ford signed letters committing themselves and their companies to a certain level over time of investment in Canada. Is that what the Hon. Member is describing as free trade? If he is, I can tell him that there is not an economist in the world who would agree with him unless he happens to be a big "*C*" Conservative economist and has as little regard for the truth as the Hon. Member.

Mr. McDermid: Mr. Speaker, here is what NDP Members said about the Auto Pact. They said that the Government is devious or insufficient with the Auto Pact. They said that the Government has made no plans to handle the dislocation and retraining of those who would lose their jobs as a result. One thing they did not say at that time was that we would lose our culture. They did not say that, but they did say that all the American firms would move back to the United States and that we would lose jobs because of this deal. They made all these dire predictions and they are doing it again.

The Hon. Member does this. He asks questions and then he walks out of the House.

Mr. Broadbent: Yeah, because I want an answer to the question.

Mr. McDermid: He did the same thing the other day in Question Period. He has absolutely no interest whatsoever in any answers. He does it all the time.

Mr. Broadbent: You are a lying phoney who won't answer the questions.

Mr. Deputy Speaker: Order, please.

Mr. McDermid: Point of order.

Mr. Deputy Speaker: Order, please. I think Hon. Members know that they should not comment on whether Members are present or absent in the House.

Mr. McDermid: Mr. Speaker, I rise on a point of order. I was called by the Leader of the New Democratic Party just now a lying phoney. I would ask him to withdraw that remark.

Mr. Broadbent: Which part of it do you want withdrawn?

Mr. McDermid: All of it.

Mr. Broadbent: Mr. Speaker, I would be totally happy to withdraw the unparliamentary language and I now hope that the Hon. Member for once in his life in this Parliament would have the integrity to answer the question that was asked of him.

Mr. Gustafson: Mr. Speaker, I have listened with interest to this somewhat heated debate on trade. I would like to ask the Parliamentary Secretary about the headlines which appeared in one of the major newspapers from Ontario today. One headline reads: "Ontario's future rosy under trade pact, province forecasts". Down a little further, it says: "Ontario treasury officials say provincial exports to the United States will grow next year". It goes on to indicate very clearly that there seems to be some contradiction.

The Hon. Member for Oshawa (Mr. Broadbent) represents an Ontario riding that has received great benefits from trade with the United States. It indicates here that provincial government officials from the Province of Ontario feel that this will continue and expand under a free trade agreement. There seems to be some contradiction here.

I am a western Member and know that western farmers and producers have been wanting to get what Ontario has had. We now see that the advantages of free trade will be expanded. I am very pleased with this debate because there seems to have been a turnaround in the direction of the provincial Government of Ontario. I would like to hear the Hon. Member's comments on that.

Mr. McDermid: Mr. Speaker, I was interested in reading this morning's report that the Treasurer of Ontario, Robert Nixon, released. I think he was a little concerned about that report. Obviously he tried to do some backtracking on it. After he read it, he said: "No, no, I don't want you to misunderstand this, now, this is not an endorsation of the free trade agreement". However, it certainly was very interesting. Knowing

the Department of the Treasury in Ontario fairly well, it usually puts out some fairly good and accurate information. Needless to say, we were very pleased to see that.

We have said all along that Ontario has the most to gain from this agreement. There is no question about it. If we do not get a free trade agreement with our largest customer and if we do not have access to and open up that market, then Ontario has the most to lose. I believe the people of Ontario understand that, and that support for the agreement is growing.

I might add that opposition Members have had for the last three years a plan to discredit this Government by rising in the House of Commons to call the Prime Minister, the Parliamentary Secretaries or the Ministers liars. They are still at it today. They do not have to justify it, they just rise and say it. Unfortunately, it has, to my way of thinking, detracted greatly not only from this debate but from any debate.

One of the things that concerns me about the free trade debate is the name-calling on all sides by both—

Ms. Dewar: You started it.

Mr. McDermid: Now they are—

Mr. Riis: Simon Reisman called us a bunch of Nazis and you supported that. The Minister for International Trade (Miss Carney) supported that. She said that that was quite right.

Mr. McDermid: May I finish what I was trying to say?

Mr. Riis: The Prime Minister broke his promise and called us Nazis. Do you support it? Do you call us Nazis as well?

• (1230)

Mr. McDermid: I am saying that name calling by both sides is wrong. It takes away from the importance to Canada of this debate. Someone said "You started it". It does not matter who started it, it is wrong on both sides. I hope it will stop so that we can debate this agreement without totally unfounded and unfair name calling.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, over the last hour or so I have listened with some interest to the presentations by both the Leader of the NDP (Mr. Broadbent) and the Parliamentary Secretary. Between the scuffling some very important issues were joined. The Parliamentary Secretary, who in his presentation almost makes one long for the Minister for International Trade (Miss Carney) to be in the House—

Mr. Blaikie: And that is not easy.

Mr. Axworthy: —and that is not easy, has now admonished us to try and stick to the facts. I will do that. I will take the Parliamentary Secretary at his word, that he is prepared to listen to the facts, not as they are pumped up by the public relations firms his Government has hired, but by the reality of what has taken place in this country on the issue and what Canadians are saying about it.

Let us start with January 2. That is a very important date. It is not insignificant, as the Prime Minister said. Under a parliamentary form of Government, when the Prime Minister (Mr. Mulroney) exchanges instruments with another country he commits us to a course of action. It is not the same for the President. He is restrained by the obligation to have congressional concurrence. When our Prime Minister signifies his intent to enter into this particular arrangement on January 2, he is committing Canada to that course of action. That is not insignificant.

The one thing which has become very clear in this debate, from whatever source, is that this is not a trade deal. It has elements of trade but the principles tabled on October 4 go way beyond the conventional trade negotiations conducted between countries. They go way beyond anything in the common market today. They deal with matters which no other group of nations has ever tried to negotiate or come to an arrangement on. They go into areas of control of our domestic economy way beyond anything attempted before, control of our energy sector—

Mr. McDermid: Wrong.

Mr. Axworthy: —investment, cultural arrangements, and service industries. Those areas of such incredible concern were not forecast in any announcement by the Government. They were not given any kind of preliminary airing in this Parliament. Yet they were part of a deal arrived at in Washington in a sort of finger liken' good fried chicken dinner between the respective negotiators. All of a sudden we found we do not have a trade deal, we have a form of sovereignty association, economic union, and economic integration which goes way beyond anything attempted in the past. So for the Hon. Member to cite studies to demonstrate that there has already been full and adequate discussion misses the point.

The point is this agreement was not included in any of those studies. A North American energy policy was not part of any forecast that the Government provided. In fact, when two Ministers, one from Prince Edward Island and the other from Manitoba, were directly asked about that, they both said clearly that the Government did not even include the provinces in those discussions. Whatever consultations did take place, there were a lot of hidden cards in the deck which were not revealed even behind closed doors.

In addition, the Parliamentary Secretary made a historical gaff. He said this agreement is in line with successive government efforts since the 1940s to reduce trade barriers. No other Government in that period of time ever put forward the proposal that we sign a comprehensive commercial trade and economic arrangement with the U.S. There have been sectoral discussions. There have been reductions in tariffs brought about as a consequence of international negotiations, not

bilateral negotiations. This is the first time since 1911 that any Canadian Government has wilfully decided to initiate negotiations on a comprehensive trade arrangement. That has nothing to do with historical continuity. This deal breaks that continuity and, furthermore, goes against the wisdom of history which shows that we were able to achieve reduction of tariff barriers without surrendering control over large parts of our economy.

One of the distinct advantages of securing trade liberalization through the international system is that you can do it without having to surrender autonomy over your own economy. The rules of subsidy under GATT are very different from the rules of subsidy established by the Americans. They did not concern themselves with regional development policies or cultural issues. That was not part of the international trade regime, but this is. The Hon. Member wants facts. That is a historical fact and the Hon. Member is wrong in what he said as a result. He did not state the facts properly.

Let us talk about these consultations that went on. He talked about SAGITs and industrial groups. During the course of the committee's travels across the country I had occasion to ask the National Anti-Poverty Organization whether it was consulted. No, it was not. Was the National Farmers Union consulted? No, it was not. Were the churches consulted? No, they were not. Were women's organizations consulted? No, they were not. In other words, a large part of the Canadian population was excluded from those consultations.

What the Hon. Member was really describing was an elite process. Consultations were confined primarily to spokespersons or advocates of those who want a free trade arrangement. They did not include a broad spectrum of Canadian society. When he tries to make the case that consultation is already taking place, yes, consultation among friends but not among the broad population.

It is interesting to ask who was the chief agricultural representative appearing in front of that committee. It was the spokesman for Cargill! Hardly what you would call a representative of the grain economy in western Canada. That company certainly has a right to be heard but it certainly does not represent the kind of broad-based pool and co-operative farm movement on the Prairies.

On the other side of the border, who was the chief advisor on agriculture to the Secretary of the Treasury and the Chief Trade Negotiator? It was the former president of Cargill. They got it both ways. They locked up the consultation process in one company. So when we talk about consultation, we have to ask who, and for what interest?

Mr. McDermid: Be honest.

Mr. Axworthy: The Hon. Member talked about a wide range of studies which were produced to provide support for the trade deal. Let us look at those studies for a moment. Where do they come from? Who did them? What was in them? What did the Macdonald Commission report, the Government's Bible, have to say? It said there are two kinds of major trade issues, tariff and non-tariff barriers. The non-tariff barriers can only be handled, says the report, by getting an exemption from U.S. trade laws. In other words, the primary criteria established by the Macdonald Commission, has not been met by this agreement. To cite that report as proof that somehow this agreement has a wealth of evidence behind it simply ignores the studies themselves.

What about the famous Economic Council report which has been waved in the face of countless House of Commons sessions by the Prime Minister to prove that 350,000 jobs will be created. The Economic Council based its study on the premise that countervail and anti-dumping laws would no longer apply to Canada. Furthermore, it did not include the service industry which accounts for 70 percent of jobs. The arrangement that has been negotiated does not include exemptions from countervail and anti-dumping and does include the service sector. In other words, the study is irrelevant and useless.

• (1240)

The point is that we have to talk about the deal. All that went before is only prologue. We have to talk about the specifics of the deal. What has the Government done to enable large numbers of Canadians to gain information about the arrangement and to ensure that when Canadians were consulted they would be listened to and responded to? There is no point in undertaking consultation if it is a one-way street, if it does not complete the circle. If there is no response from the Government it is only a cynical, crass attempt to manipulate public opinion. In genuine consultation people are responded to.

What have we achieved with this arrangement? When the elements of the agreement were tabled on October 4 we were promised that there would be a final text in a matter of a few days, in a couple of weeks at most. We are still awaiting that final text. The Government expects Canadians to give their opinions on something they have not yet seen. That would give Jonathan Swift a wonderful subject for satire. It is too bad that he is not alive to day to listen to the Parliamentary Secretary speak. He would have a new rendition of *Gulliver's Travels*. Let us go out and consult, they say, but we will not tell them what we are consulting about because we do not yet have the final text.

We understand that there were problems in the second round of negotiations. We understood that there were pressures. Why could the Government not be honest and say so? Why could it not just say that the October 4 document was incomplete and had problems, that it had to go back to the bargaining table and renegotiate, that it would come back with an agreement in December and start with the fast track process? Instead, the Government maintained its charade. It launched a committee across the country without the final text.

The Member pointed to that committee with great pride. He said that we had all the consultation we could possibly stand. In fact, the majority members on that committee refused, by vote, to extend the hearings to a date when we would have a final text. They refused to open the committee by advertising in newspapers where the committee was sitting in order that people could come forward. Witnesses were pre-selected.

There have been plenty of precedents for the openness about which I have spoken. When I was a member of the Joint Committee on International Relations which studied free trade one of the most important parts of the committee's hearings was at the end of each day when the session was opened up to individual representations. It is true that sometimes we had to sit until 11 p.m. or midnight, but some days we heard 20 or 30 unsolicited Canadians who came forward to be heard. That was one of the most important parts of that committee because it gave us insight into the basic anxieties and concerns of a broad cross-section of Canadians.

This committee was deliberately refused that opportunity by the majority of Tory members on that committee. For the Hon. Member to stand in this House and say that that was a legitimate process denies what went on. It denies the fact that a parliamentary committee was restricted, limited, and circumscribed in the proper functioning of its duties. It is a fact on the record that the committee was handicapped in its work.

After 100 years of tradition in this House and centuries of tradition in the British House the whole point of having a committee is that it will be heard and that its report will be tabled in the House and responded to. The committee will report next Tuesday. Its report will contain a number of recommendations from people who spoke about how the agreement must be changed. Even those who are philosophically in favour of free trade said that it is a bad agreement and needs correction. Is the Prime Minister going to allow those corrections to take place? Is he going to give proper and due consideration to the findings of that committee?

For example, we are faced with a fundamental dilemma in that the Grocery Products Manufacturers association, the largest employer in Canada employing close to 300,000 workers, said that under this deal they may be forced out of business because, by reducing tariffs to zero, the Americans will be able to import packaged, processed, and frozen goods at a much lower cost, while in Canada we are also being required to fulfil supply management. We must remove supply management or they will be put out of business by the tariff changes. They asked the committee to do something about it. I am not making that up, it is the fact.

It would seem to me that a government interested in governing would recognize that it is putting at risk the whole food processing industry of Canada, to say nothing of the supply management system. That legitimate and deeply-felt concern was expressed to the committee.

Will the committee's findings on that be incorporated in the new agreement? Of course not. The Prime Minister is going to run off and sign something on January 2. He will not fulfil his proper parliamentary obligation to listen to the findings of a committee of this House. We say that the rights of Parliament are being usurped and one can find no clearer evidence of that than what I have just cited.

A very dangerous trend is being started by the Government. The constitutional arrangement was negotiated by the executive behind closed doors with no accountability to elected representatives, provincial or federal. This economic union arrangement was negotiated behind closed doors by executive bureaucrats who did not tell us what was going on. Now this Parliament is being denied the lawful and rightful functioning of its committee.

In addition to the clear and prevalent danger to the economic, social, and political arrangements of this country in the arrangement which the Prime Minister and the President will be signing on January 2, in whatever form, there is also the erosion of Parliament. The fundamental rights for proper and free discussion and for accountability are being undermined and eroded by the Government. This is the most basic contempt for this House that we have seen in generations. That is one of the most serious consequences that we face.

I would like to point out one final fact. The justification for this ramrod, choo-choo, hurry up, headless horseman approach to the trade deal has been that we must follow the American timetable of the fast track. That has been the one and only justification. Today we learned that the chairman of the Ways and Means Committee and the chairman of the Senate Finance Committee said that the agreement would not even be dealt with until June. Mr. Speaker, the fast track is in Canada and the slow track is in the United States.

• (1250)

The timetable has nothing to do with the American timetable in this respect. If the American legislators are saying they cannot even begin to deal with the matter until late June, would it not have been proper to ask for the kind of extension that this motion seeks? According to the American legislation, Congress has the right to grant that extension. I say to the Parliamentary Secretary that the Congress has the right to grant that extension, if requested. But the Government has not even taken the time to request it.

Once more, we see that contempt for Parliament and the complete disdain for the rights of Canadians to know what is happening and be able to understand what will be in the agreement. The Government has refused to listen and respond to their concerns, and incorporate them in the agreement itself. All the fundamental obligations of a parliamentary democratic system are being spurned, ignored and thwarted by the Government in proceeding as it has with this particular deal.

[*Translation*]

Mr. Harvey: Mr. Speaker, this morning you may have noticed there was a lot of panic in the Opposition ranks, among the NDP and the Liberals. It may be because Canadians are starting to realize these two Parties do not always tell the truth. Actually, I find it hard to take the heated exchanges we were hearing from both Opposition Parties, especially the last speaker, very seriously.

How can anyone be expected to take the Hon. Member's comments seriously after watching the position taken by the Liberal Party in recent weeks and months on issues that are of vital importance to all Quebecers and all Canadians? I think of Bill C-22, the legislation on drug patents, where the position taken by the Liberals was a mass of contradictions. Some Liberal Members even left the House to avoid voting on the Bill, including the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart). Finally, however, we all agreed to condemn the attitude taken by the Liberal majority in the Senate, which has arbitrarily opposed a Bill that will generate thousands of jobs in Quebec.

The Liberal Party was also divided on the Meech Lake Accord, an agreement that in the final instance led to national reconciliation, while the profound differences within the Liberal Party were not surprising, considering the divisive policies of this Party.

Regarding the issue before the House today, I would like to ask the Hon. Member first of all when the Liberal Party is going to start its campaign against free trade in Quebec. Second, I want to ask him what he thinks about the position taken by the Premier of Quebec, Mr. Bourassa, who, I would think is perfectly capable of defending the interests of Quebec and has spoken out several times in favour of the Free Trade Agreement?

Mr. Axworthy: Mr. Speaker, for the Hon. Member's information, we have started our campaign against the Mulroney-Reagan Agreement on economic integration of Canada and the United States. In fact, Mr. Speaker, we have had several meetings with, for instance, the groups representing farmers and the agricultural industry which are very concerned about the Conservative Government's proposal. In fact, the Quebec Government has changed its position on agriculture—that may be of particular interest to the Hon. Member—and on the textile, food, clothing and research sectors.

Representatives for these industries made representations against free trade because jobs would be lost in these sectors. This is not just a Liberal concern. It is a concern that is felt by the people of Quebec as well.

[*English*]

Mr. Allmand: Mr. Speaker, just prior to the speech by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) a Government Member rose in his place and referred to an article in *The Globe and Mail* this morning which had the headline: "Ontario Future Rosy under Trade Pact: Province Forecast". When we saw that article we immediately called the Ontario Government to find out if the report was correct. Of course, we were told that it was not.

I now have a copy of the forecast of the Ontario Treasury Department, and I believe the Hon. Member has one as well. It states:

> A single quantitative estimate of the macroeconomic impact of the proposed Canada-U.S. trade and investment agreement is not possible. The proposed deal covers many areas and issues—for example from tariffs to investment, to energy, to services, to procurement, to agriculture, and to dispute settlement. Most, if not all, do not lend themselves to summary arithmetic evaluations.

It goes on. Unfortunately, even great newspapers like *The Globe and Mail* badly interpret complex Government reports from time to time. Would the Hon. Member comment further on this? I noticed that Government Members took great glee in referring to this headline which is now shown to be false.

Mr. Axworthy: Mr. Speaker, I thank the Member for Notre-Dame-de-Grace—Lachine East (Mr. Allmand). I think he has corrected what was clearly an attempt to provide misinformation to the House.

If one reads the actual report, one can see that the economic forecast clearly states that it will not make those kind of quantitative judgments because, as I have said, so much of what is in the agreement goes way beyond trade and into the inner workings of our economy. Therefore, the judgments that must be made are those based upon whether we will retain the ability to manage our economy.

The Ontario study itself suggests that losing control over regional development, over the energy sector and over the automobile sector would result in serious consequences. It points to one example that I think is important to illustrate. Our Party's position is not against tariff reduction. Since 1948 our Party has witnessed and has initiated substantial reductions of tariffs around the world. Members of past governments have certainly made great efforts to work out amicable trade arrangements with the Americans, the Europeans and other countries.

The fallacy in the Conservative Government's case is that it puts forward the argument that only by a comprehensive bilateral, all-encompassing economic arrangement with the United States can we secure tariff reduction. Of course, that is absolute, total nonsense. Negotiations are currently taking place in GATT to reduce tariff and non-tariff barriers, without giving away all of the sectors of our economy that are included in this agreement. Furthermore, the United States trade legislation itself has a specific requirement to negotiate the reduction of tariff barriers with Canada. In other words, we would not have to become involved in energy, investment and services. They are not part of tariff reduction.

My point is that there are other ways of bringing about whatever benefits reduced tariffs may have. The way is not to sell out the fundamental institutions of this country.

• (1300)

Mr. Deputy Speaker: This the last question. The Parliamentary Secretary.

Mr. McDermid: Mr. Speaker, we know the Opposition will do absolutely anything to scuttle this deal. It has opposed the deal right from the start. Before the Opposition ever saw the deal it was opposed to it. It is still opposed. Now it has come to the conclusion that the only way it can scuttle the deal is to extend it on into 1988, into the American elections, and let it be picked apart and torn asunder. We know that is the *raison d'être* of the Opposition, and we understand it.

The Hon. Member talks about GATT. This is the favourite vehicle of the Liberals. It is interesting to note that our GATT partners were very interested in and very supportive of this agreement. They say it bodes well for the negotiations going on now in Geneva, and if Canada and the United States could not have had had a free trade agreement, two of the largest trading partners in the world, it did not bode well for the negotiations going on in Geneva at the present time. So they were supportive and pleased to see the progress made on that agreement.

The Hon. Member talked about services. Services are the fastest growing industry in the world and the GATT, which again the Opposition loves to talk about, support and embrace wholeheartedly, felt as well that services were a very important part of the negotiations, in fact, so important that they have it on their agenda for the negotiations in Geneva as well. They felt because of this fast growing part of our economy in the world that something had to be done.

If the Hon. Member is saying we took services in under this agreement, we certainly did and we are proud of it. We are a Progressive Conservative Government. We look forward to the future. We know that services play a very important part in the world's economy today and have to be tackled, and we had the guts to do it.

Mr. Axworthy: Mr. Speaker, I think the Parliamentary Secretary has just displayed to this House the Conservative mentality when it comes to trade negotiation. He is obviously saying that we would prefer to negotiate services through a bilateral arrangement as opposed to doing it internationally. If, as he quite correctly states, GATT is going to negotiate services, then why did we not negotiate services as part of the GATT process, where there were 95 other countries involved, where we would not give up the right of establishment, and the right of investment performance, which other GATT countries are prepared to defend?

When I was at the Uruguay Round, it was made very clear that most of the other countries in the world wanted to find some way of protecting their financial institutions and their service sectors against total takeovers from large countries like the United States. Yet this country has already given that up before we even get into that negotiation.

The fact is that the international system works because there is an ability to get a much broader bargaining base against a large powerful nation like the United States when a country can have many other countries join it in that bargaining rather than doing it one on one.

When the Parliamentary Secretary states that there is general approval, I take issue with it. Arthur Dunkel, the Secretary General of GATT, has said that the most imminent danger to the international trading system is the emergence of regional trading blocs because those regional trading blocs, similar to what is being proposed today, set up discriminatory barriers against other countries. The fundamental principle of the international system is that it is non-discriminatory. The tariff and non-tariff barriers are the same for everyone. What we are negotiating under the Canada-U.S. trade arrangement is that we will be putting up different barriers than those countries in the Pacific Rim, the Europeans, the Latin Americans, and giving preference to the Americans.

That is the fundamental flaw in the whole reasoning. In fact, the Government is contributing to the breakdown of the international trading system by proposing and promoting this evolution to regional trading blocs which will simply become large, competing, controversial, combatative trading systems, and that will destroy the international trading system which this country has for so long tried to defend and promote.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I would like to pick up on an issue which was debated earlier. It has to do with the Auto Pact. The Parliamentary Secretary to the Minister of International Trade (Mr. McDermid), was offended when some of us on this side questioned his affection for the truth with respect to how he described the Auto Pact. Like a great many Conservative Members, and like a great many proponents of this free trade agreement, the Hon. Parliamentary Secretary characterized the Auto Pact as a free trade agreement. This has been done in my own home city by the *Winnipeg Free Press*, for instance. It has been done right across the west by Premier Devine and others in an attempt to create the impression that somehow there is a free trade situation in Ontario with respect to automobiles that the New Democratic Party and others are trying to prevent from happening in other parts of the country.

I ask the Hon. Parliamentary Secretary, rhetorically at this point because I am the one who has the floor, how in heavens name would anyone with any self respect get up and say that the Auto Pact is a free trade agreement when he knows it involves performance guarantees, safeguards, and the invocation of tariffs if certain conditions are not met? He knows all those things. He knows that they have absolutely nothing to do with free trade.

The Hon. Parliamentary Secretary comes from Brampton. He knows there has been free trade in agricultural implements since about 1948. In the free trade relationship that exists with respect to agricultural implements, there are no tariffs, no performance guarantees, no agreements that for every combine

sold in Canada we have to make one in Canada. There are no agreements whatsoever about anything. That is free trade, which is quite different from the Auto Pact.

If the only tactic that can be employed to promote this agreement is to so falsely characterize the Auto Pact, then Hon. Members opposite are indeed desperate for an argument. The fact is that the Auto Pact is not a free trade agreement and future agreements like the Auto Pact will be impossible under this agreement. Nothing could be further from the truth than what the Conservatives, whether it be the Hon. Parliamentary Secretary or Premier Devine, the *Winnipeg Free Press* or anyone else, happen to be saying about the Auto Pact. I do not understand it. I find it a constant source of despair that people who I otherwise respect and have a great deal of time for, have the nerve to stand and say the kinds of things they do. It is just beyond me.

The motion has to do with the timeframe in which this is all happening. The motion the New Democratic Party has moved could not be more reasonable. We are calling upon the Government not to sign the agreement on January 2 but to seek an extension of the January 2 date by at least 60 days. What could be more reasonable than for the Government to ask of its counterparts in the United States that the appropriate time for due parliamentary process in Canada be provided? We will probably have the text tomorrow. The House will likely adjourn next week and the deal will be signed January 2. Neither this House, Canadians, nor the committee charged with looking at it will have anything that remotely approaches the appropriate amount of time.

• (1310)

I recall when the former Liberal Government brought in an energy omnibus Bill which dealt with so many things, the Official Opposition at that time, the Conservatives, rose up in righteous indignation and tied this place up with the ringing of the bells for much longer than we will have to consider this agreement after we have the text. What has happened in the meantime to the parliamentary conscience of the Conservative Party in giving Parliament an opportunity to consider matters that are before it? One of the complaints against the energy omnibus bill was that it included too much. We did not have enough time to look at everything.

What could be more of an omnibus situation than the agreement we have before us which deals with almost every economic thing you could think of concerning Canada, yet we will get to debate the matter for only five days?

Mr. McDermid: You will have the legislation.

Mr. Blaikie: We will get the legislation says the Parliamentary Secretary. But this is not the United States. Maybe some day it will be as a result of this agreement.

Mr. McDermid: There you go.

Mr. Blaikie: But it is not yet the United States. In this country we have a parliamentary system of Government and that means Parliament has to have its say before things are signed, not after. Congress has its say after things are signed but Congress has power after things are signed. Congress can say yes or no. In Canada the executive and legislative dimensions of Government are one in the sense that the Prime Minister (Mr. Mulroney) controls the House of Commons.

The Hon. Member is saying to us, "Well, Parliament will get to consider the implementing legislation". But he knows that there are 210 seats in his pocket. It is absolutely ridiculous. I wish people would stop making such uncritical comparisons between the American system of Government and the Canadian system. There is a difference between our two systems of Government.

The parliamentary system should be respected before our Prime Minister commits the country to an agreement between the United States and Canada, which will be quite different than what Ronald Reagan will be doing when he signs the agreement, because he will be creating the context in which he can then present it to Congress. But that is not what our Prime Minister will be doing. He will be signing the agreement. When it comes down to the real agreement, it will be Congress on the American side that signs the agreement with Canada. The Congress will sign it with the Prime Minister who will already have signed it on January 2. That is why what is happening here is one of the most enormous crimes against democracy that you can imagine, Mr. Speaker, and that is why we have moved this motion.

I take it my time has run out. I look forward to resuming this debate after Question Period.

Mr. Deputy Speaker: It being 1.14 p.m., I do now leave the Chair until 2 p.m.

At 1.14 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HUMAN RIGHTS

U.S.S.R.—PLIGHT OF ASTROPHYSICIST VLADIMIR DASHEVSKY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today is International Human Rights Day. It is an appropriate day to be reminded that the litmus test for a democratic society is how it treats its minorities. I went to Washington to join 200,000 other North Americans to bring this message to Mr. Gorbachev.

This is an appropriate day to bring to the attention of this House the plight of the refusenik, Professor Vladimir Dashevsky. Professor Dashevsky is an astrophysicist of international reputation. He is one of only three Soviet members of the American Astronomical Society.

He applied for an exit visa in 1977. Since then he has not been allowed to work in his profession. His family has very little means on which to live. Professor Dashevsky's application was first refused on the grounds of "state interest". He has now been assured that he has no security obligations to the institute in which he worked. However, he is still not able to get the Soviet authorities to act, and no visa has been granted over these 10 years.

Perhaps we can hope that in this period of *glasnost*, and with the enormous hopes raised by the Washington Summit meeting, Professor Dashevsky and others like him will be given their freedom.

* * *

AIR SAFETY

SECURITY PROCEDURES AT AIRPORTS—CHECKING OF AIR FREIGHT SHIPMENTS

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, last week my colleague, the Hon. Member for Moncton (Mr. Cochrane), brought to the attention of the House, through a committee, problems with airport security. Although the Government has made many significant improvements and innovations to airport security across Canada, two of my constituents who work in this industry brought to my attention some problems with airport security procedures.

Screening and control of small package delivery companies that guarantee same-day delivery is considered to be very lax. There are no formal security procedures or checks for air freight, space available shipments. I am also informed that certain security procedures have been overlooked or disregarded to expedite onschedule departures. These are holes in Canada's airport and airline security.

If we are to have adequate airport and airline security, then the entire security issue should be thoroughly addressed. Security must be the quintessential concern of the air travel industry, but we have to reconcile an approach which will keep passengers secure; one which is fair to long-time loyal employees in this industry; and a security check procedure that will protect the individual's right to privacy.

The priority should be given to those areas which are a definite threat to safety and security rather than scrutinizing the personal lives of employees who have served the industry and all Canadians loyally in past years.

S. O. 21

HISTORIC EVENTS

"RUSSIFICATION" OF UKRAINE—FIFTIETH ANNIVERSARY

Mr. Jim Jepson (London East): Mr. Speaker, 1987 marks the fiftieth anniversary of the tragic murder by the Soviet secret police of 10,000 Ukrainian citizens, residents of the city of Vinnytsa.

The logic behind these murders was the Soviet program of "Russification" of Ukraine. This process deliberately attacked Ukrainian religion, culture, language, and heritage, with the ultimate goal of eliminating all things Ukrainian. Similar atrocities took place in many towns and cities across Ukraine and amounted to deliberate cultural genocide.

The great famine of 1933 is a clear example of the viciousness of the Soviet regime against the Ukrainian populace. In 1933, in the process of collectivization, 7 million Ukrainian men, women, and children died, victims of a state-planned famine.

Many Canadians of Ukrainian origin have families in Ukraine who still suffer under the "Russification" program. They join with me in urging the Secretary of State for External Affairs (Mr. Clark) to exert all pressure possible on the Soviet Government to ensure fundamental human rights to the people of Ukraine, and to provide some measure of protection for cultural, religious, and linguistic rights of all minorities living under Soviet domination.

* * *

REVENUE CANADA

ISSUANCE OF CHILD TAX PREPAYMENT CHEQUES TO RESIDENTS OF ONTARIO INDIAN RESERVE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, several needy families in an isolated community in my riding fear that there will be no Christmas cheer this year, as they have not been issued the child tax prepayment cheques on which they were counting.

The Northwest Angle 33 reserve is a Canadian community with a population of 122. It is only accessible by air, and because there is no post office there is no choice but to receive its mail through the United States mail service.

The problem is that Revenue Canada will not issue refund cheques to a mailing address in the United States. The residents are told that they have to find a mailing address in Canada.

While the Government pushes the pipe dream of the trade give-away to the United States, it is more than a little ironic that, despite knowing about this situation a year ago, such a basic service as mail delivery between the two countries is apparently restricted for financial control reasons.

S. O. 21

I call upon the Minister of National Revenue (Mr. MacKay) to have a chat with his computers and get those Christmas cheques moving. Alternatively, why doesn't the Minister of Consumer and Corporate Affairs (Mr. Andre) direct Canada Post to serve all communities in this country?

* * *

[*Translation*]

INTERNATIONAL HUMAN RIGHTS DAY

SITUATION IN HAITI—WISH THAT GOVERNMENT EXERCISE ITS MORAL AND POLITICAL LEADERSHIP

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, last Saturday on Parliament Hill, I had the privilege of receiving, on behalf of the Leader of the Liberal Party of Canada, a most peaceable delegation from the Haitian community in Montreal, whose members had come to express publicly the outrage and expectations of the Haitian community.

Today, the whole world is celebrating International Human Rights Day. None of us can remain unmoved by the terrible events that occurred on November 29, when peace-loving citizens were waiting and looking forward to exercising their democratic right to vote, for the first time in many years. We know they were massacred.

Today it is clear that the spectre of the Duvaliers still hangs over Haiti. I sincerely hope that Canada will exercise moral and political leadership, vigorously condemn the Haitian Government's failure to act and make appropriate representations to the United Nations so that at last we can have the assurance these incredible violations of the fundamental and legitimate rights of the Haitian people will be stopped as soon as possible.

* * *

EMPLOYMENT

GOVERNMENT PERFORMANCE

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I would like to stress the Conservative Goverment's outstanding performance in creating jobs. Since September 1984, 1,042,000 jobs have been created in Canada. The unemployment rate has gone down 3.5 points since election day, reaching 8.2 per cent in November 1987, the lowest rate on record since November 1981. During that time, more jobs were created in Canada than in France, Germany, Italy or Great Britain, countries with twice our population.

Total youth unemployment has dropped by 163,000 since the election. This means that since September 1984, youth unemployment has gone down five points, from 18.3 per cent to 13.3 per cent in November 1987. The number of unemployed women has dropped by 134,000 since the present Government came to power. The unemployment rate for women has dropped 3.2 points since the election, from 12 per cent to 8.8 per cent. The number of women in management and the liberal professions rose 30 per cent between 1984 and 1986.

Mr. Speaker, I can assure you that this Government will continue to reduce unemployment by means of its economic renewal program and the Free Trade Agreement with the United States, in order to improve the standard of living of all Canadians.

* * *

• (1405)

[*English*]

CHILD CARE

NATIONAL STRATEGY—CRITICISM OF GOVERNMENT POLICY

Mr. Neil Young (Beaches): Mr. Speaker, the Minister of National Health and Welfare (Mr. Epp) claims that the child care strategy finally announced last week will improve the availability, affordability, and quality of child care for Canadian families. This promise is a cruel joke for many parents who have been anxiously awaiting some government relief in just these areas.

CBC-Radio recently described a nurse who is a single parent mother of two, paying $800 a month for child care in order to be able to earn an independent living. The child care expense deduction is useless to her because she pays no income tax. She had a right to expect that the Minister would understand her situation. After all, there are thousands more hard-working, independent single parents like her in Canada.

What kind of a national strategy is this that turns its back on a whole category of parents and children? This policy does not deserve to be called a national program. It is simply a politically expedient hodge-podge of measures, which proves once again that the Government cannot be trusted to look after the interests of ordinary Canadians.

* * *

FISHERIES

DAMAGE SUFFERED BY PRINCE EDWARD ISLAND MUSSEL INDUSTRY

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to speak in defence of those who work in the mussel industry in my riding in Atlantic Canada.

The damage the Leader of the Opposition (Mr. Turner) is inflicting on this industry should not be underestimated. We all agree that public health is a paramount concern. The

Minister of National Health and Welfare (Mr. Epp) has made that clear on behalf of the Government.

The toxin problem, however, may be very isolated, and it may very well be due to natural causes. In such an instance nature may remedy the problem and the industry will suffer only in a minimal way.

To raise the fears of all consumers, as the Leader of the Opposition is doing, is to undermine the market in the long term. I call upon the Liberal Party Leader to resist being seduced by the lure of political opportunism. This is a time for all political Parties to act in a non-partisan way. Surely our shared concern about public health and the long-term economic health of the mussel industry is enough. Act responsibly and leave the bush league politics at home. The Liberal Member—

Mr. Speaker: Perhaps I should comment. It is a very difficult issue. I interrupted the Hon. Member because I was not sure where his remarks were leading. Hon. Members will understand that Statements under Standing Order 21 are not a place even to begin to impugn the motives of another Member of this place. However, I recognize the very serious matter that has been raised.

* * *

• (1410)

PESTICIDES

CALL FOR AMENDMENTS TO LEGISLATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you know, under the title *Pesticides in Canada*, the Law Reform Commission has published an important study which recommends that the law controlling pesticides be amended to include timetables for regular re-evaluation of pesticides already in use so as to assess their potential to cause cancer, birth defects or mutations.

In addition it is recommended that the legislation be amended to require chemical companies to notify the Government immediately of studies or other evidence revealing that one of their chemical products may endanger human health or the environment.

Finally, it is recommended that the legislation be amended to require that companies indicate on their products all ingredients, not just those which are deemed active as presently required by the Pest Control Products Act.

To sum it up, the proposed changes are urgent for the protection of public health. Again we urge the Minister of Agriculture (Mr. Wise) to launch a public review of present laws adopting *Pesticides in Canada* as the foundation on which to build a modern law.

S. O. 21

CANADIAN RADIO-TELEVISION TELECOMMUNICATIONS COMMISSION

GRANTING OF ALL-NEWS LICENCE TO CBC—DEMAND THAT GOVERNMENT OVERTURN DECISION

Mr. Murray Dorin (Edmonton West): Mr. Speaker, last week I was astounded, as were many Canadians, to learn of the CRTC decision to grant a licence for the cable news network of Canada to the CBC over the other applicant, Allarcom Limited. The CRTC has shown a disregard for the need for more diversified and regionally balanced news services and for the interests of Canadian taxpayers.

A corporation that can lose track of $57 million and cannot produce a financial statement capable of being audited by the Auditor General does not inspire the confidence of Canadians in its ability to take on new ventures. Of most concern, however, is the even greater concentration of the media and control over news and public affairs by a single entity, and a Toronto based state-owned corporation at that. This is not a healthy situation in a democracy in which the balance and independence of the press are required.

I call upon the Government and the Cabinet to exercise the power granted to them under the Act by setting aside this decision.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON NORTHERN MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, yesterday in the House of Commons the Hon. Member for Winnipeg—St. James (Mr. Minaker) made some flippant remarks about the way I am representing northern Manitobans. He said that I was astonishing them because I am opposed to the Conservative trade deal.

Northern Manitobans do not want the Prime Minister's (Mr. Mulroney) trade deal. We know that our economy is dependent on the resource sector. We also know what the trade deal could do to our raw resources. Northern Manitobans know that our raw logs and unprocessed minerals could be sent south to the States. We know that with this deal more of our jobs would be sent south to the States where low-paid non-union workers could do the work.

As I travel around my riding I hear northern Manitobans telling me that they do not want this deal. They have seen what the Americans have done to our shakes and shingles industry. They know that this deal will not protect them from the American trade laws that caused the problems in the first place. Even the Thompson Chamber of Commerce admits that its members are divided on this issue.

S. O. 21

When I was in The Pas at the beginning of this month, I witnessed the passing of a resolution against the Conservative trade deal by the regional chapter of the Manitoba Métis Federation. They know that native employment and economic programs may be jeopardized by this deal. This resolution reflects the concerns that northern Manitobans and Canadians across the country have about the Prime Minister's trade deal.

* * *

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON ECONOMY OF ONTARIO

Mr. Alan Redway (York East): Mr. Speaker, will wonders never cease? For months, Premier Peterson and the Ontario Government have been knocking the Canada-U.S. free trade agreement as being bad for Ontario. Now a forecast released by the Ontario Government itself says that the elimination of tariffs between Canada and the U.S. over the next 10 years will have a "very small but marginally positive effect" on the Ontario economy.

According to the report, Ontario's textile industry, which Premier Peterson says is particularly vulnerable to the tariff reductions, has a growing trade surplus with the United States and the province's businesses are doing well even in competition with such low-wage states as Georgia.

Now that the Ontario Government has spoken out in favour of free trade, who knows what will happen next? Perhaps organized labour and the NDP will also decide to support free trade now rather than waiting until later, the way they did with the Auto Pact.

* * *

• (1415)

HUMAN RIGHTS

HAITI—VIOLATIONS BY MILITARY REGIME

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, today is International Human Rights Day. As Canadians we are thankful for what we have accomplished thus far in our own country. Yet we know we must strive for further improvements.

Canada has played and should continue to play a significant international role in obtaining basic human rights for all people. However, in many parts of the world dreadful human rights violations continue to occur.

Canadians were shocked by the recent and tragic turn of events in Haiti. The Haitian people, who suffered for years under the Duvalier dictatorships, finally had a chance to obtain a democratically elected Government. Instead we saw voters hacked and shot to death in polling booths by roving bands of thugs, with the consent and even encouragement of the military regime of Colonel Namphy.

The Haitian regime has displayed its contempt for Human Rights Day by announcing today its plans to hold a fraudulent election on January 17. The Canadian Government must finally and at last inform that regime of Canada's displeasure over the gross violations of human rights in Haiti and do all it can to pressure that regime into holding free and fair elections as soon as possible.

* * *

[*Translation*]

FREE TRADE

ONTARIO'S ECONOMIC PROSPECTS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, Ontario Deputy Premier Robert Nixon who is also responsible for the Treasury Board and acts as Minister of Economic Affairs and Minister of Finance released a study which clearly shows that the economy of Ontario will continue to grow with free trade. Ontario would even corner a larger slice of the American market. This is a courageous position taken by Mr. Robert Nixon.

For Mr. Nixon, the interests of Ontarians take precedence over political shenanigans with the Liberal Party of Canada. For Mr. Nixon Ontario is part of Canada, whereas for Mr. Peterson Ontario is part of the Liberal Party.

At a time when the Liberal caucus of Canada, along with its leader and even its Quebec members, is trying to regionalize the free trade issue, the intervention of Mr. Nixon is most appropriate. I would suggest that this challenging message from Ontario's Deputy Premier must be viewed in a Canadian context. It amounts to an official political acknowledgement that the message of the Ontario business community has been fully appreciated by the Deputy Premier of Ontario. It is a message of solidarity with Canada and, let us admit it, with the Government of Quebec, the Liberal Party of Québec, and the Conservative Party of Canada.

* * *

[*English*]

FISHERIES

GEORGES BANK—PROTECTION OF FISH STOCK—POSSIBLE EFFECT OF DRILLING FOR OIL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, there is a question on the minds of many Nova Scotians which must be answered. Will the Government of Canada act now to protect the fishery on the Georges Bank?

The Georges Bank is the most productive fishing ground in the entire North Atlantic. Studies of scallop stocks demonstrate that the growth of scallops on the Georges Bank on a yearly basis is far greater than that found on other banks off the coasts of the North Atlantic.

The Georges Bank is vital to the economy of Nova Scotia and contributes more than $300 million in value to the fishing industry, and accounts for more than 6,000 jobs.

I have stated in the past the view that there must be no oil and gas exploration on the Georges Bank. This rich fishery must be declared an environmentally sensitive area and protected as such. As a matter of public policy and not politics, I believe this vital renewable natural resource must be protected for this and future generations.

The Government has been duped on environmental issues by the Americans, on fishing issues by the French, and now appears ready to be duped by oil and gas companies that may, with their drilling, destroy the environment in this rich fishing ground. It is time that the Government of Canada made a clear and unequivocal statement about the fishery on Georges Bank.

ORAL QUESTIONS

[*Translation*]

HEALTH

TOXIC MUSSELS—QUERY WHETHER MINISTER OFFERED RESIGNATION—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. He knows perfectly well that during the last four days, his Minister of National Health and Welfare has been unable to explain why he failed to warn Canadians immediately of the dangers of eating toxic mussels. Even worse, Mr. Speaker, his version of the facts was contradicted by what was said by his top expert in the field. The Prime Minister is well aware of this since he was right here in the House at the time, and Canadians are not going to tolerate his remaining silent on this matter much longer.

Could he inform the House whether the Minister of National Health and Welfare has offered his resignation? If not, does he intend to ask for the Minister's resignation?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition is talking about two things: The absence, according to him, of facts, and a version that was allegedly contradicted, the version provided by the Minister of National Health and Welfare. In both cases, I think the House and the Canadian people will acknowledge that the Minister of National Health and Welfare has consistently given the House all the facts, and his version of the facts has never been contradicted either by him or by a third party. In concluding, the Leader of the Opposition asked me if the Minister had offered his resignation or if I had accepted it. The answer is negative in both cases.

• (1420)

[*English*]

PRIME MINISTER'S CONFIDENCE IN MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Right Hon. Prime Minister bears the ultimate responsibility for the competence and integrity of the Ministers of his Government. Canadians do not expect that from time to time problems will not occur. However, they do expect that if there is a case of ministerial incompetence, or if a Minister fails to supervise properly the operations of his Department, the Prime Minister will act swiftly.

The Prime Minister cannot duck the issue. Is he prepared to say in the House of Commons that he reaffirms his confidence in the Minister of National Health and Welfare, or will he do the proper thing and secure the resignation of that Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition refers, I suppose, to the possibility of ministerial resignation in the event of lack of competence or lack of integrity by the Minister. I know that not even he would suggest that the Minister of National Health and Welfare lacks either competence or integrity.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, the Leader of the Opposition raises the question of what I, as Prime Minister, believe my responsibilities are in the event that the Minister is ducking the issue. I have not ducked the issue. The Government has not ducked the issue. The Minister has been here every day to deal in an honourable, straightforward, and effective way with a difficult issue. He has done the opposite of ducking the issue. He has dealt with the issue in the most honourable traditions of this House.

DISCHARGE OF MINISTERIAL RESPONSIBILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the words I used were that the Prime Minister bears the ultimate responsibility for the competence and integrity of his Ministers. I have not accused the Minister of lack of integrity because I accept that. However, I do accuse the Minister of lack of competence in overseeing his Department and in his own reaction to this health crisis.

I suggest to the Prime Minister that surely as First Minister of the country his first loyalty is not to the Members of this House whom he chooses to act as Ministers of the Crown, but to the people of Canada who elected him as Prime Minister of Canada.

When will the Prime Minister learn that a case of ministerial negligence cannot be evaded and that the problem will not just go away? Does the Prime Minister not agree that, if he does not begin to deal with these issues, negligence starts to taint his own performance as First Minister of the country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course any time in the British parliamentary system when there is a situation such as that mentioned by my right hon. friend in respect of a Minister either being incompetent or lacking integrity, it clearly impacts, as it should, on the Prime Minister of the day. I notice that my right hon. friend, who has served both as a Minister and as Prime Minister, withdrew any suggestion about a lack of integrity on the part of the Minister.

• (1425)

In regard to the question of competence which he raises, I believe that most objective Canadians and observers would come to the conclusion that, notwithstanding difficult circumstances, the Minister of National Health and Welfare, as has been his tradition, has dealt with this with a great deal of competence and alacrity as it came to his attention.

With regard to the question of loyalty, the first and foremost loyalty of the Prime Minister is to Canada, and his first and foremost loyalty is to do his best by those requirements that govern his job, as it is the responsibility of all Members of the House, including the responsibility to be fair and objective when analyzing difficult circumstances in this House. It is my view that a fair and objective analysis will confirm the judgment that the Minister of National Health and Welfare has acted with competence, dignity, and great ability, as he has always done since he first set foot in this House.

Some Hon. Members: Hear, hear!

MESSAGE GIVEN TO CHARLOTTETOWN WAREHOUSE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I suggest that his responses on this issue have in fact indeed been checkered with contradictions and confusion. He originally insisted that no public warning was issued until Tuesday night because no testing had been done and therefore the link had not been established. This morning we learned that, on November 27, Sobey's Food Warehouse in Charlottetown was visited by government officials personally, with one message: "Please stop selling mussels". Why would the Government send an agent to Sobey's Food Warehouse in Charlottetown, P.E.I., and not let the public of Canada have that information at the same time?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I hope you would give me the latitude first to take the opportunity to express on my personal behalf and I am sure on behalf of all Members of the House my deep condolences to the Pomeroy family on the loss they have suffered.

I think all of us who have public responsibilities have to search our consciences to be convinced that everything we have done is correct. I have done that again, and I believe every established practice of the Department and the Government of Canada, which has been developed over years by experts, was followed exactly. I did not interfere with scientists. I did not interfere with their expertise. I did not interfere with any advice. When I received their expert advice, I acted.

Some Hon. Members: Hear, hear!

[*Translation*]

QUERY WHY PUBLIC DID NOT RECEIVE SAME INFORMATION AS STORES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have another question for the same Minister who failed to react and even contributed to the situation by his silence from the very beginning until December 1. I would like to ask him... Obviously, people will be offering their condolences to the family of Mr. Pomeroy who died this morning. However, I would like to ask the Minister why on November 27—before the date on which Mr. Pomeroy ate the mussels—when Government officials visited at least one establishment, Sobey's Food Warehouse in Charlottetown, to ask them to withdraw the mussels, those officials did not give Canadians, did not give Mr. Pomeroy and all consumers the same information?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have not been contradictory. I have not given any information to the House that was not factual, and I have not given any more than has been factual.

I have said time after time that there are established practices. They have been developed over time, they are dictated by experience, and they are based on expertise. Those established practices are there to protect the public. Those established practices were clearly followed.

• (1430)

In terms of the specific question raised by the Hon. Member, in order that the Government is not seen to be protecting itself in any political way, I have offered a number of times a full briefing, on the record, from officials, in terms of those practices. Again, if I can use the opportunity, today at four o'clock in the Sir Frederick Banting Building, that will again be formally constructed. The press, my opposition critics, or whoever can ask my officials, on the record, for any detail of practices. I am responsible to follow the practices, and I have done that.

REASON FOR STOPPING SHIPMENTS AND NOT STOPPING SALES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. I would hope he would agree that his duties as Minister are more than following the practices. If, as Minister, he finds the practices are

wrong, his obligation is to change the practices. I notice the Minister is nodding in agreement.

The Minister knows that rats that were injected with material from the infected mussels were dying on Friday, Saturday and Sunday, and that the Department took action to stop shipment on the Sunday, but there was no action to warn consumers until Tuesday. The Minister in this House has attempted to justify that practice, that time gap. If he thinks that logic, under the circumstances, was sufficient to stop shipment of the mussels, why would the same logic, with even greater serious implications, not lead to the conclusion that not only should consumers have been warned at that precise moment but simultaneously an instruction to stop sales ought to have gone out?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is a valid question and I will try again to answer it as I have done before. I will not go into all the testing of the week prior to the Sunday in question because that has been put on the record and I am trying not to take up the time of the House.

I just want to say to the Hon. Member that the mouse and rat tests done both by DFO and by the Department of National Health and Welfare gave results very different from what was at that time being tested, paralytic shellfish poisoning. In terms of the Sunday and the stop shipment, that is done as an investigative tool for the purposes of giving us both samples and time to do further testing. That is what was done. In fact, I said yesterday in the House as well that, in terms of the number of cases we get just on food complaints a year, obviously every one of them has to be tracked down. We do that. We have over 2,687 cases, of which five led to a medical alert.

I know the Hon. Member is trying to be fair about this, as I am trying to be very open. I believe that any rational approach to this would indicate that with that type of expertise and history, my officials followed very clear procedures and informed me according to the dates I have given the House earlier.

TIME LAPSE BETWEEN STOPPING SHIPMENTS AND WARNING PUBLIC

Hon. Edward Broadbent (Oshawa): Mr. Speaker, no one at this point is questioning that the officials involved were not following traditional procedures. What is being questioned, and certainly I am asking questions about it, is why the Minister accepts those procedures.

I want to ask either the Minister or the Prime Minister what seems to me to be quite a serious question under the circumstances. If rats are dying three days in a row, and that is deemed to be serious enough to stop shipments—in other words, major action was taken—why in heaven's name, ought procedures not also require at precisely that same time that consumers be warned, and the whole process be stopped until we are completely secure about the health implications of the product?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure the Hon. Member is not—and I am not trying to hide behind this—trying to question the competence of the people who work with these products day in and day out. I am not, and he is not. They use their expertise, and competence, based on the experience they have gathered through the years. That is what they did. That is what they do case after case.

In terms of the stop shipment I can tell the Hon. Member—not trying to hide behind any cases—that we have a number of stop shipments as an investigative tool throughout the year which do not lead to medical alerts. It is part of the process, and at no time—and I say this very directly to the Hon. Member—did I ask for a second opinion. At no time did I ask about the industry. I don't know who is involved. It was health only. When they came to me with a health conclusion and asked for action, I acted within the hour.

REQUEST THAT DEPARTMENTAL PROCEDURES BE CHANGED

Hon. Edward Broadbent (Oshawa): As the Minister knows, we now have the terrible circumstances about which he feels as badly as does everyone else, that in fact someone has actually died in this process. What does concern me a bit is that the Minister seems to be saying, notwithstanding this happening, that we ought not to be changing procedures.

Since we have now found that one of the consequences of the adopted procedures can lead to a product being out there, much of it presumably still out there, people eating it, and as we know, people actually dying from it, does the Minister not agree that what ought to be done now is to change the procedures so that, as soon as a warning is sufficient enough to stop shipment of such a product, simultaneously instructions should go out to stores from one end of Canada to the other to stop selling the product?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in terms of the procedures, and I was not trying not to answer the question—I think we have to look at two things. First, the procedures that we presently have in place, time-tested, based on our experience, have worked well for us as Canadians. Our health system is a good system.

In terms of the Hon. Member's question, should they be reviewed, I think that is always a legitimate question, and that is being done on a constant basis. When we take a look—and we have done this—at other countries that were involved with similar, I am not saying the same, but similar cases, and we take a look at the timeframe they used to try to solve the issue, we found we have been able to act much faster, based again on that experience, even to the point, for example, of getting additional kits from Japan in the last days. We do the bioassay on mice and rats, we do the chemical testing which is done

with DFO of Mont-Joli, and if there are additional kits and procedures, we are using those as well.

So even on the basis of world expertise we believe we have touched everything we could have used. If there are additional things we could do, it is my responsibility to put those in place as well, and we will do that. But I have everything in place that the experts tell me is available world-wide, and we have used it.

[*Translation*]

QUERY WHY MINISTER DID NOT FOLLOW UP DEMAND MADE BY MAGDALEN ISLANDS' MUSSEL FISHERMEN

Hon. Jean Lapierre (Shefford): Mr. Speaker, in this sad sequence of events there is someone else who has a responsibility, and I am referring to the Minister of Fisheries and Oceans. My question is therefore directed to him. Mr. Speaker, I have here a letter dated Grande-Entrée, Magdalen Islands, November 28, 1985, sent to the Minister by the Magdalen Islands mussel growers association. At the time, the association asked the Minister for preventive monitoring of the marine environment for contamination by *jonyaulax*, the toxin that causes paralytic shellfish poisoning.

What I want to ask the Minister is this: Why did the Minister fail to act on the request made by mussel growers in the Magdalen Islands on November 28, 1985, when the growers were worried about the possibility of shellfish poisoning?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for that question. Obviously all the resources of the Government, the DFO, the Department of the Environment, the Department of National Health and Welfare, or any other Department or agency, are being used. But I want the hon. gentleman to be very clear when he asks these questions. At the present time of the investigation we are using labs, not only government but private labs as well. It has not been determined what the exact toxin is in Prince Edward Island.

• (1440)

Mr. Lapierre: What about the Magdalen Islands.

Mr. Epp (Provencher): I will get to that. In terms of the Magdalen Islands, again it appears that what we are dealing with is algae bloom and paralytic shellfish poisoning. In fact, with these two cases, one in the Magdalen Islands and one in Prince Edward Island, there could have been two very different sources but a confluence of those cases at the same time period, or relatively the same time period. When the gentleman asks his question, I want to say to him that we are checking the matter very closely. Obviously we have been doing so on an ongoing 24 hour basis, but I do not want the Member to jump to conclusions which scientifically have not been established.

[*Translation*]

QUERY WHY PREVENTIVE PROGRAM WAS NOT ESTABLISHED

Hon. Jean Lapierre (Shefford): Mr. Speaker, as far the Magdalen Islands mussel growers and their mussels are concerned, we realize there is a difference, but the fact remains that the Minister of Fisheries and Oceans had a responsibility on November 28, 1985. He was warned before anyone else, and well before the Minister of National Health and Welfare, but he failed to act on a request made by fishermen who were worried their product might not be fit for human consumption. We are not talking about twenty-four hours a day. This was two years ago, and the Minister has not yet taken any action. I want to ask him why he did not act responsibly. Why didn't the Minister of Fisheries and Oceans make sure there was a preventive program instead of just an annual inspection?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Again, Mr. Speaker, I cannot change the answer or give it any differently than I did the first time. I say to the hon. gentleman that these are highly technical issues.

I think it would help the Canadian public, who have a right to be reassured about their health safety, their public health system and the fishery, that at four o'clock not only will health officials be available but also officials from the Department of Fisheries and Oceans to answer all those technical questions.

CASE REPORTED IN OTTAWA ON NOVEMBER 20

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of National Health and Welfare. I received a call this morning from a Dr. Donald Smith of Ottawa whose wife, Doris Smith, became ill after eating mussels on November 19. Her husband, Dr. Smith, brought the matter to Dr. Even Todd at the Health Protection Branch on November 20 who recommended that she contact the regional health office. However, no further action was taken until November 25 when Health and Welfare heard of further cases in Montreal.

Is the Minister aware of this particular incident? If he is not, now that I have raised it with him will he investigate this matter because there seem to be some lapses of time here which would be very important for the kinds of processes that have to take place?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am not aware of that situation. My officials have not brought that to my attention. I will be glad to check into it.

I think the Hon. Member has to recognize that any of these health cases, which can be accessed either through an emergency system, a hospital, or a doctor's office, would not immediately be brought to the attention of the Department of National Health and Welfare. I have not been informed of

that case. We will, however, check immediately after Question Period.

REQUEST FOR COMMITMENT DEPARTMENTAL PROCEDURES WILL BE CHANGED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary for the same Minister. He described the procedures. On Sunday he ordered shipments be stopped and on Tuesday there was a health warning to Canadians.

Will the Minister tell this House, in light of what has taken place, is he prepared now to give a commitment that, in fact, the process will be changed so that if the Minister has to err he will err on the side of safety for Canadians? Will the Minister give this House that assurance now?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that has always been the practice. I give that assurance to the Member right now. If there are improved procedures we can use, whether in Canada on the basis of our experience and expertise or whether on the basis of world experience, the answer is yes.

I do not want the Hon. Member to be under the impression that we have not been trying to improve whatever procedures are used world-wide. If we can improve them, if there is a lapse, obviously that is my responsibility. I am as interested in that as any Member of the House and any person in Canada who should expect that, and has a right to expect that. I want to assure the Member and Canadians that, to the best of our human abilities, the system is as good as any that we have seen. If we can improve it, we will improve it even beyond this point.

* * *

ADMINISTRATION OF JUSTICE

SUPREME COURT DECISION REVERSING VERDICT OF MURDER BY ASSOCIATION

Mr. Jim Jepson (London East): Mr. Speaker, my question is for the Minister of Justice. Yesterday, as he knows, there was a significant decision brought down in the Supreme Court of Canada regarding the prosecution of those charged with first and second degree murder by association. This decision obviously has serious implications for the future.

What are the Minister's feelings on this decision and what does he intend to do about it in the future?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for his continuing interest in justice and legal affairs.

This is an important decision that has been handed down by the Supreme Court of Canada. It has implications, specifically for one section of the Criminal Code, namely Section 213(d) dealing with constructive murder. The implications are now being studied. On receipt of the decision from the Supreme Court of Canada I instructed my officials to examine the judgment itself and the implications, and we are communicating with our provincial counterparts who are responsible for the administration of justice.

Finally, the matter is an agenda item with the Deputy Ministers of Justice who will be meeting this month. I hope that after those examinations have taken place we will be in a better position to determine what action is required legislatively.

* * *

HEALTH

TOXIC MUSSELS—TIMING OF PUBLIC ALERT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, Canadians have been exposed to a deadly toxin as a direct result of the indecision and inaction of a Minister of the Crown, not because of flawed processes.

For two and a half days after an industry advisory went out Canadians were left in the dark with respect to the existence on their grocery shelves of a deadly toxin. Seventy-five Canadians have been afflicted; many of them are seriously ill. Tragically, one has died.

My question is for the Prime Minister. Canadians want to know why it has become a common occurrence for this Prime Minister to put his misguided sense of loyalty with the Minister of the Crown and not—

Mr. Thacker: That is shameful.

Mr. Speaker: I have to say that that question clearly imputes the motive of the Right Hon. Prime Minister. I would have to call it exactly the same for any other Minister or any other Member. I am sure the Hon. Member could rephrase the question.

Mr. Tobin: Mr. Speaker, I kindly suggested the actions were misguided but I will attempt to rephrase the question.

The Prime Minister's first responsibility, and indeed he has acknowledged it today in the House, is to Canada. That is number one.

Has the Prime Minister examined all the facts with respect to this tragic episode? Is he satisfied in his own mind that an industry advisory with respect to the existence of deadly toxins should have been released two and a half days before consumers were aware that toxic filled mussels were available on the grocery shelves? Does the Prime Minister believe that that represents a timely warning to the consumers of Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I believe that question is couched in the same words as I have answered before. It is a matter of how much

time does it legitimately take with officials working as diligently as they can with the resources of government, with their own expertise and their own deep desire to protect the health of Canadians, and was there a time lapse.

• (1450)

I say to the hon. gentleman that officials did everything in their power to develop medical, scientific, and toxicological answers, and it was on the basis of that evidence that they advised me on the Tuesday that a health alert was in order. It was on the basis both of that detective work, that scientific work, and that expertise and advice, that the Government acted.

DISCHARGE OF MINISTERIAL RESPONSIBILITY

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, the actions of officials are not in question here today.

Two and a half years ago after the tainted tuna episode, the Prime Minister announced that henceforth the highest possible health standards would be applied to seafood. He also announced that, in order to avoid any possibility of a conflict of interest in the Minister's responsibility, in future the Minister of Health and not the Minister of Fisheries would be responsible for issuing advisories on food warnings. It was the Prime Minister's decision that there would be higher standards and the responsibility removed from Fisheries and brought to Health.

I want to ask the Prime Minister whether he is satisfied, given that decision he took, that the Minister of Health in these circumstances has properly carried out his responsibilities. Can he be satisfied that a two and a half day period of ignorance by the people of Canada as to the dangerous nature of toxic mussels on grocery shelves is acceptable and represents a proper carrying out of responsibilities by this Minister of Health?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, from the beginning of inquiries in the House, the Minister of Health has provided full and complete answers which I think respond to the concerns of all Canadians coming from all political Parties in an extremely difficult human situation.

My hon. friend alludes to the question of the competence of the Minister of Health himself, which I believe was a question raised by his Leader. I give him exactly the same response, that few Canadians, from whatever political background, based on the evidence of some 15 or 20 years service to Canada, would question either the integrity or the competence of the distinguished Minister of Health.

Some Hon. Members: Hear, hear!

ISSUANCE OF PUBLIC WARNING—MINISTER'S POSITION

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

The Minister has yet to say to the House that he agrees that those procedures need change. I wish to ask the Minister the following simple question. If he believes the scientific procedures were correct up until Sunday morning—and I have no way to determine if those procedures are the best in the world or not, so I will accept the Minister's word—surely once those scientific procedures had been completed, it then became a question of judgment.

When the Minister or his Department ordered the cessation of shipments of those products, surely at the same time consumers in Canada were also entitled to receive that information?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that question has previously been put, and I have answered it.

Mr. Benjamin: No, you did not.

Mr. Broadbent: Are you going to change your procedure, Jake?

Mr. Epp (Provencher): Yes, I have answered that question, but I will answer it again.

In terms of the procedures, Members in the House, as the Hon. Member himself stated, accept the best advice we get from experts whether they are health experts, or whatever is the issue of the day.

If procedures can be improved in any way, as we examine them, obviously they will be improved. But let us not take the improvement of procedures, if in fact it is possible, with the period of time experts need exactly to have the very best procedures, and it is those kinds of questions that the Member and I have to accept from experts. If there are better procedures on a world basis, we will search for them. That is obviously what we will do.

REQUEST FOR CHANGE IN PROCESS

Mr. Neil Young (Beaches): Mr. Speaker, even if we accept that scientific procedures require what those officials did, surely after those procedures have been followed it then becomes a question of judgment, which is not tied into the same structures. That is the question.

I simply ask the Minister again, will he not assure the House and Canadians, and stand up and agree to change that process after the scientific procedures have been done?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I know what the hon. gentleman is asking, and I have examined that very closely.

I go back to when I mentioned to him the number of food complaints, drug complaints, or cosmetic complaints that we receive in the Department. If that procedure were to be followed as rigorously as he outlined in his question, I would

have eight or nine "stop shipments" every day, before we would receive the investigatory evidence which we have to have.

It is for that reason that I am not trying to change procedures, I am trying to improve procedures, but keep in mind that it is a detective approach that we have to take in terms of science and toxicology, and that is what has to be done and what was done.

ALLEGED NOTIFICATION OF PRINCE EDWARD ISLAND RETAILER

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

The Minister knows that the issue is not one of procedure; the issue is a judgment call by the Minister himself.

I wish to ask the Minister, why was a retailer in P.E.I. notified of this particular problem on Friday, November 27, the Minister had knowledge of this particular issue for some days, and then he waited two and a half days before letting the general public know. I ask the Minister why he waited for two and a half days before informing the general public?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the premise of the question is false. The alleged facts are false. The Department issued the "stop shipment" on Sunday.

As I have stated a number of times in the House and to the press outside, I was informed by the Department on the Monday that they were looking at a problem with mussels. I indicated to them to give me all the evidence and the advice as promptly as they could. That was done on the Tuesday. The Members states I was incompetent and did not act. I acted immediately—

Ms. Copps: You did not.

Mr. Epp (Provencher): I acted immediately. I ask the Hon. Member for Hamilton East to give me the same right as an hon. gentleman in this House to deal with the facts, and I wish she would too.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister.

I tell the Minister that the applause of his colleagues is not necessarily the applause of Canadians in the faith of this Minister, or the Department of National Health and Welfare.

Through you, Mr. Speaker, I ask the Minister sincerely and seriously, if you knew on Monday, why didn't you tell the Canadian people?

Mr. Speaker: The question was a little out of order, but I think the Minister heard it. Perhaps the Minister would reply.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I did not give any new information to the Hon. Member and his exercise does not change the facts.

• (1500)

The facts are as I gave them, and I said very directly to the hon. gentleman, to the House, and to Canadians: I will expect from my Department, from my officials who are honest people, who are Canadians as concerned as any of you, that once the medical information is given I acted, and I will act just that way.

* * *

ADMINISTRATION OF JUSTICE

CIA FUNDING OF BRAINWASHING EXPERIMENTS—REQUEST FOR *EX GRATIA* PAYMENT TO VICTIMS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Justice. As the Minister knows, in the late 1950s a number of Canadians were victims of terrible brainwashing experiments by Dr. Ewen Cameron in Montreal, funded both by the Canadian Government and the CIA.

In view of the permanent scars that were suffered by these individuals, a number of whom are suing the CIA and in fact a number of whom are in the gallery today, when will the Minister do the right thing and offer each of these elderly victims an *ex gratia* payment of $100,000 to ease their burden, as was discussed in the Cooper report last year?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the Hon. Member raising this question. I want simply to put the record straight, though, with respect to a couple of the allegations made in the course of his question.

The first was that the Canadian Government in some way was aware of CIA activity during the course of these treatments. That is absolutely incorrect. We have had a very extensive, thorough, and full examination of the circumstances by the Cooper report. This document has gone through the details in a precise way and has in fact concluded, as my predecessor pointed out on the floor of the House and publicly on different occasions, that there is no legal liability on the part of the Government of Canada.

The Hon. Member in fact asked me, I think it was last June, if there was something we could do as a Government to assist in the legal case that was being brought by these Canadians against the CIA.

I have been trying to carry on some negotiation and discussion with my colleagues, particularly with the Hon.

Member for Winnipeg North as an interlocutory between these people and the Government, to see if some assistance might be possible with respect to out of pocket expenses or legal costs that would be incurred.

We have manifested our interest and support for these people in a number of ways. I will continue to carry on these discussions so long as the Hon. Member for Winnipeg North wishes to do so.

Mr. Robinson: It is particularly shameful that a Government, which could come up with over $650,000 in legal fees for Sinclair Stevens—

Some Hon. Members: Order.

Mr. Robinson: —does not find one penny for the victims of these terrible experiments.

REQUEST FOR GOVERNMENT ACTION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the same Minister. Even George Cooper, whose appalling report was basically a whitewash absolving the Government of all moral and legal responsibility and was used as Exhibit No. 1 by the CIA in the lawsuit in the United States, suggested that the Government look seriously at the question of an *ex gratia* payment of $100,000 over and above legal fees.

When will the Government finally do the right and decent thing and pay these people the compensation to which they are entitled before even more of the elderly victims have died? When will the Government finally act?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I find the question rather disconcerting inasmuch as the Hon. Member's Leader has been in touch with me by correspondence. He has asked me—and I have agreed to do it—to try to find what might be possible on an *ex gratia* basis, that is to say in simple terms, while there is no legal responsibility, we are compassionate with respect to these people. We as a Government have not been directly involved, but we understand what has taken place in the past. We have attempted to come to terms with determining a reasonable amount of money that might be available to the victims of the experiments.

I have proposed to carry on my discussions. I undertook that I would, for the Leader of the New Democratic Party. I do not think it is fair to say that somehow we are not prepared to help. The Secretary of State for External Affairs has done this so often in the past in a number of ways that I am determined to carry it on. I hope the Hon. Member will assist me in this regard.

Mr. Speaker: This will be the last question in the Question Period. The Right Hon. Leader of the Opposition.

HEALTH

TOXIC MUSSELS—CHRONOLOGY OF EVENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a further question for the Minister of Health. I have listened to him carefully during the four days that this issue has dominated the House of Commons. I accept his word that he did not, as a Minister, learn until Monday morning, the relative weekend, Monday morning—well, on the Monday—

An Hon. Member: That's right.

Mr. Turner (Vancouver Quadra): That is what he said in answer to my colleague. The Minister has to make up his mind.

The facts remain that Dr. Todd said on television that rats were dying from this toxin on the Friday afternoon. The shippers, exporters, companies involved, were informed on the Sunday. The Canadian people were not informed until Tuesday evening. That is a large gap for me to swallow and for the Canadian people to understand.

The Minister bears some responsibility for the period in which he knew. He also bears responsibility for the period in which his Department knew, and he has to take responsibility for it.

I have yet to get a satisfactory explanation. I ask the Minister one more time: what happened between Friday afternoon and Tuesday night before the Canadian people were told?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have answered that question as well, and I can go through the chronology again. I can go through the chronology, if you give me the time, Mr. Speaker.

Ms. Copps: Which chronology?

Mr. Epp (Provencher): I have only used one chronology. The Hon. Member might have used more. I can go through the chronology. It will be available again at four o'clock, but I want to get directly to the right hon. gentleman. I said that I had been informed on Monday, prior to Question Period on Monday, that the Department was investigating a mussel problem.

Mr. Turner (Vancouver Quadra): Didn't they tell you during the weekend at all?

Mr. Epp (Provencher): No. Just as he wants me, and I do respect his word, I ask him the same thing, respect mine.

Mr. Turner (Vancouver Quadra): I respect your word. I just want to know what happened during that weekend.

Mr. Epp (Provencher): What I am saying to the right hon. gentleman is that the Department, through that period of time, was testing and came up with a medical link on Tuesday, late

afternoon. It was my House duty on Tuesday. I came out of the House from my House duty on Tuesday. There was a CBC reporter, because there had been a story running on Charlottetown CBC. I said: "I am going to my office. I want to know as well". He came to my office, waited outside my office. My ADM came into my office on Tuesday, around six o'clock Tuesday night.

As I received the request for a medical alert, as it got into my hands, I gave it to the press. That is how instantaneous it was.

So, Mr. Speaker, on every count I have acted quickly. I have acted responsibly. I have allowed my officials' full expertise to function, and I say to the hon. gentleman very sincerely, he and I have been in this House a fair period of time, and in ministerial responsibility I take my responsibilities as he did as Prime Minister and as a Minister. I believe he also expected from his officials the best, and when the officials gave him the information he acted. I did the very same thing, and I ask him to respect that as well.

Some Hon. Members: Hear, hear!

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POINT OF ORDER

REQUEST FOR TABLING OF ALLEGEDLY QUOTED DOCUMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order. I would ask that the Minister, given that he was quoting at length from a document, in fact table the document.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there has been a request for a tabling of notes. It is a known fact in this House that Ministers are prepared and always quote from notes. I will check the "blues" to see if in the course of the Question Period there was any reference to an actual document.

In any event, the Minister has stated to the House that he is holding a full briefing at four o'clock, and I am sure that document will be available there.

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on the same point of order. The Minister made very clear that he was quoting from an official document to which he referred over and over again as a chronology. He did not simply have a piece of paper in his hand which he glanced down at from time to time. He said that he had an official document which he called the chronology, and he said that it was the only chronology. I think the precedents are clear. They are in Beauchesne's. The Minister has done something in a way which requires him to table in the House the document from which he was quoting.

• (1510)

I would say further that it is no answer to the point of order of the Hon. Member for Hamilton East (Ms. Copps) to say that there will be a briefing at four o'clock. The House of Commons takes precedent over any briefing by an official. The Government is not willing to respect the House of Commons. You, Sir, on behalf of all Members and on behalf of the Canadian people, should ensure that the Government carries out its duties to the Canadian people which must be expressed through this House.

Mr. Lewis: Mr. Speaker, I would reiterate my undertaking to check the "blues". If the Minister made any reference to a document in his answers, definitely the document will be tabled without question.

Mr. Speaker: Under the circumstances, of course, I would expect that the Hon. Minister of State (Mr. Lewis) will try to obtain that information as quickly as possible. The Hon. Member for Hamilton East (Ms. Copps) has raised a fundamental matter of procedural law in this Chamber. If indeed the Minister was using an official document and reading from it, of course, it ought to be tabled and I think the Minister of State has given that undertaking. I am sure that if that is the case, the Minister of State will report back to me or to the House shortly.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I hope that this point of order will not be controversial. I simply want to ask the Minister of State (Mr. Lewis) to give the usual statement of business the Government wants to call for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would offer to table my notes but I am not sure that you could read my writing.

Tomorrow, we will deal with Bill C-88 at third reading stage. The Bill deals with some minor changes to the Judges Act. We would hope that we could complete that between 10 a.m. and 11 a.m. We would then move to Bill C-87, the Customs Harmonization Act, and we expect that we could complete third reading of that Bill tomorrow.

As for next week, there are a number of Bills now at committee which may be reported back to the House. We could deal with them on an *ad hoc* basis. In addition, we expect finalization of the free trade agreement with the United States very soon and that will be tabled in the House as soon as possible. I will meet with other House Leaders to finalize the framework for a full and complete debate in the House.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY—S. O. 82—CANADA-UNITED STATES TRADE AGREEMENT—EXTENSION OF DEADLINE

The House resumed consideration of the motion of Mr. Broadbent:

That this House condemn the government for its failure to allow an adequate period of review prior to the signing of a highly complex trade agreement with the United States on January 2, 1988 and, as a result, this House calls upon the government to seek an extension of the January 2nd deadline by at least 60 days.

Mr. Speaker: When the House rose at 1 p.m., the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) had the floor.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, when the House rose, I was speaking about the inadequacy of the process the Government has imposed upon Parliament and the Canadian people and the inadequacy of the time for debate and examination of the free trade agreement. I was speaking to a motion put by my Leader, the Hon. Member for Oshawa (Mr. Broadbent), which condemns the Government for the process as it stands and which calls on the Government to request a 60-day extension to the January 2 signing date so that Canadians, both those who are for and those who are against the agreement, can have time to take a good look at the text of it.

I was arguing that the time which remains to Parliament and Canadians between the time we receive the text, which will, I hope, be tomorrow, and the time of the signing of the agreement on January 2 is hopelessly inadequate. Given that there is a provision in the United States for Congress to extend the fast track, I cannot understand why it is that the Prime Minister (Mr. Mulroney) is unwilling to have the decency to request such an extension so the due parliamentary and political process can be followed.

If it is possible under the congressional procedure to have a time extension, why on earth would the Prime Minister who had given a commitment to full parliamentary and public debate not request such an extension? Perhaps I could understand it if there were no possibility of extending the date of January 2. I would still be angry with the Government for having put us in such a position. I would be angry with the Government for having negotiated with the Americans at the end of their fast-track procedure when they would have the natural advantage over us, because we would be in a position of having to conclude an agreement by a particular time.

The fact remains that the Prime Minister has not even tried. He has not requested or tried to see whether or not Congress and the President would allow for the possibility of such an extension. For that, the Government is to be condemned. That is why we have moved the motion condemning the Government, for not seeking that extension and for being satisfied with a process that gives Canadians only a few weeks to consider the text of an agreement which will be some 2,000 pages long.

Part of this process has been the committee hearings. I had the dubious privilege of serving on that committee which travelled the country to hear witnesses, both pro and con, on the agreement. That process was completely flawed because the committee did not have the text before it; nor did the people from whom we heard. Many people who came before us supporting the agreement were only able to give conditional support. They would say that they support the agreement but they hope that this does not mean this and that does not mean that and that they need to see the final text. These people have thought through the agreement, want to see the final text and want to have an opportunity to render a judgment on that final text. However, they will not have that opportunity because of the time frame the Prime Minister has accepted for Canadian due process.

Looking for a silver lining in a cloud, I suppose that the committee hearings were not completely without value. They were awfully frustrating to the great many Canadians who were unable to come before us, but many of the people who came before the committee in support of the agreement, and there were just as many who were against it, were much more forthcoming and honest about the true impact of the agreement than we could ever get the Government to be.

The very best example of this that I can think of is the presentation of the former Premier of Alberta, Peter Lougheed. Mr. Lougheed said openly and directly before the committee that under this agreement, provinces would never again be able to have a preferential pricing policy for domestic consumers or local industry. We have been trying to get the Minister of Energy (Mr. Masse) to say that in this House as clearly for months on end. We could not get the Government to be honest about the real impact of the part of the agreement which provides that there will be no discriminatory pricing.

Mr. Lougheed said to the committee that that would be the effect of the agreement and that he was glad of it. I am not glad of it. I think it will be a real disadvantage, particularly to provinces which have been able in the past to use preferential energy pricing as a means of attracting industry. Mr. Lougheed was at least honest about the effect of it.

Another example of this was the question of marketing boards and supply management. We have been saying since day one that this agreement would put at risk our supply management and marketing board system.

I wonder if we could have some order, Mr. Speaker. It is a little hard to speak over the chuckles. I have the greatest of respect for the Minister in charge of the Canadian Wheat Board, but if I cannot hear the jokes, I would prefer not to listen to the laughter.

• (1520)

We said from the very beginning that marketing boards and supply management were at risk as a result of this agreement. Every time we said that, the Government would say marketing boards are not on the table; the NDP is trying to create fear. The NDP is exaggerating. The NDP is this and the NDP is that. The Grocery Products Manufacturers of Canada appeared before the committee. I hope they cannot be accused of being part of the socialist hordes. They said things like you cannot have marketing boards and no tariffs. It makes no economic sense. Once you reduce tariffs, then you have to have either the elimination of marketing boards or a very fundamental change in them which would require farmers to receive a lower price than they do now for the products they sell to the association.

What is clear from that? Marketing boards are at risk. Exactly what we have been saying all along. That was said not by opposition Members but by the Grocery Products Manufacturers of Canada.

Every time we said social programs were at risk under this agreement we were accused of hysteria and trying to whip up irrational fears among the Canadian people. The irony is that the claim about social programs being involved was most validated in the evidence the committee received from businessmen themselves. Ironically, they brought it up.

I recall in Vancouver a member of the Business Council, I believe his name was Mr. Matkin, and on the other coast Mr. Cummings of National Sea, referred to the fact that one of the reasons investors sometimes locate a plant in Canada is because they find the social programs to be of benefit, not only to their employees but to themselves. Mr. Cummings said they had done a comparative study of their plant in New Hampshire and their plant in Nova Scotia. They found the Canadian plant was more competitive on balance. One of the reasons was that the plant in New Hampshire had to pay health care insurance for its employees, whereas the plant in Nova Scotia did not.

A similar point was made about how social programs become part of the calculus in determining what constitutes competitive advantage by some of the businessmen who appeared as witnesses in Vancouver.

The point is this. Whether we like it or not, social programs are part of the calculus. They are part of what is taken into consideration when we calculate competitive advantage. If we enter into a relationship with the U.S. in which we, over the next five to seven years, negotiate the meaning of a level playing field, it is absolutely inevitable that our social programs will come to be part of that debate. By entering into that agreement we will be creating a context in which arguments about social programs as part and parcel of what is calculated as competitive advantage will come about. Whether it is the argument I have just made about Americans saying Canadian social programs constitute a competitive advantage, or Canadian employers saying the tax burden they have to bear in order to fund these social programs puts them at a competitive disadvantage, the point is that they become part of the calculation, I say to the Parliamentary Secretary shaking his head.

I am trying to make this point—

Mr. McDermid: Negatively.

Mr. Blaikie: —in as non-partisan a way as I can to show how this will become part of the argument. That is what we mean when we say our social programs are on the table whether you like it or not. To deny it is to simply bury your head in the sand.

A final point in the same vein. One of the things we said in the beginning was that a free trade agreement with the U.S. would mean the end of the Crow benefit in western Canada. It would be a further step towards dismantling the economic structures set up in western Canada over the years and which we value. We could not get the Government to say they were at risk but we saw a supporter of the agreement, the Western Canadian Wheat Growers Association, and others, come before the committee and say yes, the Crow benefit is at stake. Not just the benefit being removed as a result of the agreement but the payment to the railways is at stake. This will lead to payment to producers and when you do that it means more trucking. When you use trucks, it means more use of inland terminals. You know who owns the inland terminals? It just happens to be the company that the Canadian negotiator on agriculture worked for and the company that the American negotiator on agriculture worked for, Cargill—surprise, surprise.

I see my time is up. However, the fact remains that the only legitimate and final political process appropriate when a Government proposes to change the very nature of this country by entering into this comprehensive an agreement with our southern neighbour is an election. The sooner we have it, the sooner the Canadian people will be able to render their own judgment. That is absolutely necessary.

Mr. McDermid: Mr. Speaker, I listened with great interest to the comments of the Hon. Member. They were not rantings. I cannot use that word. However, I happen to disagree with them. I think they are causing unjustified fear among the public.

The Hon. Member talks about social programs being an unfair trade practice or tipping the scale in trade negotiations. I submit that if that is the case, why has it not been brought forward before now? The laws have been in place for that kind of an attack, as the NDP likes to put it, on our social programs. Yet it has not happened heretofore.

I know what the NDP are trying to do. They are trying to tie this into the trade talks, but it is just not factual. The trade laws on both sides of the border are basically the same. They come under the rules and regulations of GATT. The U.S. has had the opportunity to bring charges against Canada for

unfair trade practices if in fact they feel it is a distortion of trade, or places companies in an unfair competitive position. This has not happened and it is not going to happen.

Lowering tariff rates is not doing that at all. National treatment comes into play, as the Hon. Member knows. As long as all companies are treated equally and fairly, these will not come into play at all.

He talks about subsidies and transportation. That was another one of his theories. I can say to him that the agreement says very clearly that until all distortions to agricultural trade are on an equal basis, those particular subsidies will remain in place. The Hon. Member knows that. That has to do with trade with the U.S., not trade overseas or the shipping of any of our grain products overseas. There is a good market in the United States for certain types of our high quality grains. The agreement says that once we get on a level playing field, to use the current terminology, subsidies on both sides will be gone and there will be fair trade. We are talking about what is fair to both sides.

• (1530)

Mr. Blaikie: Mr. Speaker, I will have to keep my remarks brief because the committee which is drafting the report on the agreement is meeting right now and I need to be there. My understanding on the transportation subsidy is that the Crow benefit for Canola, for example, comes off right away rather than after everything else has been leveled out. We heard from the Canola producers and Canola oil manufacturers in western Canada that this would affect them right away.

With regard to the Crow benefit in general, I was talking about the effect this would have in the future. I did not make the claim which the Member alleged I made about it happening immediately.

I did not say that our social programs were an unfair trade practice. I do not think they are. I do not think they should have anything to do with trade. The Parliamentary Secretary talks about what has happened so far. I know what has happened so far. I am talking about what might happen as a result of this entirely new relationship. That which has happened so far is not a reliable guide.

The point I am making is that when you get into a level-playing-field relationship these arguments will be generated. I am not saying that these arguments will succeed. I hope they will not. However, either the Minister is being very naive indeed or simply he does not want to admit that the arguments about social programs will become part of the negotiations. Over the next five to seven years we will be negotiating what constitutes a non-tariff barrier, what constitutes an unfair trade advantage of a non-tariff kind.

The Parliamentary Secretary says that he does not know how lowering tariffs can affect social programs. I am not talking about the lowering of tariffs. I am talking about the negotiations that will take place over the next five to seven years about what the level playing field will look like. I think that is where the arguments will be generated about social programs.

I could be wrong, and I hope that I am. I hope I never get to find out. I hope we kill this deal, because I do not like it. However, if it does go through, and if what I am predicting does not come to pass at the end of the negotiating period, I will be one of the happiest guys around. However, if you consider the things that have been said you will see that social programs will become a part of the argument.

We know that the Americans already tried once to countervail unemployment insurance. They did not succeed, but I think they will have a better chance of succeeding under this arrangement. I believe the Government has gone into it "bass backwards" if you like. Before we get rid of all the tariffs we should have agreement on non-tariffs. We should have a standardization of social policies such as exists in the European common market countries.

I do not want standardization according to American standards. For the benefit of the American people I would like to have standardization according to Canadian standards so that they can have a medicare program like ours. However, I do not expect that to happen. If it does, it would be great, but history tells us otherwise. When you enter into this kind of a relationship, the weaker country tends to take on the characteristics of the stronger country.

We heard from a number of native people throughout the hearings who had something to tell us.

Mr. McDermid: They got before the committee?

Mr. Blaikie: Yes, they got before the committee on a couple of occasions. The Assembly of First Nations appeared before the committee here, the President of the Dene Nations appeared in Yellowknife, and Chief Moses Okimaw of Manitoba was part of the coalition. I am not pretending that they were not heard. I am saying that they had some advice for us.

They told us that they had lots of experience with treaties between themselves and very powerful institutions such as the Canadian Government. I see that the Minister of Indian Affairs and Northern Development (Mr. McKnight) is here, which is rather appropriate. The native people told us that in their experience it is the powerful people who interpret the treaties, who in the end have the leverage to say that the treaty means something other than what the native people said it did.

That is the kind of relationship into which we are entering with the United States. That was stated very well in Manitoba by Chief Moses Okimaw who was quoting from *The Ecstasy of Rita Joe*, I believe. He concluded by saying that free trade will make Indians of us all.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, in its motion put forward today the Opposition is asking us to extend the deadline for signing the agreement by 60 days. On the face

of it, that seems to be a reasonable request which anyone might wish to consider. It seems hardly likely that it could not be accommodated. However, the fact is that there are two reasons why it is an unreasonable request. First, it implies that extending the agreement would not jeopardize the agreement we have, that we could simply extend the deadline by 60 days and examine the agreement a little closer without having an impact on our ability to conclude successfully the agreement which we have reached. Second, the Opposition is suggesting to the House that we have not spent enough time considering the free trade agreement. If the Opposition were a little more aware of what has been going on in the country for the last five years beyond the assembly lines of Oshawa it would know that westerners have been requesting a free trade agreement for years. In 1911 this desire of western Canada was put forward. We were not successful at that time, but we intend to be successful this time.

The Official Opposition and the NDP know that liberalized trade has been on the national agenda for many decades and has come to the top of the agenda in the last 10 years. Our national economy and our standard of living depend upon our ability to sell the goods and services we produce. We sell our goods all over the world. Thirty percent of our Gross Domestic Product is comprised of exports. The United States is our largest trading partner by far. We must keep certain economic facts in mind when we consider a free trade agreement.

Within the entire organization of the OECD, Canada is second, after West Germany, in the percentage of our Gross National Product dependent on international trade. Canada is a trading nation. We have always been and always will be. The Opposition has forgotten that this free trade agreement must be placed within the entire history of our trade with the world. Trade is fundamental to us. Our country was founded on trade with the Hudson's Bay Company and the Northwest Company. The fur traders and voyageurs built forts, travelled this country, and brought settlers because we had things to trade.

We still have things to trade and we have examined ways in which we can continue to trade them. Free trade is one of those options. It has been studied by many people. I recall when Premier Lougheed of my Province of Alberta put this idea forward at a First Ministers' Conference. He envisaged this as the way the West, and Alberta in particular, could fulfill its true economic potential, by providing Albertans with an avenue into the American market. He also saw the threat of protectionism against those items we currently sell to the American market. He was at the forefront of that trade debate and brought this issue into the modern era.

• (1540)

The question of free trade has been studied by many groups, including economists, professors, bankers, and business people, as well as the federal Government and some provincial Governments. One of the most important of those studies occurred in the fall of 1982 when the former Government set up the Royal Commission on Economic Union and Development Prospects for Canada. It is more commonly known as the Macdonald Commission, and was chaired by the Hon. Donald Macdonald, a former Minister of Finance under Prime Minister Trudeau.

That commission concluded that we must venture into untried ways that will demand open-mindedness, courage, innovation and determination. It went on to say that we must concentrate our efforts on obtaining secure access to the American market on which continental economic forces have made us increasingly dependent.

The Government has reacted to these challenges. We have been open minded and courageous. We have obtained secure access to the American market. Time and a series of international events have been on our side, such that we have been able to put this trade deal on the national agendas of both Canada and the United States. The Opposition is trying to ensure that free trade, and the state of the Canadian economy as a result of American protectionism fall to the bottom of those agendas.

We have spent years considering free trade and how it will affect us. During the 1977 to 1979 round of GATT negotiations, the Premiers of Canada expressed the view that, contrary to what the federal Government was then doing, there should be a two-pronged effort in Canadian trade initiatives, with a multilateral approach through GATT as well as on a bilateral basis with the United States. We did not do as well as we should have at the GATT negotiations because we are not part of a trading bloc like the European Economic Community, nor do we have the trading leverage of the larger nations like Japan or the United States. We did not have the empathy of the lesser developed countries and various other groups of nations in the world.

In 1980, Ronald Reagan sought election as President of the United States. One of his early commitments was to improve relations with his continental neighbours, Mexico and Canada. In 1983, the Macdonald Commission discussed the future of the Canadian economy through public hearings which were held throughout the country. It studied where the opportunities for job prospects might lie.

At the same time, the Ontario Economic Council produced a report by Mr. Harris and Mr. Cox which said that within Ontario there would be higher real incomes for Canadian labour and lower prices for many imported and domestically produced goods if we had a comprehensive trade agreement with the United States.

In 1984, however, the United States began to develop a trade deficit. This deficit developed for a multitude of reasons, including perhaps, an overvalued dollar. This, combined with a reduction in exports, caused protectionist Bills to spring up in the U.S. House of Representatives and Senate. This mood in the United States was increasingly threatening to Canada.

In January, 1985, the recently elected Conservative Government set forth three options for securing and enhancing access and export markets. The following month, the First Ministers met to discuss these options. One western Premier in particular, Peter Lougheed, was especially vocal in his support for a free trade deal.

In July, 1985, when the Macdonald Commission reported, its primary recommendation for economic policy was a comprehensive trade arrangement with the United States. This recommendation came from a group of people with the same political background as those who are now opposed to the deal.

Subsequently, the Prime Minister appointed a chief negotiator, Mr. Simon Reisman. The Premiers met to discuss provincial involvements during which there were several months of intensive negotiations. Throughout the course of negotiations, the Government consulted with advisory groups from various sectors of the economy. It met with industry representatives to discuss how particular tariff reductions would affect their industries. After numerous discussions and consultations, a comprehensive free trade agreement with the United States was made on October 3.

There have been a number of arguments against free trade presented in this House and elsewhere. Those arguments are wrong for a number of reasons, which I will outline later. Generally, though, they are wrong because they have neglected two factors.

First, those arguments neglect the fact that this is a trade agreement, not a political or cultural agreement.

Second, they do not recognize that this is a trade agreement which affects a number of sectors of the economy. The suggestions that our sovereignty will disappear or Canadians will no longer govern this country have extended the trade agreement to other spheres far beyond the scope of anything that this agreement does or contemplates doing. Those who say we will lose as a result of this deal have forgotten that this is one trade deal with one customer. We trade with other countries and hope to pursue liberalized trade with them in due course.

Let me give a brief outline of the basic aspects of this agreement which we signed with the United States. It is important to understand what underlies this agreement and how important it is to proceed without delay as has been suggested by this motion today. At the outset of the free trade talks, the Government stated clearly that a free trade agreement would be good for Canada or there would be no agreement. We have delivered on that commitment. On January 3, we will sign an agreement that is good for Canada.

Unlike the Opposition, our Government is not living in the past. We know that there is no status quo in the world trade environment, with rising protectionism in the United States and a changing world around us.

The events in the stock market last month demonstrated our vulnerability to world events. What happens in New York affects Toronto, Tokyo, Hong Kong, Zurich and London. We cannot insulate ourselves from the changing world around us. With today's information technology, business is conducted at paces never envisioned 25 years ago. Capital is moved around the world at the speed of light. In this environment, no country can shield itself behind a wall of protectionism and try to insulate itself from world forces. We cannot return to the days of 50 years ago when every small village and town had a bakery, butcher shop, livery barn and blacksmith shop. Today, we cannot insulate ourselves from continuing change and from moving ahead into the future.

Every recognized study of this issue has concluded that the free trade agreement will be positive for the Canadian economy. These studies include those by the Economic Council of Canada, the C. D. Howe Institute—generally believed to be more of a Liberal-thinking research institute—the Canada West Foundation, the Fraser Institute, various banks, professional groups, professors and universities. Every single study of which I am aware concludes that this would be positive for the Canadian economy. No one concludes otherwise. We can rest assured that there are people around who are prepared to pay for studies to come up with the conclusions they want, but even the Ontario Government's study which was released yesterday indicated that this agreement would be a positive thing for the Ontario economy. We all know it will be positive for the regional economies. We all know Quebec is on side and agrees it will be positive for Quebec. And these studies also conclude that it will be good for Ontario.

• (1550)

Our industries operate in world environments, energy, agriculture and high technology. In the things we do, we are among the best and the most efficient in the world. We already trade in international markets. So what are the implications of this agreement? There will be lower prices for consumers as tariffs come down. For consumers, tariffs are a tax. They are highest on food and clothing, the very things on which people with lower incomes spend most of their income. If those tariffs are taken away, the standard of living is automatically increased for every Canadian.

The Economic Council of Canada has suggested a 5 per cent increase in the standard of living of Canadians. The Department of Consumer and Corporate Affairs has suggested that in terms of setting up a complete household, the savings would be in the order of $8,000 per household. A study was done some years ago on the potential impact of removing tariffs on the poor. The study concluded that the removal of tariffs could put 25 per cent of the people currently living below the poverty line above that line.

We will be exporting goods and services to the United States, not jobs. There will be increased foreign investment in Canada. The economy will become more specialized, more efficient and more productive. Canadian firms will move to the frontier of technology and our society will become more outward looking.

Many members have heard of the slogan of the anti-free traders 75 years ago: "No truck or trade with the Yankees".

Those who echo that slogan today are, to quote Marshall McLuhan, marching backward into the future. This agreement reflects the confidence and determination of those who have a vision of a big Canada, big in prospects, big in opportunities, big in competitiveness, productivity increases and research and development.

This agreement is consistent with other agreements in the world. The European Economic Community has a more far-reaching agreement than is envisaged here. When Britain was considering entering the EEC, the same kind of arguments were put forward, that somehow the agreement would diminish the status of England as a independent country, somehow it would be less independent. But, as we know, that is foolishness. Britain is still Britain, the Queen is still the Queen, and Maggie Thatcher is still the Prime Minister and just as tough as ever. Smaller countries in Europe which have entered into the agreement agree it has been of great benefit to them. One will find none of those countries today that would withdraw from the EEC. None of those countries would give up the benefits that that trading arrangement has given to them.

Between Australia and New Zealand there is a trading agreement. These are two countries with relatively the same population differential as between Canada and the United States. New Zealand has benefited greatly from that agreement. All the economic theory indicates that smaller countries have benefited more than the larger countries because the smaller countries are the ones gaining access to the larger market.

In Canada we have a trade agreement with the United States called the Auto Pact. It was signed in 1965 by Prime Minister Pearson without consultation of Parliament. The same people who opposed that agreement are opposed to this one. Yet that agreement can be cancelled by either side on six months' notice. It is now the darling of those who opposed it when it was first brought in. Today the people who are the greatest benefactors of that agreement, namely the auto workers' unions, lead the opposition to the free trade agreement.

The City of Oshawa is the home of General Motors in Canada and is represented by the Leader of the New Democratic Party, known also as the Member for General Motors, which was built with $4.6 billion of foreign investment. Premier Devine has said he wants to take all the mayors from all of the towns and cities in Saskatchewan to visit Oshawa. He wants them to see whether all that foreign investment would be as bad for Saskatchewan as it has been for Oshawa. He said that all he wants is $4.6 billion for all of Saskatchewan. He will stop there. He is not greedy. That will be enough.

The free trade debate is really about two views of Canada. The first view is that we should protect ourselves from a too competitive world by using the state to prop up the inefficient and the uncompetitive. The other view, one in which we believe, is of confidence in our ability to compete in the world as an outward-looking nation ready to take advantage of global opportunities. We firmly believe that Canadians will choose our vision of the future. Protectionism leads to depression and we must unite against that.

I want to examine for just a moment that other vision, the vision proposed by the Party putting forward the motion today that seeks to derail this agreement. I think it is worth while to consider for a moment the views of the New Democratic Party and, to a lesser degree, the views of the Liberal Party. Let us examine the New Democratic Party. On the national scene we have professors, high school teachers, community college lecturers, media types and so on. That is not meant to be negative about any of those people. We have plenty of them in the Conservative Party as well. But what the New Democratic Party does not have is balance. Those Members are long in the realm of ideas but short on experience. They have rarely managed anything, let alone an entire Government, yet profess to have the expertise necessary to tell all Canadians how to run their affairs. They do not have the confidence to trust Canadian initiative. They do not have the confidence in the ability of individual Canadians to compete in the world if they were just given the opportunity.

The NDP world is a world of ideas and commentary not the world of management. It wants to maintain the status quo. The NDP find solution in government intervention as a matter of first resort. That Party believes the free market should be interfered with whenever it threatens the present state of affairs. It spouts the clichés of outmoded protectionism. Protectionism is for those who have a small vision of Canada. The NDP is dominated by fear. It has neither confidence in itself nor a vision for Canada. New Democrats doubt their capacity to be Canadian without an artificial wall around them. They forget that trade has always been fundamental to our development as a nation, especially in western Canada.

I believe we must defeat this motion today. We must proceed with this agreement with dispatch. This motion would jeopardize the agreement that all of us from western Canada have worked so hard to get. I urge the House to defeat today's motion.

Mr. Riis: Mr. Speaker, as usual, I appreciated the comments of the Hon. Member and the tone in which they were delivered. I did not agree with much of what he said but I respect his right to make his opinions known.

I am perplexed about one area on which the Hon. Member spent a great deal of time, that is, the energy area and what the free trade deal will do to assist the Albertan economy. He quoted his ex-Premier, Peter Lougheed. When we are building our economy, particularly our manufacturing section, we look to see what our competitive advantage is. Some countries have very cheap labour costs and with other countries it is the whole elimination of environmental standards and health and safety standards, while in other countries, perhaps, it is the location, but we all try to maximize what advantage we have in terms of competing on the international markets. One thing that

Alberta has that other parts of the country do not, of course, is ample and abundant energy sources, relatively inexpensive energy when it comes to importing from Saudi Arabia or Venezuela with respect to the petrochemical industries.

• (1600)

One of the advantages Alberta has always had is in the development of its petrochemical industry. Alberta could purchase feedstocks for that industry at a price lower than world price. This gave Alberta an obvious advantage because the critical raw material was there and it gave Albertans that extra leg up to develop and compete internationally. Albertans might be able to compete with a country where the cost of labour is significantly lower than Alberta's but the cost of energy is higher.

What we have done in this agreement is to lose our ability to price our feedstocks of oil and natural gas. They will be world price and the price will be the same whether it is Leduc, Red Deer or Dallas, Texas. I simply pose the rather hypothetical question to my friend but it will provide him with an opportunity to answer.

If he were a major investor, industrialist or a large business person who was going to invest in a major petrochemical plant locating it in Red Deer or in Amarillo, Texas and the cost of gas or oil, even if it were from Alberta, would be the same no matter where and he had a choice of locating it close to major American markets or way up in Canada, what would motivate the Hon. Member to open up that major petrochemical complex far away from markets in Canada if the price of feedstocks were exactly the same wherever he opened that plant?

Mr. Dorin: Mr. Speaker, one of the easiest ways to answer the Hon. Member's question is to tell him about the reaction of the petrochemical industry in Alberta to this agreement. It is one of welcome. For one thing, currently there are tariffs between 12 per cent and 18 per cent on petrochemicals being produced in Alberta going to the United States. We already have that 12 per cent to 18 per cent disadvantage. This agreement will remove those tariffs. Certainly there are choices and a variety of factors that come into being in the location of a plant.

Peter Lougheed has pointed out that Alberta has developed a petrochemical industry which was not there 15 or 20 years ago and it has developed it to a state of maturity where it can now sustain itself in world markets, if it can get access to those world markets without due restraint, such as the 12 per cent to 18 per cent tariffs. There is no doubt about that at all. The industry is ecstatic about this agreement. The industry will believe it will lead to an expansion of facilities, sales and more employment. That speaks volumes, more than any rhetoric or scare tactics.

The basic difference is philosophy. Our province and our Party believe that we can compete with market forces and we can do so very well. Let us not forget what we are talking about when we are talking about controlling prices. We are talking about the Government controlling prices, and the Government saying what the price will be and indirectly what the wage and what the return will be. We reject that philosophy. We believe the free market is the one that will serve us best.

Mr. McKenzie: Mr. Speaker, I have a question for my hon. friend, the Hon. Member for Edmonton West (Mr. Dorin) who is quite an authority on the energy business in Alberta. He knows the devastating and damaging effect of the National Energy Program on his province. We now see a repeat with the New Democratic Party opposing free trade, which will deny western Canada tremendous wealth if we enter into a free trade agreement with the amount of energy that we have in reserve. We have some 680 years of energy reserves. We will not run out of energy. In fact, we had better start getting rid of the surplus gas and oil as quickly as possible because by the turn of the century there will be all kinds of other alternative sources of energy and there will not be the same need for all this gas.

A book written by Ron Graham quotes the ex-Liberal Energy Minister Marc Lalonde. It reads:

> For the first time Mr. Lalonde admits publicly that the purpose of the NEP was to prevent the west from growing too wealthy.

We know that the National Energy Program was introduced by the Liberal Party, fully, totally and completely supported by the NDP.

Mr. Manly: That is a lie.

Mr. Riis: That is a lie.

Mr. McKenzie: If that blow were not bad enough, the NDP is—

Mr. Riis: That is a lie.

Mr. McKenzie: The New Democrats are saying that Marc Lalonde is lying.

Mr. Riis: You are.

Mr. McKenzie: I challenge the New Democrats to challenge Marc Lalonde. I am quoting Marc Lalonde. I am not lying.

Mr. Riis: You are a liar.

Mr. McKenzie: Challenge the NDP. Go to Marc Lalonde.

Mr. Riis: You are a liar.

Mr. McKenzie: Mr. Speaker, I want this man removed from the Chamber. He called me a liar. I am quoting what Mr. Lalonde said, not what I said.

Mr. Deputy Speaker: I would ask the Hon. Member for Kamloops-Shuswap (Mr. Riis) to withdraw his remarks.

Mr. Riis: Mr. Speaker, because of the parliamentary rules of the House and my respect for them I will reconsider the name that I have called my hon. friend because I think he was misleading the House by saying that the NDP supported the NEP in all its phases. He knows. He was here and he knows that is incorrect. Perhaps my calling him a liar was a bit out of line and I withdraw that comment.

Mr. Deputy Speaker: I thank the Hon. Member for Kamloops—Shuswap.

Mr. McKenzie: The NDP might not have voted for all phases of the NEP, but the New Democrats voted for the majority of the phases.

Mr. Lalonde went on to say:

> Our proposal was to increase Ottawa's share appreciably, so that the share of the producing provinces would decline significantly and the industry's share would decline somewhat.

We know the devastating effects of the National Energy Program. Two banks collapsed because of it.

I am not an authority on energy—

Mr. Orlikow: Or on anything else.

Mr. McKenzie: —so I have to turn to people in the field who are authorities. I do not turn to the New Democrats to find out anything about energy or about anything else.

The Independent Petroleum Association of Canada presented figures on energy reserves. Let me quote them. We have 680 years of supply. These energy figures were quoted to Members of Parliament in November this year, and they are made up of two components; one, estimates of reserves that have been discovered, and two, estimates of the potential reserves that have not yet been discovered. This data was obtained by IPAC from the Canadian Petroleum Association.

Will we run out of energy if we sign this trade deal? Doesn't the Member think there is enough energy to go around with 680 years of supply? Is there a problem if the West goes into this trade deal? I think the West will become extremely wealthy if we enter into this trade deal and export all this surplus natural gas. I am sure the Hon. Member for Edmonton West, who is more associated with the industry than I am, could give us an explanation on the points that I have raised.

Mr. Dorin: Mr. Speaker, perhaps I can briefly respond. As the Hon. Member has pointed out, there are ample studies, including the one to which he has referred, done recently by the standing committee of this House which has shown that there are large supplies of energy in Canada. There is no danger of our running out of energy.

The concern and the question is the price of that energy and whether or not a Government, as was done through the NEP, should impose a government price that robs producers and gives them half or less of what the product is worth. Producers should be entitled to a rate of return and a price that they can achieve in the market-place. We know what the answer is from our Party because we got rid of the NEP. In this agreement we are securing access to markets at market prices.

Maybe I could add one more point concerning the energy field. In Alberta we think of oil and natural gas. I spoke to a representative of a utility company which produces electric power from coal. He said to me that this agreement would be a great boon to them, because in Alberta we also have tremendous resources of coal. This agreement would allow them to produce electric power for export to the United States, and use those coal resources that are currently under utilized. Therefore, over and above the supplies of oil and natural gas, there are huge volumes of other energy which this agreement has the potential to tap, allow to be developed, and provide the jobs, income and growth that we are all seeking.

• (1610)

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the United States-Canada trade deal, falsely called the free trade deal, has raised more serious issues for Canada than any other measures submitted to Parliament or the Canadian people since the Second World War. Yet despite that fact, we are asked to deal with it as if it were a minor piece of legislation.

The manner in which the Government is trying to ram this measure through Parliament and past the Canadian people is totally unacceptable and contrary to all our democratic traditions. Not only are we meeting a U.S. fast-track timetable, a timetable which was made in the United States, but also under that timetable we in the Canadian Parliament will have much less time to consider this deal than the United States Congress.

The impact of this deal will be much greater in Canada than in the United States. For example, 80 per cent of our foreign trade is in the United States, while only 25 per cent of the United States foreign trade is in Canada. Yet our Government has submitted to a fast-track schedule for dealing with this matter which is against our interest.

The other thing for which one has to have complete disgust is the fact that it provides the American Congress, which is less interested in the deal, with more time to consider the measure than the Canadian Parliament. Not only that, but we have not yet seen the legal text of this agreement. We will be asked to approve it next week.

When the 35 page document entitled *Elements of the Agreement* was tabled in the House a short while ago, the Prime Minister (Mr. Mulroney) stated that we would have the legal text within three weeks. It is now 10 weeks, we are told that the legal text is finished, and we were told that we would have it today. We do not have it today. We are now told we may have it tomorrow, or perhaps we will have it on Monday. The House will adjourn on December 18, which is next Friday. We will be asked to debate, examine, and approve or reject this 1,200 page legal document in that short period of time.

Christmas and New Year's will come along and the break for the holidays, and the Prime Minister will sign the document on January 2. I do not know how anyone with any reason and intelligence can accept that something so important and with such far-reaching implications should be dealt with in such a summary manner.

I wish to refer to the United States system. Under the American Constitution treaties must be approved by the Congress, especially by the Senate. Under our Constitution in Canada, in law the Government need not submit a treaty to Parliament for its approval. The signature of the Government is sufficient to make that treaty legal. However, from time to time when something is divisive and controversial, and there appears to be a lack of consensus, Governments nevertheless have given Parliament a chance to examine the matter, debate it, and then decide on it. We know with the great majority of Conservatives in the House, that they will approve of it whether it is good or bad. But to deny the right to a full and complete examination and debate is totally unacceptable, as is stated in this resolution.

We are dealing with this free trade agreement which impacts on every aspect of our economic, social, and political life, and we are asked to do it in a summary way without having the total document. Compare that with the process we have with an ordinary Bill. The Bill is tabled for first reading, distributed, we all have a chance to look at it, then there is second reading debate, and a vote at the end of the second reading debate. The Bill is then sent to committee where witnesses are heard. The committee then sends it back to the House, there is a report stage with more debate and more possibility of amendment, and then there is a third reading debate and another vote. Then the Bill is sent to the Senate. Generally, those rules provide for a complete and thorough examination, but that is not happening with this so-called free trade agreement.

I can say as a member of the committee who examined the agreement—I hate to use the word "examined" because we were given only four weeks to examine with witnesses the *Elements of the Agreement*, two weeks in Ottawa and one day in each province and territory, except the Yukon—that at every meeting witnesses stated that they wanted more time to consider this. Even those who are in favour of free trade in principle stated that they had doubts, concerns, questions that they wanted answered, and they wanted more time. Not only professors and church people but business people came to the committee, such as people from the printing industry or the small printers in New Brunswick and the maritime provinces, and they wanted to look at the legal text of the deal to see how it impacted on their businesses. They were afraid that they would not have enough time to readjust their businesses to compete with large American firms. The demand for more time, more information, answers to questions, and concerns over what might and might not be covered were raised all over the country. Yet the Government is rushing this thing through as if it did not want us to know what is in it.

Why do we need more time? We need more time because this is a very complex, complicated deal which impacts on every phase of Canadian life, and seriously changes the type of country that we have. I know the members of the Government do not think that that is true, but many Canadians think it is true and they want time to look at this. Having been a member of that committee, I might say that when one reads something like this for the second, third, fourth and fifth time, one always sees something new. That is the benefit of a long debate and discussion. New individuals come to the committee with a new perspective that was not seen before. But that will not happen when it is rushed through in such a quick manner.

We are not dealing here with theoretical free trade. Some people are debating this issue as if we were at a university and discussing theoretical free trade or text book free trade. That is not what we are discussing. We are discussing the 35 page document, up to this moment the 35-page *Elements of the Agreement* signed between Canada and the United States on October 4. That is what we are discussing. Is that agreement a good or a bad agreement? We are not discussing theoretical free trade.

The Hon. Member for Edmonton West (Mr. Dorin) stated that this is just a trade agreement. All the members of his Party have been saying that wherever we went. But it is not only a trade agreement; it has serious implications for our political system and for our social programs. It needs close examination because of that.

What is in the 35 pages? I keep referring to the 35 pages, but God knows what will be in the 1,200 pages. At the beginning they stated it would be exactly the same as what was in the 35 pages. Then there was renegotiation of the shipping parts, the transportation parts, and now we hear something about postal rates. We will have to wait until we finally see the legal text. What is in the deal in itself requires much more examination than it has had to date.

Let us take a look at some of the things contained in the deal. If we look at the provisions on energy, I do not know how government Members can state that this particular statement with respect to energy is nothing more than a trade statement. It states:

> There is broad agreement to assure the freest possible bilateral trade in energy, including non-discriminatory access for the United States to Canadian energy supplies . . .

• (1620)

If we look back at the political battle during the OPEC crisis in the seventies, if those were not political battles as well as economic battles, I do not know what political is. This is a sell-out of Canadian energy and resources to the United States. This is untrammeled access to Canadian energy supplies, or whatever it says. I just put it on record.

With respect to agriculture, our horticultural industry and many aspects of our farming industry are very, very upset and concerned about what it will do not only to the economics of

the farming industry but to a way of life—the family farm which is already in danger.

Turning to the Auto Pact, they said that the Auto Pact would not be included. However, we now find in the *Elements of the Agreement* that the safeguards have been taken away. The agreement removes any ability of the Canadian Government in the future, as long as the agreement exists, to screen or to bar foreign investment, even investment which it thinks is not in the best interest of the country. It outlaws "buy Canada" policies or government procurement policies which favour our own industry. If that is not political, I do not know what is, especially as an instrument of regional economic development. For the first time in the world we are including services in a trade agreement between countries. It has never been done before.

It also includes financial institutions. It changes the nature in which we deal with our financial institutions and with our cultural industries. We find that mentioned in the deal. All these things require a lot more discussion and examination than they have already been given, and it is not being done.

What did we get in exchange for some of the things I have just mentioned that we gave up, such as total access to our energy and putting Canadian agriculture which has a tough winter to deal with in competition with California, Florida, and Arizona in the southern United States where they do not have winters and they have very low costs? What did we get in exchange?

We are lowering tariffs over a 10-year period so that we will bring them down to a zero level. However, 80 per cent of the products which go between Canada and the United States are now tariff-free. By the way, because of that Canada had a $20 billion trade surplus with the United States just before the agreement was signed.

Until we went begging to the United States for this special arrangement, most Americans did not even realize that we had that big surplus with them. They thought the principal bogyman was Japan and they were aiming all their darts and arrows at Japan. Now they know that Canada must be dealt with as well. Of course, as soon as they knew, they started hitting our shakes and shingles, softwood lumber, potash, and many other industries.

In exchange for giving up all the things to which I referred, we got a lowering of tariffs from 20 per cent where there are still tariffs applicable. The non-tariff barriers still remain and, in particular, the right of the United States to apply countervailing duties and anti-dumping measures against us. This seriously impedes our regional development programs.

In our hearings in Atlantic Canada we referred to the fact that the American Department of Commerce had decided that 12 federal programs geared to assist the fishing industry in Atlantic Canada were unfair subsidies subject to countervail in the United States. They were such things as fishing vessel assistance programs, agricultural and rural development agreements, economic and regional development agreements, fishing vessel insurance plans, industrial and regional development programs, and so on. In other words, the United States has reserved the right to countervail against programs, even programs that we in Canada might consider necessary to assist the lesser developed regions of the country. A lot more examination needs to be done in respect of those things in the deal.

What are the implications of the agreement for major matters not mentioned in the deal itself? Every time witnesses came to our committee and said that the Mulroney-Reagan deal undermined our sovereignty or restricted our political action, Conservative members of the committee would take out the *Elements of the Agreement* and say: "Where in here does it say that our sovereignty was threatened or undermined?" Of course it is not mentioned within the covers of this blue booklet. It is not mentioned there at all.

The same thing happened whenever witnesses would say that social programs, minimum wages, health and safety standards for workers, unemployment insurance, affirmative action, marketing boards, and environmental laws were threatened. Each time something like that was said, they would say: "Show it to us. Where does it say in this little blue book that those things are up for grabs?" Of course it does not say that in the little blue book, but it does not take much intelligence to conclude that when Canadian companies, which are subject to Canadian labour standards and to minimum wages and must pay check-offs for medicare and other things, compete with American companies, especially from "right to work" states in the south of the United States, they will have much higher costs in Canada and will not be able to compete.

This is exactly why the Grocery Products Manufacturers Association of Canada made representations to us. This is not the radical left. We heard from large companies. The President of Quaker Oats said that if we had to buy our raw material food products on the Canadian market, with all costs that are entailed, we would not be able to compete with American companies that can buy their products at much cheaper prices and with much cheaper overhead due to the fact that they have lower wages, lower social standards, and so on.

What happens when we have Canadian companies living in that regime and trying to compete with American companies? By the way, there has been a movement in United States manufacturing from the north to the south where those cheaper standards and lower standards exist. They even have—and it would take me a whole debate to get into it—this Mexican connection whereby American companies send products into Mexico to have them assembled at much cheaper rates and then send them back into Canada. In any case, what will happen is that there will be pressures to harmonize all our social and labour programs with those of the United States so that our Canadian companies will be able to compete, or Canadian companies will scale down their Canadian operations and open plants in the United States so that they can

manufacture at a much lower cost and still import or export into the Canadian market.

I would like to quote what a prominent German businessman said about this matter at a seminar on free trade in Montreal last weekend. The former chief of loans for the Dresden Bank said that without a free trade deal Europeans were almost forced to invest in Canada to reach the Canadian market, but that free trade would allow them to serve Canada from plants in the United States. He went on to say: "I know that is not a friendly argument but it seems to be the truth. If larger European firms are given the option of locating a manufacturing plant in either Canada or the United States, they will almost by definition choose the United States because of such factors as transportation costs, taxation rates, market size, and labour laws".

There is a lot more testimony if somebody wants to read it before the Standing Committee on External Affairs and International Trade on that very same matter.

There is pressure to harmonize or go to the United States. By the way, if that happens, a Canadian company which owns a branch plant in the United States to serve Canada will still make big profits. However, the workers in its Canadian plant will suffer because they will be laid off.

In conclusion, let me say that for a long time the Liberal Party has been in favour of liberalized trade. As a matter of fact, since the Second World War there has been a progressive reduction in tariffs between Canada and the United States, mostly accomplished through multilateral and sectoral arrangements. In those 40 years, Canadian tariffs came down from an average of 21 per cent to 9 per cent. United States tariffs came down from 32 per cent to 6 per cent. Right now, 80 per cent of the products that move between Canada and the United States are without tariff. Only 20 per cent of the products have some kind of meaningful tariffs. Because of the soundness of Canadian business practices, we have a $20-billion surplus with the United States.

• (1630)

Tariffs and other barriers to trade can be lowered without giving away our energy supply, without destroying our agriculture and without giving up our political control. We did it before in the 40 years since the Second World War and we can do it again.

[*Translation*]

Mrs. Duplessis: Mr. Speaker, at this point in time when we just signed an agreement—the most important in this century—that will bring prosperity to all Canadians, men and women, and to all provinces, an agreement that will keep on ensuring prosperity across the land, I want to suggest to you, Mr. Speaker, that having listened very carefully to the speech delivered by the Hon. Member from Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), I would like to know what his position as a Quebecer is on energy matters, since Quebec's Premier welcomes this Agreement because of its impact on the economic development of the Province of Quebec, where energy is so vital.

[*English*]

Mr. Allmand: Mr. Speaker, that is a very easy question to deal with. We have not had a free trade deal for years and Quebec has been very successful with its energy and the export of its energy. We do not need this kind of deal to assist Quebec in the export of its electrical energy.

The problem with this deal is that in the opinion of many, and I admit it is divided opinion, this deal will prevent Quebec from having a two-price system under which it could charge lower prices for its own citizens or for industries as an incentive to establish in Quebec.

We all know that the aluminum industry in Quebec was established because of special deals between the electricity companies and the Government. According to Mr. Lougheed, the former Premier of Alberta, that kind of two-price system will no longer be possible even for electricity. If one price is charged in Canada, that is the price that will have to be charged in New York, Maine or New Hampshire. We will not be able to charge a high price down there and a lower price up here.

I will refer to the provisions of the deal again, because this is a very important question. I would ask the Hon. Member to look at the provisions in the document under energy where it refers to non-discriminatory access for the United States to Canadian energy supplies. Electricity is energy. It goes on to say that both sides have agreed to prohibit restrictions on imports or exports including quantitative restrictions, taxes, minimum import or export price requirements or any other equivalent measure subject to very limited exceptions. These exceptions include national security, times of war and short supply.

The point is that we will not be able to discriminate between sales made to Americans and sales made to Canadians or sales Hydro Quebec would make to an industry that would want to establish in Quebec. I think that that is a mistake.

I can understand Mr. Bourassa wanting to sell as much electricity to the United States as possible. I support that, but to accept this kind of agreement which ties his hands is another thing.

Mr. Hopkins: Mr. Speaker, I would like to ask my hon. colleague about the manufacturing in Mexico to which he referred. If I have the figures correctly, I believe there are about 300,000 people in northern Mexico who work in plants that have been built by Americans. These people work at a very cheap rate of pay, 68 cents or 70 cents per hour American. These people will be able to make all kinds of products.

How does the Hon. Member, who was a member of the committee looking at the trade deal, see that affecting products produced here in Canada where there are higher

transportation rates and climatic differences? Does he see this as being an attack on certain industries in Canada?

Today, there are decent wage rates and social benefits such as unemployment insurance in Canada. Does he see this as an attack on the social net within Canadian society itself? Is this an indication that this agreement will assimilate Canadians to the American way of life, to American attitudes and to American high-pressure business at the expense of Canadian labour and competition?

Mr. Allmand: Mr. Speaker, the Hon. Member is referring to what we call the Maquiladora Corridor, a corridor along the Mexican-U.S. border in which approximately 300,000 Mexican workers are now working in plants assembling parts made in the United States at wage rates much below those they would be paid in the United States.

For example, blue jeans are being assembled for $1 per pair in Mexico, whereas it would cost $7 per pair in the United States. This is not happening only to things like jeans but to refrigerators, stoves, video machines and a whole host of consumer goods like that.

Not only will that system hurt Canadians under this deal but it is already hurting many American workers who worked in plants in the northern United States. The American attitude is not one of intervening to protect the workers in the same way we traditionally do in this country. They are letting these American companies get away with it.

The trade negotiations office says that these products will not qualify under the free trade agreement for export to Canada without tariff. How will we be able to tell if a radio or a washing machine coming into Canada with an American brand name of an American company situated in the mid-United States did not have some of its components made south of the border under these kinds of arrangements?

The trade office says that there will be Canadian inspectors roaming all over the United States looking behind the panels of these products to see where their components are made and asking questions. With the deregulation in the United States and Canada and with the cut-backs in inspectors, I do not know how that will happen. Will there be massive armies of inspectors roaming all over the United States checking out these goods?

In any case, there is some dispute about this particular matter raised by my hon. colleague, and it is for this reason that these things should be given much more time. We should not rush through this debate in a few days. We should be holding hearings at least as long as the American Congress which, it seems, will hold hearings until next September. It does not even want to look at the deal in an official way until June.

Here we are, closing the whole debate next week sometime, and the Prime Minister (Mr. Mulroney) will sign it on January 2. That is it for us. The American Congress will have time to look at all these things. We will not.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Chicoutimi (Mr. Harvey) for a last question.

Mr. Harvey: Mr. Speaker, I listened closely to the Hon. Member's contribution and it is my view that if there were a vaccine against exaggeration and inconsistency, it would now be in short supply in Canada because of the Liberal Party. One day the Leader of the Opposition (Mr. Turner) supports the principle, and the next day he is against it. They bring in all sorts of qualifications. They talk about regional economic development and say that some programs would be cut, reduced. If there is one party, Mr. Speaker, if there is one Government that has cared about regional development over the last three years it is this Government, especially in Quebec with the number of sectoral agreements that were signed in key industries with our economic development in mind. I will spare you the list.

They talk about jobs. They talk about lost jobs, although the Economic Council of Canada and the Macdonald Commission—whose chairman, by the way, was not that much of a Conservative—made recommendations and reported very positive findings in that respect. Concerning the whole cultural aspect, Mr. Macdonald suggested among other things that whatever relates to popular culture is exempted from the provisions of the agreement. On the whole, Mr. Speaker, this issue may give rise to a high level of demagogy with reference to this theme which is a part of the history of this country.

The Premier of Quebec and his predecessor on a number of occasions have given unconditional support to this day to the free trade agreeement with the United States, especially as far as Quebec's interest is concerned. That deal will allow for significant economic renewal over the forthcoming decades. I would therefore simply ask the Hon. Member for his view, for his opinion on Mr. Bourassa's support for that Canada-U.S. free trade agreement between Canada and the United States.

• (1640)

[*English*]

Mr. Allmand: Mr. Speaker, I personally believe that Mr. Bourassa gave his approval to this agreement too quickly. It is interesting to note how his Minister of Agriculture, in attending the meeting of *l'Union des producteurs du Québec* began to hedge on this matter. It is also interesting to note that we had only one day of hearings in Quebec. We did not go to Quebec City, Lac-Saint-Jean, the Abitibi, or the Gaspé, just Montreal.

The eight groups that appeared before us in Montreal were divided. Four were opposed and four were in favour. Yet even those in favour had conditions. They had doubts in their minds. What we are discussing today is a motion by the NDP which says we are going at this thing too quickly. If the

agreement is good, it will stand up to intensive scrutiny over a period of time. The problem is that we are rushing at it too quickly. The Hon. Member does not have the legal text, and neither do I. Perhaps the Cabinet and the Prime Minister (Mr. Mulroney) have it, but neither of us know what is in the legal text. If the agreement is as good as he says it is, let us spend at least as much time as the U.S. and really test it. Let us hear everybody.

It was only today that the Auto Parts Manufacturers Association said it is now opposing the agreement. It took that group this long and there are others that will take that long.

The Hon. Member referred to the Macdonald Commission and the Economic Council. Their studies were made before the agreement was concluded. They were done on a theoretical free trade model, not on this agreement. I repeat over and over again that we are discussing this agreement. Mitchell Sharp, a former Liberal cabinet Minister, said he was a free trader but is against this agreement. So is Eric Kierans. It is not a question of whether you are for or against textbook free trade, it is this agreement which is at issue.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to take part in this debate on the motion put forward by my Leader condemning the Government for rushing this trade deal through. Bishop De Roo of the Roman Catholic Church spoke of what he called the secretive fast-track deal the Government is rushing through. We are rushing it through on an American timetable which the Americans themselves are not going to follow. They have set the agenda, we are following it, and they are not going to follow it themselves.

The agenda does not leave adequate time for the people or Parliament of Canada to look at the agreement and see what is in it for them and what we are giving up. It does not allow us to engage in an important debate. President Reagan spoke of this as a new economic constitution for North America and we in this House should be able to look at the fine print and have the time to debate it. The committee should have the time to hear witnesses who have had time to study the document. The committee should not hold farcical hearings across the country where the witnesses have not had the final text to study. It spent a day in each province hearing from eight or 10 different organizations. The whole process from beginning to end has been a complete farce.

Horace Walpole once said this world is a comedy to those who think and a tragedy to those who feel. No doubt there are some who have no feeling for Canada as a nation. If they stand back and look objectively at what the Government has done, they should be able to appreciate the farcical nature of what is happening. For those of us who care about Canada, who have a sense of Canada as a nation in which we grew up and in which we want our children to grow up, a nation where we see a future, then this deal is a tragedy. The process is a tragedy and has to be condemned as such.

The process goes back to at least 1983 when the present Prime Minister (Mr. Mulroney) was seeking the leadership of the Progressive Conservative Party. At that time another person seeking to be the Leader, the present Minister of Transport (Mr. Crosbie), put forward a proposal for a comprehensive partnership with the U.S. When the present Prime Minister was asked what he thought about that proposal he said: "Canadians rejected free trade with the U.S. in 1911. They would do so again in 1983. Canada must increase its share of total world trade which has dropped by 33 per cent in the past two decades". I am quoting from *Maclean's* magazine of June 13, 1983.

The present Secretary of State for External Affairs (Mr. Clarke), who was involved in the trade discussions, said: "Unrestrained free trade with the U.S. raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear. Before we jump on the bandwagon of continentalism we should strengthen our industrial structures so that we are more competitive." The Secretary of State (Mr. Crombie) said: "It's silly. Canada must improve relations and trade with the U.S., of course, but our natural destiny is to become a global leader, not America's weak sister". The Minister of Finance (Mr. Wilson) said: "Bilateral free trade with the U.S. is simplistic and naive. It would only serve to further diminish our ability to compete internationally".

We need to ask why these four people, all very influential in the present Cabinet, were opposed to free trade in 1983, and why they are attempting to foist off this trade deal on the Canadian people in 1987. If, as the Prime Minister said four years ago, Canadians would reject this deal, then why try to impose it on Canadians now?

I suggest one of the reasons they opposed it in 1983 was because there was still a substantial number of members of the Conservative Party who had some allegiance to the Diefenbaker heritage. Whatever faults John Diefenbaker had, at least he had a vision of Canada that went beyond Canada being just a branch plant of the U.S. I would like to read from his last speech as Prime Minister on February 5, 1963. He said at page 3441 of *Hansard*:

> Somebody said to me that if I take this stand then we are going to suffer danger in Canada, damage to Canada, and that we are going to do harm to Canada's economic strength. I do not accept that argument. It is an unworthy one.
>
> —I cannot accept the fears of those who believe we must be subservient in order to be a good ally of any country in the world.
>
> Macdonald fought this battle. The great merchants in the city of Montreal, in those days—not the French Canadians—had their views on this subject, that after all Canada would be that much stronger if it were joined with the United States. That was not Macdonald's view. That idea comes in with almost every generation.
>
> I say this, Mr. Speaker. We are influenced in this way every day in our country on radio, television and in the press. When the leader of the United States speaks, we get it in detail over our television . . . .When I hear some saying that the fact that one dares to speak out will endanger Canada's economy, I wonder what the future of this country would be if those who have such fears and those who are of little faith held office in our country.

> I believe in co-operation, in the closest co-operation, but not in the absorption of our viewpoint by any other nation. I believe in the maintenance in spirit and in fact of Canada's identity, with the right to determine her own policy without extramural assistance in determining that policy.

● (1650)

That was John Diefenbaker in 1963. It was that legacy to which the present Prime Minister felt he had to appeal when he was seeking to be the Leader of the Conservative Party. It is that legacy which he is betraying right now. The first people who were betrayed by this free trade deal were the members of the Conservative Party to whom the Prime Minister made commitments in 1983.

During the election campaign in 1984 the Prime Minister did not travel across Canada saying that he was going to strike a trade deal with Ronald Reagan. Instead, he talked about fair and honest government, open government. He spoke about the pork-barrel patronage that we had seen and were all fed up with. We have not seen open, honest government free from patronage. Instead, there has been a continuation of that and, in addition, the betrayal that is represented by the free trade deal which the Government is presently trying to push upon us.

Following the election in 1984 the Prime Minister proceeded to bring Canadian law into compliance with the desires of American business interests. Instead of a relationship of mutual friendship and respect there was a fawning subservience to the power of United States business. We saw the gutting of FIRA, the doing away with the National Energy Program, and the elimination, through Bill C-22, of decent pharmaceutical laws which allowed the production of low-cost generic drugs in order to satisfy the American pharmaceutical industry.

The Government allowed U.S. business to move into areas which it said it was going to protect. It allowed Gulf and Western to take over Prentice Hall book publishing. It is allowing Amoco to take over Dome Petroleum. All the time that we are making these concessions the United States is moving against vital Canadian industries. Yet the Prime Minister does nothing but smile and put his arm around President Reagan and sing with him.

While we were moving toward the trade deal the United States was trying to stake out an ever-wider territory in Canadian business. We saw the imposition of a 35 per cent countervail on shakes and shingles. The Government tried to maintain the other day that that had no real effect. However, Mr. Scott Clarke, a representative of the Independent Shake and Shingle Producers Association of British Columbia, appeared before the standing committee studying the trade deal last month. He supported the deal, yet he said:

> As you are all aware, our industry was hit with a 35 per cent tariff on June 6, 1986. Prior to that date, our industry was a free trader. Since the inception of the tariff, our industry has seen curtailment in production, loss of jobs, and an increased failure rate among producers. In addition, some of my family's operations, along with our fellow competitors', have been forced to close down in Canada and relocate in the U.S.

Later, when asked, Mr. Clarke estimated that approximately 1,000 jobs had been lost in the Canadian shake and shingle industry because of that 35 per cent tariff.

We saw a 15 per cent countervail imposed on Canadian softwood lumber which was later changed to a 15 per cent export tax. In order to change that export tax we have to get the permission of the United States. We surrendered our sovereignty on that issue. Because of that John Sereny, the President of Green Forest Lumber Corporation of Toronto, one of Canada's largest lumber wholesalers said:

> It is cheaper to bring lumber to the Ontario market from the U.S. west coast than to buy the product from British Columbia.

That is what that 15 per cent countervail converted to a 15 per cent export tax has done to our lumber processing.

An 85 per cent tariff has been placed on potash. A 6 per cent tariff has been placed on Atlantic groundfish. All of this is taking place while the Prime Minister is talking about his great friendship with President Reagan. He was negotiating the free trade deal with what he might call good faith but what Canadians who look at it with some objectivity would call naive simplicity, or perhaps naive complicity, while the United States was pushing us for every possible advantage.

If I were going to preach on this issue I would take the text from the Book of Jeremiah, the second chapter, in which Jeremiah describes the nation of Israel as "A wild ass used to the wilderness, in her heat sniffing the wind! Who can restrain her lust? None who seek her need weary themselves".

The lust of the Prime Minister to get a free trade deal is like a wild ass in heat sniffing the east wind, as Jeremiah said. The way the Government has made one concession after another is absolutely obscene. "Open for business" is the way the Government has described it. "Canada is available" is what the Prime Minister is actually saying.

In the meantime the Americans appealed to the GATT over Canadian export restrictions on unprocessed salmon or herring. This directly affects the jobs of 4,000 to 6,000 shore workers in British Columbia. It affects several small communities in British Columbia which depend upon fish processing plants. Last month the preliminary decision of the GATT panel came down and it went against Canada. The final decision has not yet been made. It will probably be made early in the new year.

We know that of 52 decisions made by GATT panels 45 have been accepted, five have been dropped by mutual consent, and only two have been overturned by a full meeting of the GATT. Therefore, we do not have a great deal of confidence that, having lost the early appeal to the GATT panel, we will succeed before the larger meeting.

In the past Canada had the right either to accept or reject a GATT decision. As we have a lot of regard for GATT and believe in that kind of process we have usually accepted GATT decisions. However, this decision, which prohibits Canada from putting restrictions on the export of unprocessed herring

or salmon, erodes our basic right to shape our own economy. It erodes our sovereignty. It takes away from our right as a nation to control our own economy. It is something we cannot accept. It is something we must reject.

Unfortunately, the preliminary draft of the free trade deal makes this impossible. I quote from page 11 as follows:

> Both Parties have agreed they will not maintain or introduce import or export restrictions except in accordance with the GATT, or as modified by the Agreement.

We have given away the opportunity to accept or reject GATT decisions. We are now bound, by this agreement with the United States, to accept GATT decisions.

It is important to look at the nature of shore workers. They have a highly seasonal type of work. At times they work long and unpredictable hours, at times they work a lot of overtime, and at times they work only a few hours a day. Seventy per cent of the shore workers in British Columbia are women. Due to a whole series of struggles that they along with other people in the fishing industry have experienced, they are highly unionized and have a decent wage. In 1983, the average wage was $11.94 an hour.

• (1700)

Yet because of the short work year, where they work concentrated hours in a few months, the average income for women is between $8,400 and $13,900, or between $11,400 and $20,000 for men. These shore workers are asking why their jobs were not protected in the trade negotiations. Why are they thrown overboard to the American sharks that want to come in to take their fish, leaving them without their jobs and their communities high and dry?

The Government should have insisted that the United States withdraw this appeal to GATT before it went any further with the trade negotiations. A primary consideration should have been to protect the jobs we already have.

Not only did the Government not ask strongly enough to have this withdrawn, it allowed an agreement that confirms this GATT decision and takes away Canada's right to reject it.

Part of Newfoundland's hesitancy in supporting the free trade deal was that it traditionally had the right to insist on the processing of fish before they are exported from Newfoundland. Newfoundland insisted on having that right protected. That right was confirmed for Atlantic Canada when the Government was involved in developing the final text, which none of us have seen yet. Now Atlantic provinces can continue to have restrictions that would prevent the export of unprocessed fish.

However, we have a Premier in British Columbia who was standing on the sidelines and cheering the trade deal as the greatest thing since sliced bread. He either did not take the time to look at what is involved in the agreement as far as British Columbia workers were concerned or did not care. As a result, we have a situation in which Atlantic workers are given some protection and British Columbia workers are thrown overboard to the sharks. Fish will be processed in Seattle or Bellingham by non union workers. What kind of level playing field is that?

I understand that companies will be insisting on a level playing field. What about a level playing field for the workers?

In conclusion, let me just say that before Atlantic fishing communities give their support to this agreement they should look at the effects of that 6 per cent countervail.

On page 21 of the *Elements of the Agreement* dealing with the dispute settling process, it states that the panel:

> ... would review, based upon the administrative record, final AD/CVD orders to determine if an investigative authority of either Party made a decision not in accordance with its law (including statutes, legislative history, regulations, administrative practice and judicial precedent).

This panel has to look at the whole history, at the precedents and previous practice. In the decision that was handed down in Atlantic Canada, there were over 50 different federal or provincial programs that were declared to be unfair subsidies. These are now enshrined in this agreement as part of the material that any panel involved in the dispute settling mechanism will consider. The ARDA Program, transitional programs, economic regional development programs, interest-free loans, over 50 different federal or provincial programs that are named in this countervail will be part of that history. They are enshrined in this agreement as something the Americans can continue to appeal as being an unfair subsidy.

This has been a flawed process. A bad process does not lead to a good agreement. It was a secretive and fast-track approach. We are working on the United States agenda rather than developing it in terms of our own agenda and our own needs. The Prime Minister is following the American agenda, which is not in the interest of the Canadian people. I urge government Members to listen to their constituents who are unhappy and confused about this agreement. They are unhappy about the way it is being rushed through without giving due process so that different segments of the Canadian society can examine it and have an impartial say. I urge that the whole process be slowed down.

Mr. McKenzie: Mr. Speaker, I wish to comment on the Hon. Member's speech. This afternoon it was mentioned in the House that Mexico will be able to ship cheap goods to Canada. We heard comments about the climate and cheap labour in Mexico.

This question was raised at one of the committee meetings which had been held across the country, and was responded to immediately. Gordon Ritchie, Ambassador and Deputy Chief Negotiator, wrote to the Hon. Member for Guelph (Mr. Winegard), who is the Chairman of the Standing Committee on External Affairs and International Trade. He explained to him fully that there is no way Mexico will be able to ship cheap goods to this country. I will provide a copy of the letter

to the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins).

I have been a Member of Parliament for 15 years. There is no way that any Member of Parliament will be an authority on all subjects. One must do research and listen to the experts.

In November, 1982, the then Liberal Government appointed a royal commission to study the economic union and development prospects for Canada. Three years and $24 million later, the Macdonald Commission presented its report which overwhelmingly recommended that Canada pursue free trade with the United States. The New Democratic Party is suggesting that these people are wrong and do not know what they are talking. That is absolutely ridiculous.

In March, 1974, the Liberal dominated Senate standing committee on foreign affairs was appointed to study Canada-U.S. relations. Eight years and over 100 witnesses later, the committee presented its report which overwhelmingly recommended that Canada pursue free trade with the United States.

Members opposite talk about plunging into this agreement. That is simply not the case. It will be phased in over 10 years.

If members of the NDP are correct in saying that this is a terrible and disastrous deal, I do not understand why the Canadian Manufacturers' Association would be supporting free trade. They are the ones who will be affected and know more about it than I or, especially, the NDP.

In the November 1987 issue of *The Canadian Manufacturer*, the President of the Canadian Manufacturers' Association, Mr. J. Laurent Thibault, stated:

> The CMA supports the agreement and will continue to work closely with the federal Government to further improve the relationship with our most important trading partner.

He further stated:

> It offers the opportunity of continued increases in our standard of living while removing many historical tensions between western and central Canada. Canadian consumers will be clear beneficiaries through lower prices and increased choice of goods.

These are responsible people who are in the business. They know what they are doing. Therefore, I will listen to them and support free trade. If we had received a document from the CMA saying it is going to be a complete and total disaster, I would have great difficulty in supporting this free trade proposal.

• (1710)

Mr. John Bulloch, a very responsible Canadian and businessman, has great knowledge of business affairs in this country. He is the President of the Canadian Federation of Independent Business. He stated recently that securing access to the United States market is essential to the long-term viability of Canada as a participant in a fundamentally changing world economy. This idea that we are going to sit still and do nothing is not going to work.

While appearing before the House of Commons Standing Committee on External Affairs and International Trade on November 3, 1987, Mr. Bulloch said that the main interest of small business in the trade deal is the removal of tariffs and non-tariff barriers. That will be done over a 10 year period. He questioned his membership of 41,789 owners of small and medium-sized businesses, and the result was five to one in favour. Am I going to tell Mr. Bulloch he does not know what he is talking about? Am I to believe that these 40,000 business people are all wet, that they do not know what they are talking about? That is just absolutely ridiculous. More than five to one predicted the impact would be either positive or neutral. Mr. Bulloch pointed out all the reasons why it will benefit Canadian business. If it is going to benefit Canadian businesses, manufacturers and all the rest, it is going to be creating more employment.

I will listen to the experts. I am afraid I cannot accept the arguments that I have heard from the New Democratic Party today.

Mr. Manly: Mr. Speaker, I have just a brief comment in response to the Hon. Member. First, he should know, as we all do, that some industries have expressed real concern about this agreement. As far as the Canadian Manufacturers' Association being in support, is concerned, it might be good for the Canadian Manufacturers' Association. What I was saying is that it is not good for Canadian workers. It is not good for the shore workers of British Columbia. It will not be good for the fisheries workers of Atlantic Canada. We can look at a number of industries right across Canada and find the same thing.

The Hon. Member for Yellowhead said in 1983 that it was not going to be good for textile and furniture workers. I would like to read from the well-known Conservative George Grant who wrote *Lament for a Nation*. He said:

> Capitalism is, after all, a way of life based on the principle that the most important activity is profit-making. That activity led the wealthy in the direction of continentalism. They lost nothing essential to the principle of their lives in losing their country. It is this very fact that has made capitalism the great solvent of all tradition in the modern era. When everything is made relative to profit making, all traditions of virtue are dissolved, including that aspect of virtue known as love of country.

Mr. St. Germain: Mr. Speaker, I have a very brief comment with respect to the attitude the New Democratic Party assumes, which is virtually anti-American. I would like the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) to really put his case forward as to whether or not he feels we can compete with the Americans. I think if he really sat down and studied the Province of British Columbia, he would realize that the reason the 15 per cent export tax was placed on softwood lumber is that we were much too competitive for the Americans. The industry in the United States took action against our Canadian industry.

The Hon. Member spoke of Scott Clarke from Scott's Cedar Products. He cited the fact that there was an adjustment due to the 35 per cent tariff on shakes and shingles. He read from

Mr. Clarke's delivery before the standing committee, but he left out the fact that in the final analysis, Mr. Clarke, like everyone in the shake and shingle industry in British Columbia, whether cutting blocks or bolts or running saw mills, advocates and supports 100 per cent a free trade initiative with the United States of America.

I think it is important that this be brought to light. I would like the Hon. Member to comment on Mr. Clarke's position. I would also like to point out to the Hon. Member that in a forum at which I was present in Vancouver with the Hon. Member for Vancouver—Kingsway (Mr. Waddell), a Mr. Bentley, who is head of Canadian Forest Products in the Province of British Columbia, clearly enunciated to the forum, to all British Columbians and to all Canadians that had we had the free trade arrangement in place, he felt there would be no 15 per cent export tax on lumber today because it would have been circumvented by that very agreement.

In conclusion, the Hon. Member cites the case of the B.C. shore workers. We are concerned about them as well. However, I think he is prejudging the situation. I have not seen the final draft, nor has he. Let us wait for the final draft on that particular issue.

Mr. Manly: Mr. Speaker, beginning with the Hon. Member's last comment about waiting until we have the final draft, the very point we are making over and over again is that the final draft has been delayed so long that the people of Canada are not going to have a chance to examine it in any kind of detail before the Prime Minister has signed away Canada's future. That is what we are concerned about.

The Hon. Member asked the question, can Canada compete? Well, I think any theory of free trade depends upon the concept of comparative advantage. Different countries will each do what they can do best. The question is, who decides what one country can do best? I believe it is the responsibility of the Government of a country to have some say over the economy of that country and to help to shape that economy.

Mr. St. Germain: That is socialism in its extreme form.

Mr. Manly: That is not socialism. That is the sort of thing that is happening in Japan. That is what Sir John A. Macdonald wanted to do. He felt there should be a national policy. If that is socialism, we will baptize Sir John A. Macdonald and take him over here into the New Democratic Party and the Conservatives can forswear him. They have already forsworn his heritage of Canadianism. If the Hon. Member wants to say that Sir John A. Macdonald's policy is socialism, he can go ahead.

The problem with this trade agreement is that we are giving away our ability to shape our own economy. We are giving away our control over our energy resources. We are giving away our control over our fisheries resources. We are surrendering the comparative advantage that would allow the Government to make basic decisions about the strengths of this country. If we surrender everything in advance, as this Government has done with the Americans, it is going to be very difficult to compete. If we are going to make all the concessions in advance, we are not going to be able to compete.

Finally, the Hon. Member commented on my statements regarding Mr. Clarke. I have made it very clear that Mr. Clarke was a witness who was in favour of the trade agreement. If the Hon. Member checks my remarks, I think he will find that. As for Mr. Bentley, the Head of Canadian Forest Products, I worked for him as head of Canadian Forest Products a few years ago. I did not have any great regard for the kind of attitude he had towards his workers.

• (1720)

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Champlain (Mr. Champagne).

Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I welcome this opportunity to take part in a debate that is so important because we are talking about the question of free trade and the history-making agreement that has just been concluded by our Government and the United States. It is perhaps not so important if we consider the substance of the motion presented by the New Democratic Party.

Mr. Speaker, as you know, from the very beginning the New Democratic Party systematically opposed a free trade agreement with the Americans, without even knowing what the Agreement contained or the whys and wherefores. It was simply because their union leader, a Mr. Bob White, had said they were not going to support it. It was mainly because Mr. Bob White, who happens to be a personal friend of Mr. Broadbent, decided that free trade would not be a good thing for Canadians. They conveniently forgot one thing, Mr. Speaker. The Auto Pact is probably the best example of free trade with the Americans we did not have to sell in Canada, and it has been of particular benefit to the Hon. Member for Oshawa (Mr. Broadbent), although he doesn't mention that, Mr. Speaker. He is not rising in the House to say there has already been a kind of free trade agreement with the Americans. When I hear NDP Members deny it is a free trade agreement when automobile parts circulate freely without tariff barriers, I wonder what it is, Mr. Speaker.

Before going any further, I would like to let Canadians who are listening know what the Opposition Parties are and what they stand for. I have some quotes I intend to use. I am quoting from *Hansard* of February 24, 1972, when the former Minister of Finance, today the Leader of the Official Opposition and Leader of the Liberal Party (Mr. Turner), said:

> The division of the world into large trading blocs, to which I referred a few moments ago, presents particular dangers to Canada as a major trading nation and one of the few industrialized countries without free access to a market of 100 million people or more.
>
> We in this country must now use what influence we can bring to bear to press for a resumption of the postwar movement toward greater liberalization of international trade. The dangerous alternative would be a move backward

> toward greater protectionism. This alternative would present a serious threat to our economy . . .

And a little further, Mr. Speaker, and I quote:

> . . . there still remain out-standing issues involving bilateral trade relationships between Canada and the United States.
>
> . . . we remain hopeful that a number of these issues between us can be resolved to the mutual benefit of both countries.

Mr. Speaker, the Leader of the Opposition said that in 1972.

In January 1986, however, he changed his position. He said, for instance, that he felt it would be very dangerous to isolate ourselves from the rest of the world through bilateral negotiations with the United States. In 1972 he said the exact opposite.

In fact, he went on to say in the same speech that we should start talks with the United States and see how we could expand access to our respective markets.

Mr. Speaker, this is inconsistency in its purest form. It is particularly apparent from what the Leader of the Official Opposition says when asked for the Liberal Party's position on this issue. One minute he says he would like to tear up the Agreement and the next that maybe we should see whether we cannot reach an agreement of some kind. That is the typical Liberal position, Mr. Speaker. Clear as mud.

And now back to our NDP friends. Mr. Speaker, as you know, the New Democratic Party has always been opposed to free trade. Why? In 1970, the Leader of the New Democratic Party wrote in his book, *The Liberal Rip-Off*, and I quote: "In my view, we should gradually get rid of that moral fantasy we call capitalism." He goes on to say: "Free will and free enterprise are all part of the same myth."

Mr. Speaker, that is a pretty clear statement of the philosophy of the New Democratic Party and how it applies to the development of our businesses, job creation by the private sector, and the production mechanisms developed by the private sector. Mr. Speaker, to them it is worthless. Absolutely worthless. They want no part of it. They do not want Canadians to make their own business decisions. They do not want Canadians to be so productive and ingenious and competitive that they can take an active part in our economic growth, create jobs and finally Mr. Speaker, take their rightful place on international markets. Mr. Speaker, the position of the NDP is this: no to capitalism, no to private enterprise, and yes to trade unionism. The New Democrats would nationalize everything. If they did, who do they think would want to invest in Canada? Could they tell me for what possible reason a Canadian with no say in such a policy would want to invest in Canada for the sheer satisfaction as a Canadian of creating jobs, of making sure that Canada progresses and the unemployment rate in this country remains at a more acceptable level, compared to the 15 or 18 per cent it reached under the Liberals. Such is the policy of the New Democratic Party.

Before considering the pros and cons of the free trade issue, one must consider who are those opposed to it, what they do, what they have done and what they would be likely to do if they were in a position of power as the Government having to deal with this issue. We are dealing here today with one of our Government's initiative. In 1984, the Prime Minister announced that he was firmly committed to creating permanent jobs and putting an end to protectionism which, by the way, is causing the financial situation to deteriorate even further.

When we look at the Opposition parties who are dead set against free trade, we get the impression that they do not realize that Canada is a net exporter in need of foreign markets to thrive, whose economic activity must expand far beyond its frontiers to preserve existing jobs, to ensure technological progress and to go forward with new concepts and new investments.

Mr. Speaker, when we look at our Canadian exports, we realize that 80 per cent of those going to the United States benefit from a free trade situation. Both opposition parties are saying: We must not deal with the Americans. Absolutely not! They are going to invade us, they will deprive us of our cultural sovereignty and as individuals, of our Canadian identity. They will abolish the Auto Pact. They will pass all kinds of protectionist measures against us. They will have us scrap our marketing systems for farm products.

Mr. Speaker, I think that both Opposition parties are inconsistent when they say such things, because if we look at the mechanism provided for in the trade agreement, we see that from the very start we have set up a committee. We have set up a committee on free trade and both parties opposite have been asked to take part in those proceedings. We asked the Liberal Party and the NDP to sit with us. Mr. Speaker, I want to say to Canadians that both parties systematically refused to sit with us, to discuss the problems which could have raised some concerns and which they could have pointed out. They would rather go before the public and say all sorts of things without knowing what they are talking about and so today Canadians are undecided about the advantages and disadvantages of free trade since they were never implied at that level.

Mr. Speaker, at the very start, we set up a trade negotiations office made up of experienced men and women who were asked to organize and carry out the negotiations. Afterwards, we set up with the provinces a standing committee on negotiations whose purpose was to hold briefings with provincial trade representives. We met practically every month. We also met regularly with the Advisory Committee on International Trade chaired by Walter Light as well as with 15 other advisory groups representing the entire Canadian industrial community.

We have done our utmost to keep them informed about any progress and have asked them their views on matters which more directly concerned them.

When those mechanisms were set up, Mr. Speaker, our negotiators initiated the talks and this was in May 1986.

• (1730)

There were 28 official sessions, some of which lasted more than a week, as well as many sessions of detailed negotiations with task forces responsible for specific sectors and problems. That is what really happened, Mr. Speaker. And to demonstrate how desirable it was that these important talks should rise above the level of partisan debate, we invited, I repeat, we invited both Opposition Parties to come and sit down and discuss the issues with us, but they consistently refused. Mr. Speaker, how could we possibly have a debate that to Opposition Members would be an open and honest debate, a debate that would be good for Canadians, when they refused to participate in a process, when they refused to bring their queries to the negotiators, to raise points of particular concern, points that, to a certain extent, might jeopardize our economy and constitute some kind of danger for Canadians? Mr. Speaker, the Liberals and the New Democrats refused to take part in this process with us, as a normal part of the negotiations. We heard the Liberal Leader say: I will tear up the Agreement. That is really smart. That is typical of the rough reasoning of the Liberal Party. He does not want to negotiate, and he is ready to tear up the Agreement.

We saw the Leader of the New Democratic Party say: It is unacceptable. He even wanted to tell the Premier of Quebec what to do about electric power sales. He wanted to tell him what to do. And he calls that democracy. This morning, I heard the Hon. Member for Oshawa (Mr. Broadbent) say the Canadian Government was not democratic because it wanted to conclude this Free Trade Agreement. Mr. Speaker, what is democracy? When six provinces are in favour of free trade, including Quebec, and when the two Opposition Leaders, the two Opposition Parties keep saying the Agreement is no good— Mr. Speaker, I do not think democracy is a one-way street. And when the Canadian public—48 per cent, according to one poll, is satisfied with the Agreement; Mr. Speaker, 62 per cent of Canadians think that the Free Trade Agreement would be a good thing for their province! Of course it does not work out 100 per cent, there is nothing absolute. Still, Mr. Speaker, it is a show of democracy on the part of a Government that promised to create permanent jobs, promised to get involved, promised to do something other than voice pious wishes. There are risks involved, Mr. Speaker, huge risks as we saw last March 16 when a motion was introduced in the House because indeed perhaps there were problems related to the free trade deal or the free trade negotiations. At the time, Mr. Speaker, the House considered a motion which can be summed up in these words: That Canada and the Canadian Government support bilateral negotiations with the Americans. However, we will protect our social programs, our cultural identity, our farm products marketing boards, and the Auto Pact.

But here is the strangest thing: The motion was moved by our Minister for International Trade (Miss Carney) and was tabled, then the vote began. Of course the Party in office rose to vote because it was altogether logical and reasonable to protect what the various advisory groups had asked us to protect. Well, both Opposition Parties refused to vote on that. They voted against. They voted against preserving our cultural identity. They voted against maintaining social programs. They voted against keeping our farm products marketing boards. They voted against keeping the Auto Pact. And since then, Mr. Speaker, we have seen them repeating around the country: It is dangerous for the auto pact, for farmers, for our social programs, for our cultural identity. But where is the logic in all that, Mr. Speaker? Where is the logic of a Party that refuses to support a Government motion saying those areas are protected, but while it claims on the other hand the agreement offers no such protection? Mr. Speaker, the Government has a much more consistent and logical approach on a bilateral agreement than the two Opposition Parties, and I can tell Canadians the motion of March 16 is directly reflected in the agreement documents. It is reflected in the agreement because that was the wish of the Canadian people.

All day long the New Democrats and the Liberals have been saying the free trade agreement is jeopardizing social programs. This is quite untrue, Mr. Speaker. The best proof would be to look at a European country such as Sweden. If there is one country which is proud of its social programs, where the individual is protected and assisted by the state, it is certainly Sweden. I am sure that all the Hon. Members will agree.

If we look closely at the trading activities of Sweden, we find that Sweden is a founding member of the European Free Trade Association. It still is a member of this association, which has signed a free trade agreement with the European Economic Community. The Swedish manufacturers of Volvos therefore have a guaranteed access to about 355 million consumers. The strategy of Sweden is not based on a closed economy or on fear of competition, but on openness and on the belief that its manufacturers can compete on any European or world market. Yet, Sweden had some of the best social programs in the world. It is also an ardent defender of free trade agreements. The parties opposite should look at what could happen. They should look at what is going on in other countries. Perhaps then, they would better understand that an economic agreement in no way threatens such basic values as our social programs.

The Liberal and NDP Members suggest that we shall lose our cultural identity with free trade. They are trying to make Quebecers and French Canadians believe that we shall lose our cultural identity. Mr. Speaker, there are approximately six million French-speaking Canadians. Did we lose our cultural identity because we live among 250 or 300 million Americans and Canadians? No, Mr. Speaker. We have developed and strenghtened our identity. We have not been assimilated, and contrary to what the Opposition may say, we shall not become assimilated under a free trade agreement. We have defended our institutions. We have improved them and they are among the best in the French-speaking world. Take our educational system. Take companies like Bombardier. Did Bombardier,

Lavalin, SNC or Alcan Canada lose their cultural identity because they gained access to the American market? No, Mr. Speaker. All Canadians and all Canadian Governments are proud of these companies. They have developed an international market. They got involved, and that is why the Free Trade Agreement will be a success.

The basic principle here is that, to expand, our economy needs foreign markets. It cannot expand and excel unless it has those markets. The two Opposition Parties are against this principle. They are against creating jobs here in Canada. They will not accept the fact that we can develop markets. They forget or refuse to admit that 80 per cent of our exports with the United States are subject to customs duty. They claim that Canada's farm producers have lost their marketing boards. They don't understand. The marketing boards are protected. The Minister of Agriculture said so. We had a special debate on this, and the NDP Members are now saying that it does not stand up.

Mr. Speaker, they spent the whole day telling us they did not have the final text so they could not make a final judgment, and now they are telling us: No, it is not protected. We are going to lose our cultural identity and our social programs.

Mr. Speaker, I would like to say,—you are signalling that my time is about to expire—that the Free Trade Agreement in Canada and the United States is first and foremost an economic agreement, an agreement based on enterprise, job creation, and opening up international trade. Mr. Speaker, as a Canadian I am proud to take part in this kind of debate, to make this economic choice, because we in the Progressive Conservative Party are not afraid of the challenges of international trade. We are not afraid of meeting the challenge of the markets, especially the U.S. market, and although there are those who would have Canadians believe they should not ask for more, we say that Canadians can be competitive on international markets. We have the credibility and we have the know-how. That is what the two Opposition Parties tend to forget, but we will be there to remind Canadians.

• (1740)

[*English*]

Mr. Hopkins: Mr. Speaker, I just want to correct the Hon. Member because I am sure he would not want to leave on the record the kinds of inaccuracies which he committed in his speech just now. He made a statement that the Liberals and NDPers were offered a briefing by the Government, and that is absolutely wrong.

The Prime Minister (Mr. Mulroney) offered a briefing to the Leader of the Liberal Party and to the Leader of the NDP, but he said: "Boys, don't say a word about it. You can't say a word to your own caucus. You must be entirely secretive about it". That is the kind of democracy we have in Canada today.

The Hon. Member mentioned the word "democracy" many times in his speech. We have a Prime Minister of Canada who is going to brief the Leader of the Opposition and the Leader of the NDP, and then he says: "We offered a briefing to the Liberals and to the NDPers". That is absolutely wrong, and I am sure the Hon. Member would not want to have it on record.

The Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) said this afternoon that he has been in the House for many years. He said that no Member of Parliament is expert on all subjects, and then he went on with his deliberations. I want to say to that Hon. Member that no one has exemplified that fact any better than he has over the years in Parliament.

The Hon. Member also talked about this tremendous agreement and what great things it will do for Canada. If this agreement is so tremendous, why is the Hon. Member, his Party, and the Prime Minister ramming it through? We are about to get the details of this agreement, many hundreds of pages of material. Parliament sits next week and then it adjourns for Christmas. The Prime Minister is to sign this agreement on January 2. When we come back in January, it will be gone. Is that what he calls democracy?

We get the same old rhetoric from the Government day in and day out. If the agreement is so tremendous, why is the Prime Minister in such a great rush to get it through? Why did he not have the details before the House long ago?

The American Congress is going to take many more months to debate it than it had originally planned. What is wrong with Canada? I will tell him what is wrong with Canada. It is that we have a Government today that does not believe in democracy. It does not believe in free discussion. It does not want the people of Canada to know the details of the agreement. It does not even want Members of Parliament in the opposition Parties to know about it before it has been sent south of the border.

They think that it is a bad thing if they inform people about what is going on in the country, and that the more they can keep from them the easier it is to slip it through—slither it through, let it go south of the border, and let the American Congress handle it from there.

I say to the Prime Minister, to the Hon. Member who just spoke, and to the Hon. Member for Winnipeg—Assiniboine that this so-called deal is not a free trade agreement. Let us stop calling it a free trade agreement. It is a deal cooked up by the Government and by the Reagan administration, and they expect to sell it to the Canadian people—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but we have one minute left and I would like to give the last word to the Hon. Member so that he may reply.

[*Translation*]

Mr. Champagne (Champlain): Mr. Speaker, this shows the inconsistency of Liberals. We offered it to both opposition parties. This is true. We did offer both parties, including the Liberal leader, to sit at the negotiating table and to act as a

man and as a responsible person. He refused, Mr. Speaker. I find it rather amusing when I hear a Liberal talk about democracy. It is amusing, Mr. Speaker, because I have to remind him that when the Constitution was patriated, some people were left out. But I will put that aside for the time being.

Mr. Speaker, when you talk about democracy—

[*English*]

Mr. Hopkins: Mr. Speaker, I rise on a point of order. The Hon. Member has just restated the very words that I told him were incorrect in the first place. Only the Leaders of the two opposition Parties were offered briefings on this agreement, not members of the Parties, and those two Leaders were told not to say anything about it. They were offered briefings only if they did not say anything about it.

[*Translation*]

Mr. Deputy Speaker: Order, please. It being 5.45 p.m., it is my duty, pursuant to Standing Order 82(10) to interrupt the proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House.

[*English*]

The question is on the motion standing in the name of the Hon. Member for Oshawa (Mr. Broadbent). All those in favour of the motion will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

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

• (1750)

(Division No. 303)

YEAS

Members

Allmand
Althouse
Baker
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Broadbent
Caccia
Cassidy
de Jong
Dewar
Dingwall
Foster
Fulton
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Heap
Hopkins
Hovdebo
Jewett
MacLellan
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nicholson
(Trinity)
Nystrom
Orlikow
Parry
Penner
Prud'homme
Rossi
Skelly
Waddell
Young—37

NAYS

Members

Bernier
Blenkarn
Blouin
Bouchard
Boyer
Brightwell
Brisco
Caldwell
Cardiff
Carney
Champagne
(Champlain)
Charest
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crouse
Darling
Daubney
Duplessis
Edwards
Epp
(Provencher)
Fennell
Ferland
Forrestall
Fretz
Gagnon
Gass
Gervais
Girard
Graham
Guilbault
(Drummond)
Halliday
Hamilton
Harvey
Hawkes
Holtmann
Jacques
James
Jardine
Jelinek
Johnson
(Bonavista—Trinity—
Conception)
Kelleher
Kempling
Landry
Lewis
MacDonald
(Kingston and
the Islands)
Mailly
Mantha
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
Merrithew
Nickerson
Nowlan
O'Neil
Pietz
Plamondon
Plourde
Price
Redway
Reimer
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Tardif
(Charlesbourg)
Thacker
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vézina
Vincent
Weiner
Wilson
(Swift Current
—Maple Creek)
Winegard
Witer—91

• (1810)

Mr. Deputy Speaker: I declare the motion lost.

* * *

SUPPLY

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) moved:

That Supplementary Estimates (B), 1987-88, laid upon the Table Thursday, August 27, 1987, be concurred in.

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

Some Hon. Members: Agreed.

An Hon. Member: On division.

Motion agreed to.

CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board) moved:

That Supplementary Estimates (C), 1987-88, laid upon the Table Thursday, November 19, 1987, be concurred in.

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

Some Hon. Members: Agreed.

An Hon. Member: On division.

Motion agreed to.

Mr. Mazankowski thereupon moved that Bill C-95, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988, be read the first time.

Motion agreed to and Bill read the first time.

Mr. Mazankowski thereupon moved that Bill C-95, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1988, be read the second time and referred to Committee of the Whole.

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

Some Hon. Members: Agreed.

An Hon. Member: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Mazankowski), which was agreed to on the following division:

(*Division No. 304*)

YEAS

Members

Allmand
Baker
Bernier
Blenkarn
Blouin
Bouchard
Boudria
Boyer
Brightwell
Brisco
Caccia
Caldwell
Cardiff
Carney
Champagne
(Champlain)
Charest
Clinch
Collins
Comeau
Cooper
Corbett
Cossitt
Côté
(Lac-Saint-Jean)
Crouse
Darling
Daubney
Dingwall
Duplessis
Edwards
Epp
(Provencher)
Fennell
Ferland
Forrestall
Foster
Fretz
Gagnon
Gass
Gauthier
Gervais
Girard
Graham
Grondin
Guilbault
(Saint-Jacques)
Guilbault
(Drummond)
Halliday
Hamilton
Harvey
Hawkes
Holtmann
Hopkins
Jacques
James
Jardine
Jelinek
Johnson
(Bonavista—Trinity—
Conception)
Kelleher
Kempling
Landry
Lewis
MacDonald
(Kingston and
the Islands)
MacLellan
Mailly
Mantha
Martin
Mayer
Mazankowski
McCrossan
McCuish
McDermid
McDougall
(St. Paul's)
McKenzie
McKnight
Merrithew
Nicholson
(Trinity)
Nickerson
Nowlan
O'Neil
Penner
Pietz
Plamondon
Plourde
Price
Prud'homme
Redway
Reimer
Rossi
St. Germain
St-Julien
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Tardif
(Charlesbourg)
Thacker
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vézina
Vincent
Weiner
Wilson
(Swift Current
—Maple Creek)
Winegard
Witer—106

NAYS

Members

Althouse
Benjamin
Blackburn
(Brant)
Blaikie
Broadbent
Cassidy
de Jong
Dewar
Fulton
Heap
Hovdebo
Jewett
Manly
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy
Nystrom
Orlikow
Parry
Skelly
Waddell
Young—22

● (1820)

Mr. Deputy Speaker: I declare the motion carried.

Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

On Clause 2—

Mr. Gauthier: Mr. Chairman, I want to ask the customary question of the President of the Treasury Board (Mr. Mazankowski). Can he assure the House that the Bill conforms with the past traditions of the House, in keeping with the usual methods presented for the Estimates?

Mr. Mazankowski: Mr. Chairman, as the Hon. Member knows, we normally follow the traditional customs and procedures. I can assure the Hon. Member that the Bill is in the same form as that passed in previous years.

Mr. Nystrom: Mr. Chairman, since the Liberals voted for the Bill already, I am not sure why they even asked the question.

Mr. Gauthier: May I just indicate to my socialist friend that the principle of the Bill is a good one. I have to tell him that this Bill is not debatable, but if he wants to debate it now, I am ready to do so.

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule A agreed to.

The Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule B agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

Bill reported.

Mr. Mazankowski moved that the Bill be concurred in.

Motion agreed to.

Mr. Mazankowski moved that the Bill be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the third time and passed.

Mr. Deputy Speaker: It being 6.25 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Friday, December 11, 1987

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PRIVILEGE

ACCESS TO TRADE AGREEMENT DOCUMENTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have just been informed that the important documents dealing with the free trade deal have been the object of a lock-up since eight o'clock for members of the media. Members of Parliament were invited to a lock-up on those documents as of ten o'clock. I do not want to raise any hairs on the back of anyone's neck, but I do think Members of Parliament should be entitled to the same courtesy as the media and given access to the same documents at the same time. I appreciate that the media have to write and assess the documents in perhaps a different way but we still have to answer to the Canadian public for those documents.

I ask the Government if there is an explanation why the press was invited to attend this lock-up at eight o'clock this morning and Members of Parliament were invited only at ten o'clock.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, we made every effort to see that Members of Parliament from all Parties were briefed as soon as possible on the documents in question. To be quite frank with you, I would have to investigate the circumstances on other items such as a lock-up on the Estimates or the Budget. I undertake to look into the matter and get back to the House as soon as possible.

Mr. Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) raised this as a question of privilege. It may well not be, but in any event the Hon. Minister of State (Mr. Lewis) has agreed to report back as quickly as he can. I think at least for now the Chair can leave the matter there.

I thank the Hon. Member for raising the issue which, as I say, may not be a question of privilege but is of very great interest to Hon. Members on both sides of the House.

PRIVILEGE

RESIGNATION AS PARLIAMENTARY SECRETARY

Mr. Ron Stewart (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I am a Conservative, a strong supporter of my Party, my colleagues, my Prime Minister (Mr. Mulroney) and, in general, my Government. I am also unilingual. I represent a riding which is overwhelmingly unilingual Anglophone. I fear my constituents' rights are jeopardized by Bill C-72 and the manner in which it is now written. Therefore, I think it only proper that, with regret, I tender my resignation as Parliamentary Secretary to the Minister of Supply and Services.

Mr. Speaker: The Hon. Parliamentary Secretary has risen on what I think would be more properly referred to as a point of individual privilege. It has been customary in the past on such occasions to hear an Hon. Member under those circumstances. The Hon. Member has made his statement. I do not think there is any need to carry the question of privilege any further.

GOVERNMENT ORDERS

[*English*]

JUDGES ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Justice) moved that the Bill C-88, an Act to amend the Judges Act, as reported (without amendment) from a legislative committee, be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis (for the Minister of Justice) moved that the Bill be read the third time and passed.

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to make a few short remarks on the occasion of the third reading of this important piece of legislation.

[*Translation*]

As Hon. Members would know, this Bill contains only two clauses: the first will raise salaries of federally appointed judges, the second will repeal some of the provisions of the Judges Act under which they are entitled to benefits which have to do with their marital status and which might be challenged under the charter.

Mr. Speaker, you are aware that every three years, pursuant to the Judges Act, the Minister of Justice is required to set up an independent commission mandated to review the salaries and benefits of judges appointed by the federal Government and report on the matter. The 1986 commission—the second appointed under the provisions of the Judges Act—recommended a number of changes in judges' salaries and benefits. The purpose of Bill C-88 is to implement some of these recommendations.

[*English*]

Clause 1 of the Bill will increase judicial salaries to the levels recommended by the commission after its independent assessment of the adequacy of existing levels of remuneration. However, these increases will not be made fully retroactive to April 1, 1986, as the commission recommended, but implemented in three equal stages on April 1, 1986, April 1, 1987, and April 1, 1988.

• (1010)

Clause 2 of the Bill, amending the Judges Act so that benefits to spouses and children no longer depend on marital status, also implements a commission recommendation and will make the relevant provisions of the Act fully consistent with the Charter of Rights and Freedoms.

As the Minister of Justice (Mr. Hnatyshyn) indicated on second reading debate, the remaining recommendations of the 1986 commission dealing largely with judicial pensions and other non-salary benefits are under review in consultation with those of my cabinet colleagues who are most directly concerned. The Minister of Justice intends to respond to these recommendations once these consultations have been completed.

[*Translation*]

Mr. Speaker, I should also like to thank all Members of the legislative committee to which Bill C-88 was referred for their dispatch in dealing with the matter.

However short this Bill may be, Mr. Speaker, it is a major instrument which enables us to show federally appointed judges our unmistakable appreciation for the essential role they play in our justice system. The Minister of Justice is very pleased that the House has agreed to endorse this measure and hopes it will be given royal assent at the earliest opportunity.

[*English*]

I would like to thank the members of the legislative committee for their quick response to this Bill. I also want to thank all Members of this House for allowing the Government to give this Bill third reading today. We hope to receive Royal Assent in the very near future in order to help our judges.

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I expect my intervention to be rather short, but for now I should like to yield to my colleague from Vancouver—Kingsway (Mr. Waddell) because he is pressed for time. He has to be somewhere by 10.30.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, we all know that the first and second speakers have unlimited time at third reading. I imagine that although my colleague from Saint-Henri—Westmount (Mr. Johnston) was kind enough to yield the floor for the time being, he would not want this to infringe on his right subsequently to take the time he deems necessary.

[*English*]

Mr. Deputy Speaker: I am sure the House would agree to that.

Some Hon. Members: Agreed.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I thank the Member for Saint-Henri—Westmount (Mr. Johnston). I have a meeting with a Minister with regard to a private Member's Bill. I want to get to that meeting because it is important for my constituents and merchant seamen and veterans in Canada.

I would like to make a few remarks on behalf of the New Democratic Party in reply to the Parliamentary Secretary's very succinct speech. The topic of judges reminds me of the Monty Python skit in which a coal miner says "I would have been a judge if I had the Latin, but I do not have the Latin so I won't be a judge".

Well, judges do not speak Latin these days but they do have a very busy job due to all the legislation that we pass and the more litigious nature of our society. In addition, we passed the Charter of Rights and have now passed the Meech Lake Accord with additional terms, if I can put it that way, which judges will have to interpret. We want to have the best judges that we possibly can in the country. By and large, we have a pretty good bench.

I note that the salaries of judges are being increased in the Bill but not entirely retroactively. I think that was a good decision. There is some controversy, and always will be, on how much judges should be paid. Some people in my Party think that judges get paid too much. Other people in the law profession and elsewhere say that if we want good lawyers to become judges we must pay them good salaries. Of course we

want the best lawyers to be on the bench. I will, therefore, leave it at that. We do, however, monitor that very carefully.

It is very interesting that Parliament must pass salaries. I do not think that judges like that. They would rather have an independent commission do it, but I think Parliament should keep doing it because it gives us a chance to talk about judicial performance in a general way and to talk about government action with respect to judges and judicial appointments. I would like to make a few remarks on that point as well.

The Canadian Bar Association Committee Report "The Appointment of Judges in Canada" of August 20, 1985, states in part as follows:

> In our interviews—conducted in every province and territory, with members of federal and provincial governments and courts at all levels, with offices of the Canadian Bar Association and provincial law societies, and with lawyers generally—we found widespread dissatisfaction with the present method of judicial selection and appointments and a broadly-based desire for change.

That change has not come. We have been waiting for the Minister of Justice to indicate a better and fairer process of judicial appointments and we are still waiting.

The report continues:

> Jurisdictions that already have judicial councils or selection committees for choosing provincial judges are notable exceptions.
>
> In most jurisdictions, however, there is dissatisfaction with the extent of political patronage in judicial appointments, despite the recognition that political ties and legal or judicial skills often co-exist in the same persons. Where the nominating process emphasizes political criteria, excellent lawyers of the "wrong" or no political affiliation are passed over as serious candidates for the bench, with the result that there can be no assurance that the best possible nominees for judgeships are chosen.
>
> A former minister of justice told us that he sometimes chose the candidate rated "qualified" by the CBA Committee—

The Canadian Bar Association Committee represents some progress in the appointment of judges.

> —rather than the one rated "highly qualified", because he was influenced by "other sources" that presented judgments different from those of the Committee.
>
> Such an unsystematic process has resulted in much public cynicism about judicial appointments. Whatever the actual merits of the judges selected, there is a widespread public perception that judges are chosen primarily for political reasons.

In my own Province of British Columbia there are rumours in the bar that the Government may appoint the present Attorney General in the provincial government as Chief Justice of the Province of British Columbia. This is the same fellow who became a legal-laughing stock earlier this year when he unsuccessfully sought a court injunction against a threatened protest strike by B.C. labour on the grounds that the one-day job action would be seditious. Of course, the Supreme Court of British Columbia wisely threw that out. I do not think lawyers in my province would want to see someone who brought that rather strange law suit become Chief Justice of our province.

In summary, yes, politicians or people who have Party affiliations could be appointed judges. As the bar report says, that could co-exist in individuals who have good legal skills and so on. There are good examples of that in all three political Parties. I think of Davie Fulton and Stu Leggatt as examples.

We are asking for a better process for the selection and for better consultation. We hope that in the end there may be some means of scrutiny such as there is in the American jurisdiction, perhaps by a committee of this House. We have been receiving promises from the Minister of Justice. Like the person waiting for the suitor who receives nothing but promises, promises, promises, that is all the Minister of Justice gives on this area. I would like the Government to study that a little further.

With regard to pensions, I am very pleased that the Parliamentary Secretary mentioned that there were consultations ongoing on a few of the pension problems which the judges have had. I think that can be worked out and I am pleased the Government is doing this.

• (1020)

Let me conclude by saying on behalf of the New Democratic Party that we are prepared to let this Bill pass today after a short debate at third reading. We are pleased with the co-operation in committee and in the House on this Bill. The judiciary is becoming a more and more important level of Government. Canada, this strange country, is kind of half British and half French. It looks back to Britain and France for half our system, the other half following the American system. We are somewhere in between. The great thing is that we are now beginning to fashion our own system, something for which we are all struggling together. A good and strong judiciary where the average Canadian can get justice is what we are really striving for. That is why these kinds of Bills are important.

[*Translation*]

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, it is a pleasure to have this opportunity to speak in this debate, because speaking for my Party, for the Official Opposition in this House, I too must say that as a lawyer and former Minister of Justice, I am convinced this is a very important Bill.

[*English*]

I do not think one can emphasize too much the importance of securing for Canada judges of the very highest calibre. I will say that I share the views expressed by my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), which is not always the case as you might appreciate, Mr. Speaker. I think it is a tribute to Members of this House on all sides that we seem to be looking together in the same direction on this important issue.

Some weeks ago I had the pleasure of participating in a panel discussion at the University of Alberta. The other participants representing the views of other Parties, were Roy Romanow, who is now the Leader of the New Democratic

Party in Saskatchewan, and Lou Hyndman, who was formerly the Minister of Finance in Alberta. The topic of our panel was "Who rules Canada, judges or politicians?" Naturally, the debate took us very much into the area of the Charter and the incredibly important role which has been assigned to judges. They must reflect the morès and evolution of our society in the interpretation of that Charter which protects the rights of individual Canadians in every corner of this land.

Similarly, we raised the question of Meech Lake. If the Meech Lake Accord proceeds, and even if the proposed amendments are adopted, it is clear that judges will have a more and more important role in determining issues of fundamental law that touch the lives of every Canadian.

[*Translation*]

Mr. Speaker, I cannot emphasize too strongly the importance of getting the best lawyers in Canada to serve as judges.

[*English*]

We support this Bill. We would like to see its rapid passage. I would say that on this issue of selection, I very much share the views expressed by my colleague, the Hon. Member for Vancouver—Kingsway. I should also tell my colleagues in the House that at this panel, and during the subsequent participation by members of the audience, it was made clear that everyone recognizes the importance of the judicial selection process. It is undeniable that judges will play a more and more important role in the interpretation of the laws of this country, and I mentioned the Charter and the Constitution. Everyone agreed with that. There was no dissent.

However, there was concern that the judiciary may not always be capable of reflecting that cross-section of view so necessary in interpreting our fundamental law as our society evolves. Thus it is absolutely critical that the selection process be improved.

I can tell you, Mr. Speaker, that as Minister of Justice for a rather brief period of time, I had the pleasure of meeting on numerous occasions with representatives of the Canadian Bar Association and the committee which had been struck by that association on judicial appointments. The Canadian Bar Association takes this issue very seriously. The Canadian Bar Association, and all its subsections, recognizes that the appointment of judges is fundamental to preserving the integrity of our judicial system.

It is important, as this Bill recognizes, that if we are to attract those men and women to the Bench who are capable of providing that integrity and of serving with honour and distinction in dealing with these litigious and difficult questions which touch the lives of all Canadians, they must be remunerated at a level that will convince them that they should give a good part of their lives to public service. These salary levels may seem high, but the best people in the law profession in many parts of this country are well paid and one can expect they will have to make sacrifices, and they will be making sacrifices even at this level of remuneration. However, this level of remuneration with the desire to provide public service by serving on the Bench, which is the touchstone in my judgment of success in the legal profession, is a necessary and fundamental step in attracting those people to our judiciary.

With respect to this issue of political patronage and appointments, I must say it is an important issue, but the political activity, whether it be serving as members of legislatures, provincial or federal, or whether it be simply political activity at the riding level or at some other level, should not preclude someone from serving on the Bench. In fact, Members of this House and those of other legislatures are brought into contact in many ways with problems that affect the lives of Canadians and they can be an important reservoir of talent for appointment to the Bench providing they have the professional qualification and the demonstrated objectivity that is required.

I can think of the eulogies paid in this House even by the Hon. Member for Vancouver—Kingsway upon the death of the Hon. Douglas Abbott, who served with distinction in this place for so many years as a senior Minister of the Crown, and then moved on to the Supreme Court of Canada where once again he served with distinction, objectivity and great honour. He was regarded, if I may say so, as one of the finest members of that court.

Political activity should not in any way preclude people from service. I would like to remind Members of this House that it was the Leader of the Opposition, (Mr. Turner) when he was Minister of Justice, who reached out and brought in men and women of different political persuasions on the basis of merit. I think Members can appreciate that many served in that capacity. Being a lawyer himself, the Right Hon. Leader of the Opposition recognized the importance of the kind of legislation we have in front of us today and went very far in improving the method of judicial selection. When one looks across the country at the judges who were appointed in the period when the Official Leader of the Opposition was Minister of Justice, one can say with all objectivity from all parts of this House that, indeed, he was successful in attracting some of the best men and women to the Bench.

That tradition must be continued. I fear it has not always been continued. The issue of judicial selection, while not directly dealt with in this Bill, is very much implicit in it because of the additional remuneration and pension provisions that are provided. They, of course, are terribly important in terms of attracting people to that selection process.

I also want to add a word of support for those recommendations with regard to pension improvement, the continuation of the survivor's pension to a widow or widower of a judge after the widow remarries. Obviously, this is an important and significant provision which we support. As you know, Mr. Speaker, the House Special Committee on Equality Rights recommended that a similar bar to pensioners who remarried be repealed throughout the federal jurisdiction. I hope that the

Government will give serious consideration to that recommendation at the earliest possible date.

[*Translation*]

That being said, Mr. Speaker, I would like to conclude my remarks by commending fellow Members on all sides of the House for recognizing the importance of supporting this Bill and improving it if necessary.

• (1030)

[*English*]

I also share my colleague's view that we have a very good judiciary in Canada. However, reform is fundamental in Liberal principle. Anything, no matter how good, can be improved. Let us try to improve our judiciary. This Bill is a step in that direction.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to comment briefly on the Bill before the House, Bill C-88, and follow up on the point made by the Hon. Member for Saint-Henri—Westmount (Mr. Johnston), that we should try to improve the situation, especially with respect to pensions.

I support this Bill because I believe it not only embodies recommendations made by a commission of inquiry—the Guthrie Commission which made recommendations with respect to the salaries of judges—but also deals with the important point of pensions and the right of the surviving spouse to continue to receive the pension of the deceased spouse upon remarriage.

Mr. Speaker, this provision is of particular interest to me because it affects about 200,000 federal public servants. It affects the military, the RCMP and probably all Crown Corporations, where the existing legislation provides that the spouse of a deceased pensioner loses, I repeat *loses*, any rights to pension benefits if that person remarries.

Bill C-88 is being used to create a precedent, to me a very important precedent, and I am referring to the provisions contained in Clause 2,

[*English*]

We support Clause 2 of Bill C-88 which provides for the continuation of survivor's pension to a widow or widower of a judge even after the widow or widower remarries. We see this provision as a humane step, a step forward. It is a small step which should apply to all public servants, be they federally employed under the Public Service Employment Act, employees under the RCMP Act, Armed Forces personnel or Crown corporation employees.

There are hundreds of thousands of people whose pension entitlements are cut because they have remarried. I believe that every Member of the House would want to see the Government, when it brings forward the pension reform we have been promised, give consideration to a proposal that would allow Canadian public servants in the categories I have just enumerated to have the same privileges as the judges.

I accept this Bill as being a good first step. I say to Government Members that we will look very closely for action on this front. I believe Members of the House would care enough to give the Government full control over this issue at this time so that we will see in forthcoming months provisions dealing with Public Service pensions.

I know that many members of my caucus would like to make a few comments on this question because it is a very important first step. I rest my case on the fact that it is a just measure. It is equitable and something that I will support. I hope the Government acts on it.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I would like to say a few words on Bill C-88, a Bill that is long overdue. A review of judges' salaries was done by an independent committee which compared judges' salaries with the incomes of those who are in the legal business today. In all fairness, we cannot expect to get good judges out of the legal system if indeed they will be paid far less than they can make in their regular occupations.

The position of a judge should not be one of status. It must be one of solid judgment. A person sitting on the bench must be fair minded, objective and dedicated if the people of Canada are to receive just and fair decisions.

Much has been said about judges over the years. A number of judges in Canada had political careers before being appointed to the bench. Many people in the legal profession across Canada have participated actively in one form or another in politics for several years before being appointed to the bench. Many people have participated actively in their communities before being appointed to the bench. Those activities in the early years of a judge's life are what determine whether or not a person will make a good judge.

Apart from politics, the moment a judge is appointed to the bench, we must understand that his or her whole life changes. Judges may no longer belong to groups or organizations in their communities. They can no longer participate in any political activities and even membership in fraternal organizations comes into question. A judge must be seen to be and must indeed be purer than the pure. As I said, a judge must be objective and honest.

If we are to ask all this of our judges, we must be fair to them. They cannot lobby for themselves because they cannot participate in politics. The only way we will have fair minded people on the bench is by providing that they will not lose income and that they will have a stable future. It is indeed a very important career and must be recognized as such.

A part of this Bill which has already been mentioned by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is the clause dealing with pensions going to the surviving spouse. We support this clause in principle. Before this Bill, if the spouse

of a judge remarried after the judge had died, he or she would lose part of the pension. In fairness we must remember that that spouse has worked over the years beside his or her partner, beside that judge, and has earned that income together with the spouse. We would like to see that taken one step further.

• (1040)

I have seen cases where members of the Armed Forces have passed on, and the surviving spouse loses the benefits of the pension or annuity if they remarry. That means by remarrying they are giving up that very important income that they have spent their life working towards with their previous partner. Indeed, perhaps it may prevent people from remarrying for economic reasons. That is unfair.

I support the cases of public servants who have paid into these pensions over the years, members of the Armed Forces, the Royal Canadian Mounted Police, Crown corporations where it applies and indeed all those throughout the federal jurisdiction, that when a surviving spouse remarries their part of that original pension from their first spouse will be retained and carried on. That is an essence of fairness. It has to be looked upon as part of their income, an income that they have worked towards with their partner during the first part of their lives. Why should they have to pay a penalty because they want to remarry and live a continuation of a happy life? Surely we do not have to pay for happiness. It has always been my understanding that happiness comes from true love and understanding, and one should not have to give up their monthly income in order to remarry.

Together with my colleague, the Hon. Member for Ottawa—Vanier I wish to conclude by stating that, in the future, we want to see public servants, members of the Armed Forces, RCMP, Crown corporations, and others under federal jurisdiction included in this principle. If a spouse dies and sometime afterwards the surviving spouse wants to remarry, that spouse should not have to give up his or her share of the original pension from the original marriage.

It is a fair element in this Bill today that the surviving spouse of a judge would continue to retain that part of the pension earned during the marriage to the judge. We want to see that continued on a scale across the board in all fairness to those who have worked toward that pension, and that it really is part of their income for life.

Mr. Gauthier: The Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) has made some interesting comments in regard to the rights of deceased judges' pensions and the rights of the surviving spouse to that pension. I would like to inform the Hon. Member that I have just received some facts from the report of the administration of the Public Service Superannuation Act for the last fiscal year, 1986. The figures indicate that in the fiscal year from April 1, 1985 to March 31, 1986 there were 97 widows and 12 widowers who were deleted from the list of pensioners because they remarried. Last year, that is, 109 people were deleted.

The point to be made in passing Bill C-88, is that if we want to be humane towards pensions of judges' spouses, we should try to be as humane to those 109 people who in one year lost their income because they remarried.

I do not know if the Hon. Member has the figures from the Armed Forces, although I know the Petawawa base is in his riding and he has a preoccupation for Armed Forces personnel, but I do think we should look into of the Armed Forces and RCMP spouses who lose their entitlement to pensions because they remarry. Does the Hon. Member have any comments in respect to that?

Mr. Hopkins: Mr. Speaker, an Hon. Member has just said, "Who makes the laws?" In fairness to him, I would say who develops the law? The law is ongoing all the days of our life and during our time here. From time to time we revise those laws. When issues come before Parliament, we have to take a good look at those laws, and we are doing so in a fair light today.

The Hon. Member for Ottawa—Vanier mentioned that in one year 97 widows and 12 widowers from the public service had given up their share of a pension because they remarried. The Hon. Member has simply verified the fact that this is no great expenditure for the Government of Canada. The pension fund is there, they have paid into it, and other people are continuing to contribute.

I am sure that all other members of the Public Service, members of the Armed Forces, RCMP, and others in Crown corporations do not mind continuing to pay into a fund because they too some day may need that benefit. It is like an insurance policy, it is there when you need it. We are not talking about a great big drain on the treasury as some might interpret it. If the 50 per cent share of the pension of the 97 widows' and 12 widowers had been continued, it would be peanuts in the over-all context. But it will create an element of fairness in their minds that they have been fairly treated. It will also provide a better economy for that new marriage. We well know, Mr. Speaker, that sometimes a lack of income becomes a big problem in a marriage.

The Hon. Member for Ottawa—Vanier has hit a key point, because of the small numbers involved I think it is something that Parliament should address seriously and not only talk about today. I hope we will see this coming forward in future legislation.

Today in the Armed Forces of Canada there are approximately 84,600 members. We are not talking about large numbers here either. They have their own pension fund, and it would be no drain on that fund to continue this process. Indeed, the marriage may take place between two people where the new partner is also in the Public Service or in the Armed Forces which means that they are still continuing to

contribute to the very fund from which the other spouse is drawing.

I wish to thank my hon. colleague, the Hon. Member for Ottawa—Vanier for raising that point. It certainly verifies the practicality of the suggestions that we are making.

• (1050)

On the recommendation of all Members of the House, the Government has brought this principle forward in the judges Bill. I congratulate them on that. I hope we will continue to even out the other inequities which still exist for spouses who remarry and are receiving pensions in part which were earned while their now deceased spouses were working in the government service of Canada in whatever area of activity.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

* * *

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed from Wednesday, December 9, consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the third time and passed.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be able to speak for a few minutes on the customs tariff Bill. Bill C-87 is an important piece of legislation. It has become more important in the last little while than we had realized. It is a revision and updating of the customs Act, but it also provides for the harmonization of tariffs between Canada and its trading partners. The major trading partners of Canada include quite a number of countries. Among others, we do approximately 80 per cent of our trade with the United States of America.

The routines involved in the trade process are important to both importers and exporters in Canada. This updating is necessary. It will allow for computerization of the process, to some extent, so that the system will work much more effectively and we will be much more able to control the movement of trade and the amount of trade between Canada and its many trading partners.

When Bill C-87 was brought in a few months ago, the Minister of Finance (Mr. Wilson) made a suggestion that it would be a routine Bill. However, when we started looking at it we found a number of very important clauses and powers being given, including the power to levy a surtax, the power to put on import controls, the power to suspend trading rights which Canada has granted by agreement with other countries, and the power to levy surcharges on certain types of imports.

It also includes an extremely important power which will be given to the Governor in Council. For example, Clause 62 reads as follows:

> The Governor in Council may, on the recommendation of the Minister of Finance, by order,
>
> (a) reduce or remove customs duties on goods imported from any country by way of compensation for concessions granted by that country or any other country, subject to such conditions as may be specified in the order; and
>
> (b) extend the benefit of any order made pursuant to paragraph (a) to any country as may be required by Canada's international obligations, subject to such conditions as may be specified in the order.

Parliament is being asked to authorize Cabinet to approve new tariffs in Canada's trade with the United States. Cabinet would then be able to use this power without reference to Parliament. That in itself has changed Bill C-87 from a fairly routine one, which most of us probably would have passed a couple of years ago without really looking at it, to a very important Bill which can have real impact on how Canada acts and reacts in the next while.

We must recognize that the Governor in Council having this kind of power is actually the way things in respect to customs have worked for a long period of time. We are really talking about a traditional position of the past. However, what is important now is the fact that a free trade agreement is in the wind and the Bill would allow the federal Government great latitude in making decisions about the tariff structure of Canada without reference to Parliament.

As I said, it has been the practice of previous Governments to operate this way, but if the free trade pact becomes part of the relationships between Canada and the United States particularly, or becomes, as Reagan put it, the new economic constitution for North America, it will make a difference. We must remember that this is being carried forward without little chance for Canadians or Parliament to be involved in the decision on how free trade will work. We have just received the final copy of the legal terms of the agreement, and the Prime Minister (Mr. Mulroney) will sign it on January 2. It will commit Canada to an agreement without Canadians having had time to look at it. Consequently this Bill which would give authority to Cabinet is much more important than it has been. We had hoped that report stage and committee stage would result in some changes to the Bill. Of course we put forward a number of amendments.

May I call it eleven o'clock, Mr. Speaker, and continue after twelve o'clock.

Mr. Deputy Speaker: It being eleven o'clock, pursuant to Standing Order 19(4) the House will now proceed to Statements by Members pursuant to Standing Order 21.

• (1100)

STATEMENTS PURSUANT TO S. O. 21

[*English*]

PESTICIDES

REVIEW OF LEGISLATION URGED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you know, under the title *Pesticides in Canada* the Law Reform Commission has published an important study which recommends that the law controlling pesticides be amended to allow the public to petition the Minister to investigate pesticides when new evidence has come to light regarding health or environmental effects.

In addition, it is recommended that the legislation be amended to provide a public hearing to review whether a pesticide should be removed from the market and, finally, that the legislation be amended to give public access to pesticide health and safety information on active and inert ingredients.

The study asks the the Government to produce for public discussion a cancer decision-making policy dealing with birth and mutagenic effects of pesticides and other toxic chemicals.

The protection of public health demands that changes to the regulation of pesticides and toxic chemicals be made urgently.

Again we urge the Minister of Agriculture (Mr. Wise) to launch a public review of present laws and practices, adopting *Pesticides in Canada* as the foundation on which to build an up-to-date law.

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

BIG BROTHERS AND BIG SISTERS ASSOCIATION

Hon. Bob Layton (Lachine): Mr. Speaker, the Big Brothers and Big Sisters Association is a great help to young people who are disadvantaged or in conflict with our society. Members work quietly but effectively. They are real friends to young people who may not have any friends at all. We are proud of these volunteers and of what they are able to accomplish.

Last Saturday evening, I had the privilege of attending a Christmas party at Dorval, organized by the Big Brothers and Big Sisters for their young friends. It was a real pleasure to see them, Mr. Speaker!

[*English*]

This year, Mr. Speaker, the Christmas Party was a bigger success than ever. Association President, Chuck Taylor, and all his fellow volunteers were benefiting from the generosity of our new corporate neighbour, McDonald's, which, in addition to a substantial grant, provided the refreshments that kids of all ages enjoy.

It is time we said thank you to Big Brothers, Big Sisters, and Big Macs. Keep up the good work!

* * *

CANADA POST CORPORATION

ONTARIO LEGISLATURE'S OPPOSITION TO SUPERMAILBOXES

Mr. Neil Young (Beaches): Mr. Speaker, yesterday the Legislature of the Province of Ontario overwhelming passed a Conservative sponsored resolution which stated the following:

> That, in the opinion of this House, recognizing that the Government of Canada supermailbox program has created second class citizens of many Ontario urban dwellers, this Legislature strongly urges the Government of Canada to direct Canada Post Corporation to:
>
> (1) immediately abandon its supermailbox program;
>
> (2) halt all projected installations of supermailboxes;
>
> (3) remove all supermailboxes at existing sites and to relandscape the area they occupy;
>
> (4) restore home delivery to all affected residences.

I have also received a resolution from the United Senior Citizens Organization of Ontario who are very concerned about the proposed closing of rural post offices. They point out that many seniors and infirm persons, with limited or no access to transportation, live many miles from a well populated centre and a post office allows them to remain in their own communities.

Isn't it high time that the Government recognized the hardship that the closing of rural post offices for rural dwellers and the installation of supermailboxes for urban dwellers is creating, and decided to reconsider the entire changes to the mail delivery system?

* * *

THE DISABLED AND THE HANDICAPPED

GOVERNMENT'S ACTION TO INCREASE NUMBER OF DISABLED EMPLOYED BY PUBLIC SERVICE

Mr. David Daubney (Ottawa West): Mr. Speaker, the federal Government is leading by example in providing the disabled with real opportunities for participation and access to Canadian society.

On Wednesday the President of the Treasury Board (Mr. Mazankowski) presented the federal Government's response to the unanimous recommendations of the Standing Committee on the Status of Disabled Persons. Entitled *Accepting the Challenge*, the response revealed plans to increase the number of disabled persons in the Public Service by 67 per cent, to 6,900 employees.

The new hiring targets will raise the number of jobs held by disabled persons from the present figure of 1.9 per cent to 3.3 per cent in March, 1991. Moreover, the Minister announced that the number of disabled persons hired as managers, scientists, and professionals will increase by 90 per cent.

The Government will also spend $3.7 million over the next five years to provide training for the disabled and to buy equipment that will help them do their jobs, such as talking computers and Braille printers.

Disabled Canadians must have the same opportunities to participate in activities that are available to all Canadians. We are all responsible for the necessary changes which will facilitate the participation in Canadian society of disabled persons.

I am proud that the initiatives announced this week by our Government ensure that the federal Government will lead the way.

* * *

AEROSPACE

HAWKESBURY PROPOSED AS SITE FOR CANADIAN SPACE AGENCY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Government is once again in a pickle. It just cannot decide where to put its new space centre. While the Government is trying to evaluate where there is more political mileage, whether to put it in Ottawa or in Montreal, I have a solution for the Tories across the way.

A number of my constituents work in Ottawa and a number of them work in Montreal. An even greater number work in the riding of Glengarry—Prescott—Russell. This is my solution. Fifty miles from Ottawa and 50 miles from Montreal is the beautiful community of Hawkesbury in my constituency. Scientists from the National Space Centre could work in the great community of Hawkesbury.

We need the jobs, the jobs that have been destroyed by the Government with its free trade agreement. We need to restore the economy of that area, and besides, where else in Canada would you want a space centre to be, Mr. Speaker?

S. O. 21

POLITICAL PARTIES

NEW DEMOCRATIC PARTY'S VOTE ON PROPOSED GOVERNMENT EXPENDITURES

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, yesterday the House voted on the Supplementary Estimates for the 1987-88 fiscal year. Canadians who support the NDP would want to know that their elected representatives are suffering from what can only be described as a flawed flu syndrome.

The socialists voted against an additional $63 million for old age security pensions. They voted against $93 million for commodities under agricultural stabilization. The socialists voted against $111 million for VIA Rail operating requirements and they voted against $46.5 for non-insured health services to Indians and Inuit.

The socialists voted against $330 million in statutory payments to equalization. Howard Pawley will condemn them.

The socialists voted against $84 million in spouses' allowance payments.

How about this? They voted against $75 million guaranteed income supplementary payments, and they voted against $350 million for Canadian exploration and development incentive programs.

The New Democrats are sick. They will never get nominated again.

* * *

EXTERNAL AFFAIRS

INDIA—DETENTION OF CANADIAN CITIZEN WITHOUT TRIAL

Miss Aideen Nicholson (Trinity): Mr. Speaker, on November 24 I asked the Acting Secretary of State for External Affairs what steps the Government was taking to ensure that Mr. Balkar Singh, a Canadian citizen being detained without trial in India for several weeks, would either be brought to trial if there was evidence against him, or released if there was not evidence.

Since then it has come to light that Mr. Singh has been ill-treated in prison.

I urge the Government to pursue the matter very strongly. Mr. Singh is a Canadian citizen. Furthermore, Indian law provides that a person who becomes a citizen of Canada or of another country loses his former citizenship. Therefore, Mr. Singh is being held without trial in an Indian jail in a country where he himself has no status. It is particularly important that the Government of Canada make every effort to ensure that a Canadian citizen receives the same treatment that a Canadian citizen would receive here, namely, a prompt and fair trial if, indeed, there is evidence against him, or immediate release if there is no evidence.

S. O. 21

• (1110)

LABOUR RELATIONS

PRINCE RUPERT GRAIN HANDLERS' STRIKE—CALL FOR REVIEW OF LABOUR RELATIONS LEGISLATION

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, the movement of grain is the life-blood of the Canadian Prairies. Last year that movement was curtailed by shut-downs at the Port of Thunder Bay and later at the Port of Vancouver. Earlier this year various railway workers had to be legislated back to work. Now 69 grain handlers at the Port of Prince Rupert are on strike, thus threatening the movement of 15 per cent of Canada's export grain.

Canadians are growing weary of strikes and lock-outs in essential services, whether it be Air Canada, the Post Office, the railways, the ports, or some other sector. Canadians do not really care who went on strike or who locked out. They know only too well that they are the innocent third party that pays the price for the failure of management and labour to reach agreement.

Surely it is time to outlaw strikes and lock-outs in essential services and find alternative methods for resolving these impasses. There are plenty of alternatives and options, and I again call for establishment of a parliamentary committee to investigate this matter thoroughly and come back to the House with some alternatives. Surely it is time for the insanity of strikes and lock-outs to end.

* * *

TAX REFORM

NON-IMPOSITION OF SALES TAX ON FOOD AND PRESCRIPTION DRUGS

Mr. Simon de Jong (Regina East): Mr. Speaker, Canadians welcome the announcement made last night by the Minister of Finance (Mr. Wilson) that food will not be taxed. This mad scheme first proposed by the Government resulted in hundreds of thousands of Canadians signing petitions and protesting the move. Yesterday was a victory for ordinary Canadians. Their everyday necessities of life will not now be taxed.

We also welcome the announcement that basic drugs will escape the taxman, as well as hospitals, school boards and municipalities. If the Minister wants extra revenue, he should look at the 110,000 profitable corporations which did not pay any tax on over $13 billion in profits in 1983. Even with his tax reform, 50,000 of those corporations will still not pay any tax.

The Minister should stop robbing the pockets of ordinary Canadians and go after those who have not been paying their fair share.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—POSITION OF SASKATCHEWAN PREMIER

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, Premier Devine of Saskatchewan has suggested that the Mulroney-Reagan trade deal will make Saskatchewan an industrial giant. Are we to believe that he means an industrial giant just like North Dakota?

Premier Devine also indicated that the deal will make farm machinery cheaper for prairie farmers. Surely the Premier, who is also Saskatchewan's Minister of Agriculture, knows that we have had free trade in farm machinery for 30 years. If farm machinery is an example of free trade, we can expect little of the expansion of which the Premier speaks. Except for highly subsidized Versatile, not one tractor, John Deere, Massey Ferguson, International, Case or White, is made in Canada today. Compare that with the effects of managed trade under the Auto Pact where a requirement of 60 per cent production in Canada has developed a booming industry.

The Premier well knows that the free trade plan is not an Auto Pact. Trying to sell it in that way is an attempt to deceive the people of Saskatchewan.

* * *

SENIOR CITIZENS

RELIEF AT MINISTER'S ANNOUNCEMENT

Mr. Alan Redway (York East): As you know, Mr. Speaker, next to Victoria, British Columbia, there are more senior citizens in my constituency than in any other in Canada. The seniors, and for that matter many others who have expressed their concern to me about the possibility of a tax on food, are delighted by the announcement of the Minister of Finance (Mr. Wilson) that there will be no federal tax imposed on groceries, prescription drugs and medical devices.

It is interesting to note, however, that in Sweden, long held up by the NDP as a socialist paradise, there is a value-added tax or national sales tax on everything, including basic groceries. There are three sales tax rates in Sweden and food is taxed at the highest rate, 23.46 per cent.

Fortunately, Canada is not an NDP socialist paradise. Fortunately, we have a Progressive Conservative Government sensitive to the concerns of Canadians.

TRADE

CANADA-UNITED STATES TRADE AGREEMENT—EFFECT ON ENERGY INDUSTRY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I want to speak about the free trade deal in energy. About a year and a half ago, I stood in this House and predicted that we would have a continental energy policy in a short time. That is exactly what the Mulroney trade deal has done. Now, by law, we must share our energy resources with the Americans.

There are some irritants to access by Canadian resources to the American energy market but in spite of those irritants we always get access because they are going to need our oil, gas, and electricity in the energy shortages which are going to appear in the 1990s. We have given away our ace card, control over energy, which we could have used to diversify the western Canadian economy.

I cannot believe the hypocrisy of ex-Premier Lougheed and the other businessmen like him who would prefer that the American market economy govern our energy policy rather than the big bad easterners, meaning the Canadian national Government. We have a word for that. It is "traitors".

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

SENIOR CITIZENS

GOVERNMENT'S PERFORMANCE

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I have the privilege of representing a federal electoral district that has a high proportion of very active elderly people. Hundreds of projects and community activities are organized by senior citizens in my riding.

To support these activities, from September 1984 to 1987 the federal Government has invested $128,402 in the riding of Québec Est through the New Horizons Program. Mr. Speaker, this kind of encouragement shows we are prepared to help the elderly improve the quality of their daily lives. Meeting regularly with various senior citizens' groups in my riding, I have found that funds are well spent and well managed and that the projects and activities are a success. This concern for helping the elderly demonstrates that the Mulroney Government is well aware of their circumstances and is trying very hard to improve them.

By appointing the Hon. George Hees as Minister of State (Senior Citizens) last summer and providing funding through programs such as New Horizons, the Progressive Conservative Government shows that senior citizens across Canada have a high priority with this government.

[*English*]

FINANCE

ELIGIBILITY OF NORTHWESTERN SASKATCHEWAN AREAS FOR NORTHERN TAX STATUS

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I would like to inform Members of the House of a decision made this week by the Minister of Finance (Mr. Wilson) which more clearly defines the areas eligible for northern and isolated tax status. After months of meetings, negotiations and presenting petitions and letters on behalf of my constituents on this issue, I am delighted that certain areas of northwestern Saskatchewan will now be eligible for northern tax status. These areas include Meadow Lake, the rural municipality of Meadow Lake, Makwa, Loon Lake, Dorintosh and Rapid View.

This tax status means that, effective the 1987 tax year, people living in those areas will be eligible to claim a special tax deduction of up to 20 per cent of net income to a maximum of $5,400. It is encouraging to know that the Minister of Finance and his officials have recognized that additional costs do come with living and working in the North. I speak on behalf of all my constituents when I thank the Minister and all of the citizens of the communities involved for their diligence and persistence in this matter.

Merry Christmas, Mike!

ORAL QUESTION PERIOD

[*English*]

HEALTH

TOXIC MUSSELS—TIME OF TESTING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister.

Yesterday in the House the Prime Minister said that the Minister of National Health and Welfare has consistently given the House all the facts and his version of the facts has never been contradicted, either by him or a third party. The Prime Minister did not know what he was talking about. On Tuesday, December 8, the Minister said this in the House:

> Dr. Todd received those samples from Prince Edward Island at 8.15 p.m., upon which testing began that evening, Saturday.

Will the Deputy Prime Minister explain why the Minister said that, when no laboratory tests were conducted in Ottawa on that weekend?

Yesterday, Dr. Les Elliott, the Director of Field Operations in the Minister's Department, was asked by a reporter:

> You weren't in here, there weren't people in the office Saturday and Sunday testing in the lab?

Dr. Elliott replied:

No, there were no samples to test.

Will the Deputy Prime Minister explain why the Minister of National Health and Welfare misled the people of Canada and Parliament on this issue?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would be glad to answer the question of the right hon. gentleman. I have not misled the House and I have given all the information available to me. The time in question is the Saturday and Sunday. I think that is what the right hon. gentleman referred to. I have all the transcripts here as well.

May I refer him to the two parts of any investigation. First is the lab work, which was discussed, for example, with Dr. Elliott yesterday, as well as Dr. Liston, Dr. Law and Dr. Todd. On the other side is the epidemiological work or the investigative work. And I have got all those details here as well. As to what happened on Saturday and Sunday—I do not know, Mr. Speaker, if you give me the time—but maybe I can do it very quickly.

• (1120)

Mr. Gauthier: Do it on motions.

Mr. Turner (Vancouver Quadra): Take it before a parliamentary committee or something.

Mr. Epp (Provencher): Well, first of all, Mr. Speaker, then there will be other questions obviously. Let me just say to the right hon. gentleman, I have information here on the epidemiological work, both on the Saturday and the Sunday.

[*Translation*]

REQUEST FOR EXPLANATION OF ALLEGED CONTRADICTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, no laboratory tests were done on the weekend. The laboratory mice in Blacks Harbour, New Brunswick, were all dead at three o'clock Friday afternoon. That is what we heard yesterday. Those in Ottawa were all dead at four o'clock the same day. The Minister of National Health and Welfare said Wednesday this week in the House that a small number of mice had died. The problem was not a serious one. However, employees in his Department admitted that all the mice that had been injected with the deadly toxin at the Ottawa laboratory had died Friday. Could the Minister explain this obvious contradiction? Could he explain the Minister's incredible misrepresentation of the facts?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, yes, I can explain that as well and I have read Dr. Todd's testimony of yesterday, and for instance where he said the six mice out of six mice had died, and I will get into that in this way. We have one sample of mussels and obviously if those from the same sample is injected into mice, in terms of the death of those mice, that is what Dr. Todd referred to. What the right hon. gentleman is tying together is that that was the only test, or that was the only reference that I made. I had some more studies done today in terms of how many mice in fact had been tested, because I think that is a legitimate piece of information to put into the picture as well. And we have tested as of this morning 336 mice from Prince Edward Island and the Magdalens. Of those 336 mice, 93 have died.

Now, what I am trying to convey to the right hon. gentleman is that we have to do the lab work as well as the field work, if I can characterize it that way. And I say to him that I, as a Minister, have a responsibility to act on the information that I get from my scientists. And his member today again in public debate, or public TV, said that I had known prior to the weekend. Again, I repeat, and I do not know how many times I have done that, that is simply not true.

EXERCISE OF MINISTERIAL RESPONSIBILITY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the more we get into this matter the less able is the Minister to substantiate his statements by the statements of his own officials.

Some Hon. Members: Oh, oh.

Mr. Turner (Vancouver Quadra): I suggest that this matter be brought before a parliamentary or judicial inquiry in order that we can get at the facts.

Mice were injected with deadly toxin in Blacks Harbour, New Brunswick, and died at three o'clock on the Friday. Mice injected with the same deadly toxin died the same Friday at 4 p.m. in Ottawa. The alarm bells went off and no one was listening.

Why was the Minister not informed? Why were the labs closed for the weekend? Why was the stop order on the shipment only made on Sunday? Why did the Minister only inform the Canadian people on Tuesday? Why was he not informed before Monday?

Why will he not take responsibility, as a Minister, for his own negligence and, in particular, for the negligence of his departmental officials? That is what ministerial responsibility is all about. Will the Minister come clean and give all of the facts to the people of Canada and to Parliament?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have come clean and I am coming clean this morning again. On the Saturday, the 28th, we got samples, one from St. Peters, seven additional from the Atlantic. We looked at the destinations. We looked at the routing.

At the fish lab in Prince Edward Island the lab was preparing extracts. Those extracts were sent to Ottawa to Dr. Todd by Canadian International. They were picked up on Sunday. We identified the leases. We identified the maps. On Sunday we interviewed a person by the name of Wayne in Charlottetown from our Department, went and interviewed illness complaints on three people. We then looked at the fisheries, at the bills of lading, the shipping records. It was on that basis

and that information and that activity on that weekend, that is why the stop order came.

MINISTER'S STATEMENT ON TIME OF TESTING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. I would like him to think back to his words in this Chamber when he said, in answer to a question from me on December 8:

> The Member talks about Saturday. Dr. Todd received those samples from Prince Edward Island at 8.15 p.m. upon which testing began that evening—
>
> On Sunday, after the testing through the night—

The Minister claimed that there was testing through the night yet we heard yesterday from officials in his own Department that absolutely no testing was done on the weekend.

Who is telling the truth—his scientist, Dr. Todd, or the Minister who is involved in this cover-up?

Some Hon. Members: Shame, shame!

Some Hon. Members: Oh, oh!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am not involved in any cover-up, nor is Dr. Todd trying to give any information differently from any information that he has.

Ms. Copps: He is telling the truth.

Mr. Epp (Provencher): What I said on December 8 and what the Member has quoted in *Hansard* is the information that I received. I think there was a handout yesterday at the press conference, in which, if she takes a look, if the Member takes a look under the Saturday, the investigation continues. I said, and I have tried to explain today again, that there are two types of investigations in this type of information. One is the lab testing. The other is the testing on the street as well as what I made available in terms of Prince Edward Island on the Saturday.

Mr. Speaker, I have been very open about that, I have been very clear about that. What the Hon. Member does not want to accept is that there are two streams of this testing that has to take place, that we have to get the evidence in order that we can make the medical link. Mr. Speaker, that happens in our labs, in our hospitals, every day of the week. That happens in medical laboratories every moment of my life. And that is a constant part of medicine and medical science.

Mr. Speaker, I have put all the facts forward. I would hope that she would at least understand that there is a medical science discipline that they have followed and which I, as a Minister, have to follow.

Ms. Copps: Please don't hide behind his officials, I would ask the Minister, Mr. Speaker.

Some Hon. Members: Oh, oh!

Some Hon. Members: Order, order.

Mr. Speaker: Order. The Hon. Member knows that despite the seriousness of this matter the imputation of motive is not appropriate. It may well be that in argument at another time the Hon. Member may wish to draw some conclusions from the answers which the Minister gives. That is, of course, her privilege at another time. However, I would ask her to put her questions on the basis of the alleged facts which she has available.

I would remind all other Hon. Members that we have had a great many questions on this issue. The Chair has made very considerable effort to ensure that the Opposition not only has the right to ask these questions but is given every chance to exercise its duty. The Hon. Member for Hamilton East.

TESTING OF MICE IN OTTAWA—SCIENTIST'S STATEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, yesterday we learned from Dr. Todd that, contrary to the claims made by the Minister in this House on December 9, all of the mice which were injected with toxin in Ottawa died. In fact, the situation was so serious that this scientist said it was the first time in his living memory that in the testing of food toxins all the mice died. I would like to quote: "We had three samples and two mice were sampled and all of the mice died, six out of six". Why did the Minister tell this House on December 9 that only a small ratio of the mice in fact died?

• (1130)

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again, I have given that information to the House and to the Hon. Member. I have given the number of mice that were tested. What the Hon. Member is referring to, and I have the Todd transcript here as well, was the one test, the one sample of testing. That is what the Hon. Member is referring to. I have not denied that.

What I have been saying throughout, just, as if she says that is valid, then it is surely as valid for me to say that as we are looking at the entire testing range, which my scientists are doing, that of the 336 mice we have tested, 93 have died.

Ms. Copps: Seventeen people are in the hospital.

Mr. Epp (Provencher): The point I am making is that it was on the basis of the development of that medical evidence that action was taken. Surely, that is how medical evidence is gathered. That is how information comes through the line in the Department from the Assistant Deputy Minister of Health Protection Branch to the Deputy Minister, to the Minister.

Ms. Copps: You are passing the buck.

Mr. Epp (Provencher): I am not passing any buck.

Ms. Copps: You certainly are. You are responsible.

Mr. Epp (Provencher): One thing I am telling you, Mr. Speaker, and that is this—and I am not hiding behind anyone—what I can only do is act even on an allegation, on a fact. I cannot have the clairvoyance of being able to take an action on which I know nothing about.

VALIDITY OF PROCEDURES—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister's answers, I regret to say, grow increasingly unconvincing.

Some Hon. Members: Oh, oh!

Mr. Broadbent: We were prepared yesterday to listen to the Minister who seems to be relying on scientific opinion for part of our concerns which he was addressing. But I want to ask him to reconsider what he has just said now. Dr. Todd, the expert in the field, who conducted the tests on Friday—all six have died in these particular tests he is referring to—said never before has there been a wait for such a period of time to take action in terms of warning after six mice died. He said:

> . . . there had never been another case in which the department waited so long to issue an alert after all lab animals died.

He even went on to say pretty directly that maybe they should have taken action then, in retrospect, he said.

Clearly, this is his professional judgment. These are six specific tests. He is saying retrospectively that it is serious. He, retrospectively, ought to have acted. Since it is this professional's opinion that maybe they ought to have done something that could have headed off very serious harm, we hope no more than that for other Canadians, will the Minister now acknowledge that the procedures were wrong and he ought to accept responsibility for those procedures?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I know the hon. gentleman is quoting from a newspaper article in the Toronto *Sun*. Let us go back to Dr. Todd's exact words of what he said yesterday. Let us keep this in mind because we are trying to get the full story out. I am not trying to hide any part of the story. On page 42 of the Steno Tran, of the information, Mr. Speaker, this is exactly what Dr. Todd says. He was being asked this question about warning the public, just as the Hon. Member has mentioned, and he says, and I will read in part because of the time.

> In answer to your question, should there be a change or should, if mouse deaths occur in the future, I think we would have to look at that in the picture. I think if we had seen the same picture now, maybe we would have, but that is, you know . . . In retrospect—

The Member says that should the procedures be changed. I said yesterday to him in his question I think it is a perfectly valid question. Obviously, we have to take a look again how can we improve procedures. But what I want him to understand and accept as well is that a Minister, standing in his or her place here, has to have some information in order to be able to exercise judgment. If I have none, then I cannot exercise judgment.

In terms of the process of whether the information should have gone more quickly, I think that is a valid question.

REQUEST FOR MINISTER'S RESIGNATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows very well the traditions of ministerial responsibility for his Department.

Some Hon. Members: Oh, oh!

Mr. Broadbent: The Minister now has a senior scientific person who is acknowledging that given six deaths after six tests on a Friday that, in his judgment, he is clearly implying—there is no doubt about that, even from what the Minister has just read out—that they ought to have taken different steps, I say to the Minister, given the fact that one Canadian has died, many, many others are sick, why doesn't this Minister admit his Department was wrong? Why doesn't he accept responsibility for this serious error and submit his resignation? That is the tradition in this Parliament.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again the Member mentioned six tests. I think we have to be careful when he refers to six tests. The six mice that were used were from the same sample. Even the word "samples" has to be clearly understood in any testing. That is why, when we look at when Dr. Todd was doing those tests, he wanted to get samples not only that were on store shelves or in wholesalers bins, but from the mussel beds themselves. That was gone through yesterday as well.

So when the hon. gentleman says that there were six tests, he has to be very careful with the words and give the impression that there was a wide range of sample available and that six tests were done. That was not the case.

[*Translation*]

ACTUAL METHOD OF PROCEDURE—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has indicated that perhaps he will change the process. He said the same thing yesterday.

For the benefit of the House, would he clarify his intentions for the future and indicate whether—after this kind of tests, officials decide to stop shipments of such product—he intends to stop sales at the very same moment?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again I think that is a valid question, and I want to take the Member through this very carefully. Under the Food and Drug Act, the officials of the Department of National Health and Welfare have to be able to develop a scientific evidentiary line. That is what they were doing. In terms of taking additional action, and today I have taken again additional action, not on the basis of the Food and Drug Act, but on the basis as a Minister of Health that I am able under the Health and Welfare Act to warn Canadians of a possible

health danger. So there has been an alert even extended further today, for example, to include shellfish.

What I am trying to convey to the hon. gentleman, the decision that was taken today, the information came to the Department at 9.15 this morning and I made the decision at 9.18. I made it on the basis that we had the mussel incident, we had the clam evidence yesterday, and the action that was taken, and the alert today on shellfish. But I had an evidentiary track that gave me information that I could make a decision under the Health and Welfare Act. I did not have any information—I repeat to the Hon. Member—I did not have any information given to me prior to the Monday, which I told the Hon. Member about, and the alert after the medical evidence had been together on the Tuesday.

I have been totally open, totally frank with it. I have nothing to hide, nor am I trying to hide anything. But I want the Hon. Member to understand, and the people of Canada to understand, that a Minister can only act on the basis of evidence. That is why today's decision was made on the basis differently from the one on the Tuesday, and I think any reasonable person could understand why.

[*Translation*]

HEALTH OF CANADIANS—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, on Saturday evening, November 28, Mr. Pomeroy of Montreal ate mussels because he was unaware of the danger involved. Yet 24 hours earlier, the day before, November 27, the lab mice tested by Health and Welfare Canada had all died as a result of toxins in the mussels.

I should like to know how the Minister, responsible as he is for the health of Canadians, can justify waiting four days—until 6.45 p.m. on December 1—before sounding general alarm. Why did the Minister choose to play Russian roulette with the health of Canadians, and why is he still hanging on to his ministerial portfolio now that he has lost the confidence of Canadians?

• (1140)

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am not playing Russian roulette with any person, with any person's life. What I am doing, on the Sunday, the stop shipment order which we have discussed in this House many times—

Ms. Copps: Which you did not know about.

An Hon. Member: Shut your mouth.

Mr. Epp (Provencher): —was a containment order—

Mr. Speaker: Order. I must remind the colleagues of the Minister that they are not making it any easier for him to handle a difficult situation. I would ask that Hon. Members refrain from making comments unless they are recognized.

Mr. Epp (Provencher): Just to finish my answer, on the Sunday, and the information that I gave when his Leader asked me for additional information on the Saturday and Sunday, which I gave, the stop shipment order is a containment activity by the Department, where there were approximately 30,000 pounds of mussels to be shipped, ready for shipment. We said to stop the shipment, we are investigating. That is what happened on the Sunday. That is logical. That is the way the Department has functioned and that is the way I have got to accept it, and I would suggest that he would accept it.

In the terms of bringing in the death of Mr. Pomeroy, probably nobody, other than the family, feels as badly about as I do. If I could have done something differently, or would have known something, I would have done something differently. I did not have that information.

[*Translation*]

RESULTS OF LABORATORY EXPERIMENTS—MINISTER'S OBLIGATION TO KNOW THEM AND TO MAKE THEM PUBLIC

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, that the Minister should tell us that he thought stopping the shipments was enough is simply incredible. Everybody knows there were hundreds of pounds of mussels across the country in refrigerators at restaurants and stores. That is what the Minister fails to understand.

It is unacceptable that the Minister was not informed immediately of the results of laboratory experiments that were already sufficiently conclusive to justify a public alert on November 27. It is unthinkable that the Minister should tolerate this lack of communication within his Department and with the public. And yet the Minister insists he didn't know!

Well, I would like to ask him whether he doesn't think he should have known and above all, should have informed the public.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I go back to the stop shipment in which I say to my colleague that that is not an unusual procedure. That is a regular part of the procedures the Department uses and so that we would not have further spread of the mussels until we had our medical evidence.

If there is a better method to do the communications, on the basis of hindsight and on the basis of that experience, of course that is my responsibility and the Department's to improve on that. But I think we have to keep it in perspective and look at it as the dates developed rather than making the judgments as he did so easily or so conclusively from his mind that everybody knew and everybody could predict both in science and medicine every eventuality.

SHIPMENT STOP ORDER—TIMING OF PUBLIC WARNING

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, as a microbiologist who has in fact carried out this test for Gonyaulax, I must say that what we see here is an

excess of scientific caution and a paucity of common sense and urgency.

Was there any other reason in the world for stopping the shipment of mussels on Sunday than the demonstration of the presence of a toxin in mussels on Friday, mussels that were already on the market? If it was justifiable to stop shipments, it was therefore justifiable to warn the public that there were mussels on the shelves already that contained the toxin.

Hon. Jake Epp (Minister of National Health and Welfare): Very quickly, Mr. Speaker, and I am sure the Member as a professional would also recognize that the test that was done was on the paralytic shell poisoning test and he knows the details as to how that test affects mice, for example, in the tests that there were done. What we do not have, and to this day—and he as a microbiologist would also know that the evidence today that the toxin still has not been isolated. Surely he as a microbiologist, in his professional experience, did not have instantaneous information but used the lab, his microscopes, used his analytical machinery to try to get exactly those answers. Surely that is what he did every day of his life in his professional life, and that is what we have done.

REASON FOR NOT ISSUING PUBLIC ALERT OVER WEEKEND

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, all of this pseudo scientific gobbledegook has missed the point of the question all together. There having been no tests carried out since, was there any reason at all, other than the fact that mussels from the Montreal episode were tested and found to kill six out of six mice, for stopping the shipment of mussels on Sunday? The mussels on the market were those in which it was demonstrated there was a problem, not the mussels still to be tested.

If the shipment of mussels that were not on the market yet and on which no tests were carried out were to be stopped, does it not make sense to warn the people that it has been ascertained that some of the mussels on the market which have made people ill are potentially there for people yet to consume? Would it not have been appropriate to say that there are mussels on the market that contain something that kills mice at least?

Hon. Jake Epp (Minister of National Health and Welfare): Again, Mr. Speaker, I think the hon. gentleman—I can only repeat the answers that I have given and that is the testing that was done, in the minds of the scientists, that that was not conclusive to the point that he has taken it, that is that the Hon. Member has taken it in Question Period. Obviously that is why additional testing took place. That is why additional street work took place, investigatory work took place. I have laid that all out in front of the House, in front of the country, and I think the hon. gentleman has to accept it that that is what professionals with 18 years of experience in the case of Dr. Todd, that is what they were doing.

LABOUR RELATIONS

AIR CANADA STRIKE—REQUEST THAT GOVERNMENT APPOINT MEDIATOR

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Labour my question is directed to the Deputy Prime Minister. It concerns the Air Canada labour dispute which is a matter of concern to a great many Canadians.

In spite of the fact that negotiations have started again, will the Deputy Prime Minister give the House his assurance that in the event the Government senses that rapid progress is not being made in the negotiations toward a settlement, the Government will immediately appoint a mediator in this dispute?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, as the Hon. Member knows, the two parties got together last Wednesday, I believe. To my knowledge the talks are continuing and I think that should be a good sign. This occurred as a result of an initiative taken by the Minister of Labour.

Obviously the Minister of Labour is watching the situation very closely and, as he has indicated in previous times, he will be prepared to assist in any way to expedite and facilitate a satisfactory resolution to this unfortunate situation. I can only assure the Hon. Member that that ever watchful eye of the Minister of Labour will continue to observe the situation and I am sure he will be providing the encouragement for a quick settlement.

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HEALTH

TOXIC MUSSELS—RESULTS OF MICE TESTS—INFORMATION NOT PROVIDED TO MINISTER

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. It is a very serious situation we are in here today, both as far as the industry is concerned and indeed as far as consumers are concerned.

On Friday, November 28, at 7.00, all the mice that were tested died in the labs in Ottawa as well as in Black's Harbour, New Brunswick. Now the Minister is trying to cloud the issue just a bit here, because he mentioned there were 336 mice tested and 93 had died. To date 336 mice have been tested, and he is absolutely correct that 93 have died.

• (1150)

But up until Sunday there were only the mice tested only in Black's Harbour and the mice tested in Ottawa, and each and every one of them died. The Minister states that the testing

was for PSP, but there was a toxic agent, a dinoflagellate or something there, that, when it was injected into those mice, killed every one. It is very serious when there is a 100 per cent kill.

Does the Minister not think with that type of evidence, never mind this testing of epidemiology and going around and surveying to see how many people are sick, but with the lab results alone, that this evidence was certainly strong enough in every way it was looked at, that the Minister should have been informed, and the Minister should have acted and taken the mussels off the shelves in wholesalers and in restaurants, and alerted people to the serious danger of this toxin, regardless of what the toxin was in these mussels?

Hon. Jake Epp (Minister of National Health and Welfare): I think, Mr. Speaker, that the hon. gentleman puts forward a case which I have looked at and have put forward as well in the sense of the testing that was taking place and the medical evidence.

The Member mentions that six out of six was conclusive proof. Obviously in the minds of scientists and Dr. Todd at the time, that was not enough scientific proof to send that message up the chain of command. Obviously, it was not.

I am saying to the hon. gentleman, and I am not trying to be personal in any way, he knows as a former Fisheries Minister how anyone would want to, from a scientific point of view, get the best information, and Dr. Todd, on the Friday, obviously was not convinced to send the information up the chain in terms of the information that he had.

MINISTERIAL RESPONSIBILITY—ISSUANCE OF PUBLIC WARNING

Mr. George Henderson (Egmont): Mr. Speaker, there is no other way to look at it but as extremely serious. The Minister has to take responsibility for his departmental officials. That is recognized as with any Minister of the Crown of the Government of Canada, or any provincial Minister. The buck stops at the Minister's desk. People were sick. The mussel industry itself, until we find the problem, is going to be devastated, and the more people who get sick, the more devastation for the industry, and it should have been stopped forthwith. It should have been stopped on Friday night.

I ask the Minister if he does not agree that it should have been stopped on Friday night, or certainly Saturday morning, and at the very latest when the stop order was issued for shipment of mussels from Prince Edward Island, that it should have been followed up immediately simultaneously with a stop order for the sale of mussels in every wholesaling unit and every retail outlet in Canada?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I tried to answer that as well, and I went back, for example, to the fact whether the Department should have informed earlier, or whether the communication should be different, or whether the Department should not rely, for example, quite as heavily on the evidentiary link that we have talked about here.

What I say to the Hon. Member, as I said to the Leader of the NDP, for example, that yes, obviously I am going to look at every procedure, every scientific procedure and see how we can improve it. But I say to the hon. gentleman as well that whatever improvement can be made, it will be made. But I want him to understand, as I say, as a former Fisheries Minister, what the procedures were, because he relied on them equally in order both to protect human life, which is my job—that is my job, and I don't pass the buck, it stops at my desk—but I say to him as well that it is not as clear as he would like to characterize it on the Friday, which he used in his question.

ISSUANCE OF STOP SHIPMENT ORDER

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As I understand it on the Friday of the tests where six out of six mice died, those were tests on mussels that were already on the market. Two days later the Ministry issued a "stop shipment" order on mussels that were not even tested.

I want to know from the Minister why they issued a "stop shipment" order on mussels that were not tested, but did not warn the public about the poisonous mussels that were already on the market and being consumed by Canadians in restaurants and elsewhere.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can go through the chronology again on the Saturday and Sunday, but possibly for preservation of time, I won't.

What I say to the Hon. Member is that the "stop shipment" order is a containment order, namely, that mussels or any other product does not get on the market until the Department has got the evidence that it needed. That is why the order on Sunday, that was in the judgment of the Department. As they got the evidence, they made that evidence available to me, and I acted.

ISSUANCE OF PUBLIC WARNING—MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, even Dr. Todd with his tremendous experience in this field appears to have had second thoughts about what has happened.

I wonder if the Minister, on reviewing the evidence, may now have some second thoughts, and whether or not he will admit in this House that he should have issued a warning to the public two or three days before he actually did.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think it comes back to the point that I quoted of Dr. Todd, that all of us will look at procedures again. But I say to the hon. gentleman, he's been in this House a long period of time, I think he would give, whether it is a Minister or any Member of the House, at least the ability to make a

decision on information, on a fact, possibly even acting on an allegation. None of those were conveyed to me. And I don't have the ability of clairvoyance, which I have said earlier, to be able to make a decision if no information has been conveyed to me.

The question of procedures is valid. His Leader raised that yesterday. That is valid. But I think it has to be put in the context in which his Leader put it yesterday, rather than somehow a human being has to have the ability to make a decision or take an action without even being informed.

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PUBLIC SERVICE

SALARIES OF REGISTERED NURSES

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is for the President of the Treasury Board. Some days ago I asked him about the unacceptable results of a decision of the Canadian Human Rights Commission which has meant that registered nurses working for the federal Government are in fact earning less than the nursing assistants who work for them.

I wonder if the Minister can advise the House of any progress in resolving this inequitable situation.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Yes, Mr. Speaker, I certainly appreciate the Hon. Member's continuing interest in this matter. As I pointed out to him at the time he raised it, there had been a number of discussions and negotiations between the Treasury Board officials and the officials of the Professional Institute of the Public Service. I am pleased to report that, as of Tuesday, I believe this Tuesday, a tentative agreement was reached, and it is subject to ratification. Judging from the atmosphere during those negotiations, I am hopeful and optimistic that it will be ratified in a very satisfactory manner.

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HEALTH

TOXIC MUSSELS—MINISTER'S KNOWLEDGE OF TEST RESULTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

He knows, Mr. Speaker, that knowledge of this incident is crucial, and equally so if the Minister was not aware of certain facts. That too is a very serious allegation in view of the circumstances.

I want to ask the Minister to clarify for the House, is he saying that he knew on that Friday, November 27, that after testing here in Ottawa, and after testing in Blacks Harbour, New Brunswick, where six out of six mice died from this toxin, 100 per cent, not 50, not 40, but 100 per cent—that the Minister knew of this information and did not act to inform Canadian consumers? Would he answer that question?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have answered it many, many times. I answer it again in the negative just as I have done many, many times.

REQUEST FOR PUBLIC INQUIRY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. I say to the Prime Minister, and I ask the Prime Minister, that this is one of the worst forms of incompetence and gross negligence by a federal Minister—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member may well have that opinion, but I am sure that he would want to set the facts out, or the alleged facts, upon which he bases his question. The Hon. Member.

• (1200)

Mr. Dingwall: Mr. Speaker, I ask the Prime Minister if he will not call for the resignation of his Minister of National Health and Welfare. If he is not prepared to do that, in view of the fact of glaring, obvious information, would he not now appoint a public inquiry or a judicial inquiry into the seriousness of a situation which has caused the death of one Canadian, sickness among many, many, and the ruination of an industry?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in terms of the information, the Hon. Member can be referred again to the information that was given by the Assistant Deputy Minister, Health Protection Branch. He was asked the question: "What is the process for notifying the Minister when something like this is going on?"

"In the vast majority of cases, as you perhaps know from the briefing that we have had, the Minister is not involved at all simply because either the problem is contained, a manufacturer agrees that he has a problem, agrees to withdraw the material, and the likelihood of more illness or whatever is somehow or other resolved. If there are other situations where we cannot withdraw it or there is material that is left with a consumer, those are the instances where we want to go public and alert the consumer and try and use the media as a means of distributing a message, a health alert. Those instances are the ones where the Minister is involved in an 'operational' sort of sense. The Minister is apprised of aggravated investigations that we carry out".

That is exactly what happened. I acted exactly on that basis. If we can improve the procedures, obviously we will do it.

But, Mr. Speaker, let us all remind ourselves of the fact that in medicine and in science there has to be some information, and my officials are developing that information. I respect that, and I hope that Members would also respect that these people, when they had the information, to the best of their ability they gave it to me and I acted immediately on the information given.

Mr. Speaker: This will be the last question of Question Period. I would ask the Hon. Member for Beaches to make his questions relatively short, given the time.

REASON FOR ISSUING STOP SHIPMENT ORDER

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of Health. Was there any other reason for stopping the shipment of mussels on Sunday than the positive tests obtained from the mussels tested on Friday which, as the Minister is aware, were already on the market?

Hon. Jake Epp (Minister of National Health and Welfare): Yes, Mr. Speaker, there was additional information. I gave that earlier. I can go through that again.

On November 28, on Saturday, samples were gathered. One from St. Peters, seven from additional Atlantic areas. Destination routing was done. Lab preparation was done in Charlottetown, was sent here to Ottawa to Dr. Todd's with Canadian International, was picked up on Sunday, identified leases. We did the maps. We also did the records, the shipping records. We tracked those. We also went on the street in Charlottetown. We interviewed people with complaints, three as I mentioned earlier, by a member of my Department.

That was all done, and it was on that basis plus the lab work that the stop shipment order was made.

Mr. Speaker: The Hon. Member on a short supplementary question.

POSSIBLE ERROR IN JUDGMENT—MINISTER'S POSITION

Mr. Neil Young (Beaches): Mr. Speaker, I have a very short question for the same Minister. Would the Minister not agree that to any impartial observer of what happened in the last week it would appear that there has been an error in judgment? Would the Minister not also agree that, while most reasonable people are quite prepared to forgive an error in judgment, it is quite something else to have a Minister defending the indefensible, that is, to defend that error rather than admit it?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I have already said to the gentleman and to his Leader, yesterday and today, that if we can improve procedures obviously that is going to be done. That is being done, but again I come back to him and say this: let us also not throw out procedures which have worked very well for the protection of health of Canadians and, if we can improve on that, we will do that, but let's keep that balance in mind as well.

ROUTINE PROCEEDINGS

[*Translation*]

TRADE

TABLING OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour of tabling, in both official languages, the Canada-U.S. Free Trade Agreement as initialed by Ambassador Simon Reisman, who is with us today, and Ambassador Peter Murphy.

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PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to Petitions Nos. 332-3279, 332-3293, 332-3294, 332-3326, 332-3327 and 332-3367 to 332-3370, inclusive.

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[*English*]

INTERPARLIAMENTARY DELEGATION

TABLING OF REPORT OF CANADIAN DELEGATION AT CONFERENCE ON DRUG ABUSE AND ILLICIT TRAFFICKING

Mr. Bruce Halliday (Oxford): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the sixth report of the Canadian Group of the Interparliamentary Union, the report of the official parliamentary delegation which represented Canada at the Interparliamentary Conference on Drug Abuse and Illicit Trafficking in the Western Hemisphere in Caracas, Venezuela, from November 9 to 13, 1987.

In view of the importance of this topic and the role played by the Canadian delegation at this international conference, I wish to speak briefly to the report if I may.

First I would like to acknowledge the contribution of the other delegates to this conference—the Hon. Member for Windsor—Walkerville (Mr. McCurdy), Senator Lorne Bonnell, and Paul Rosenbaum of the Library of Parliament, adviser to the delegation.

This conference was of importance for it marked the first time parliamentarians from western hemispheric countries gathered to discuss drug abuse and the illicit traffic in drugs. The conference was historic in that it considered drug abuse problems from what has been termed a balanced approach. The focus was not only on controlling supply through increased interdiction and domestic law enforcement, but also on the need to reduce the demand for drugs and to take steps nationally and internationally to restrict production and trafficking in illicit drugs.

Canada has clearly recognized the need to adopt a truly balanced approach. Through our participation in this conference we recognized the role Canada can play in assisting other nations to develop and implement their own programs, while at the same we reconfirmed the value of the Canadian approach to preventing drug abuse problems.

This balanced Canadian approach to drug abuse problems has been recently articulated in the national drug strategy and in last month's report of the Standing Committee on National Health and Welfare. Canada has recognized that drug abuse is not limited to one drug or class of drugs, nor can it be dealt with simply by imposing increasingly harsh penalties on those who abuse illicit drugs. Through our participation in this western hemispheric conference we became more appreciative of the work Canada is doing internationally and the potential for additional Canadian contributions in preventing drug abuse problems.

• (1210)

Through additional bilateral agreements and through collaborative efforts with international bodies, especially the United Nations, Canada can assist other nations to develop drug abuse prevention programs that are effective in reducing the demand for drugs, in developing culturally relevant treatment programs, in assisting nations to draft laws consistent with international standards of justice, in the training of customs and law enforcement personnel and in many other areas.

There are clear differences between the approach to drug abuse taken by Canadians and that taken by some other nations. While recognizing and respecting these differences, it is also important that Canada clearly state its position. This is especially true with regard to the need to work internationally to reduce illicit drug production, to restrict the trafficking in illicit drugs and to take steps to reduce the demand—

Mr. Speaker: I hesitate to interrupt the Hon. Member except to say that the Hon. Member has probably gone on well beyond the ordinary constraints of introducing a report. However, in view of the very great importance of the report I was constrained from interrupting, but I do hope that Hon. Members will keep in mind that if they go on overly long other Hon. Members will, of course, ask for equal time.

COMMITTEES OF THE HOUSE

BILL C-60—REPORT OF LEGISLATIVE COMMITTEE

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, as Chairman of the legislative committee on Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof, I have the honour to present the Bill to the House, with amendments, with a great deal of relief.

PRIVATE MEMBERS' BUSINESS—NINTH AND TENTH REPORTS OF STANDING COMMITTEE

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

The ninth report deals with the late filing of the petition for Private Bill S-14, an Act to authorize Cooperants, Mutual Life Insurance Society to be continued as a corporation under the laws of the Province of Quebec pursuant to Standing Order 142.

If the House agrees, I intend to move concurrence of the ninth report later this day.

The tenth report deals with the selection of a votable item pertaining to the eighth draw which took place on November 26, 1987. May I note, pursuant to Standing Order 36.1(b) that this tenth report is deemed adopted and laid upon the Table.

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

PRIVATE MEMBERS' BUSINESS—CONCURRENCE IN NINTH REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, if there is unanimous consent, I move that the ninth report of the Standing Committee on Private Members' Business presented to the House earlier this day be concurred in.

Motion agreed to.

* * *

PETITIONS

CALL FOR GENERAL ELECTION ON CANADA-UNITED STATES TRADE AGREEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the struggle starts now. I have the first of many petitions on the free trade agreement.

The petitioners say as follows: Whereas the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control effectively foreign ownership to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities between regions, the petitioners humbly pray and

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

I propose to table this petition, and I will have many more to come.

SUPPORT FOR BILL C-55

Mr. Paul Gagnon (Calgary North): Mr. Speaker, it is my honour and duty to present a petition signed by 64 Calgarians in support of the refugee Bill, Bill C-55. The petitioners call upon the Parliament of Canada to restore a system of fairness, justice and expediency by supporting Bill C-55, an Act to amend the Immigration Act.

COMPENSATION FOR FRED TURNER

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, I have a petition signed by approximately 20 people from the Northwest Territories, northern British Columbia and Alberta with respect to Fred Turner. Putting it in one sentence, they ask that justice be rendered to him. The House is very much familiar with the matter, Your Honour.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 229 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 229 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

NUMBER OF CABLE OPERATORS IN CANADA

Question No. 229—**Mr. Gauthier:**

1. How many cable operators are there in each Province and Territory?

2. How many cable operators outside the Province of Quebec are receiving French signals from the (a) CBC (b) parliamentary channel?

3. In what proportion does each cable operator retransmit French programs provided by the (a) CBC (b) parliamentary channel?

4. How many cable operators outside the Province of Quebec are receiving French signals from (a) TVA (b) Quatre Saisons (c) Premier Choix/Super Ecran (d) TVOntario (e) Radio-Québec (f) Télémétropole?

5. In what proportion do cable operators retransmit French programs provided by (a) TVA (b) Quatre Saisons (c) Premier Choix/Super Ecran (d) TVOntario (e) Radio-Québec (f) Télémétropole?

6. How many households can subscribe to cable television and for (a) each cable operator (b) each province how many are subscribing?

Return tabled.

[*English*]

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

Mr. Boudria: Mr. Speaker, I have discussed privately on at least two occasions with the Minister of State (Mr. Lewis) the fact that the rules of the House have not been complied with since Question No. 208, standing in my name, dated October 15, 1987 has not been responded to. You will know, with your vast knowledge of the rules, Mr. Speaker, that that response was necessary on or before November 30.

I know that the Minister of State himself has probably tried very hard to get the answer, but it appears that he is not the culprit. It is, rather, the Minister of whom I am asking the question.

When will the answer be forthcoming and when will the rules of this House calling for an answer in 45 days be respected in relation to Question No. 208?

Mr. Lewis: Mr. Speaker, my colleague is correct in his statement of the facts. I have made inquiries with respect to the answer. I was assured that we would have it for delivery today. We do not.

I can assure the Hon. Member that inquiries will be made more forcefully, and we will get the answer as soon as we can.

Mr. Gauthier: Mr. Speaker, I want to draw your attention to the last comment made by the Minister of State (Mr. Lewis). Without belabouring the point, some months ago the Speaker took under deliberation some comments of mine regarding the present Standing Orders and the request made by Members for an answer to an Order Paper Question within 45 days. In my view there is no remedy available to us or the Speaker with respect to getting the Government to respond. I think it would be appropriate for the Government to say: "I am sorry, we will do our best". That is the spirit in which the Minister of State is responding today.

• (1220)

I just wonder if you could ask the standing committee responsible for the rules of this House to possibly tighten up that rule so indeed the Government is compelled to answer within 45 days.

Mr. Speaker: As Hon. Members know, the Chair is not really in a position to act unilaterally on this. As the Hon. Member for Ottawa—Vanier (Mr. Gauthier) pointed out, the Hon. Minister of State (Mr. Lewis) has been quite frank in saying that he will do everything he can to remedy this situation. I can say to the Hon. Member that I will ensure that an extract from today's *Hansard* on this point is brought to the committee's attention.

Mr. Boudria: Mr. Speaker, I would not want to tar everyone with the same brush. Some Ministers do respond to questions within the required amount of time. If they do not, they

usually do forthwith, within one day, when they are alerted. However, I must regretfully say that when questions are asked of the Minister of Energy, Mines and Resources (Mr. Masse), we seldom if ever get a reply on time. We seldom even get it when it is late and we ask about it in the House.

I know I ask more questions than some Hon. Members, perhaps more than any other Member, and I want to point out that some Ministers do obey the rules. I did not want this occasion to go by without recording the fact that that is very much appreciated. However, there are culprits who should be exposed.

Mr. Hawkes: Mr. Speaker, I think it is unfortunate that this master is brought up when the Minister is not here. It would be better to deal with it when he is.

Mr. Boudria: All Members are here. It is against the rules to say otherwise.

Mr. Hawkes: I would point out that there was a very important energy conference in Montreal all week dealing with a lot of energy initiatives relating to the final print of the text of the free trade. It was not a normal week for the Minister, and on his behalf I think that should be part of the record of today's proceedings.

Mr. Speaker: The Hon. Parliamentary Secretary, as is his duty, has spoken well on behalf of the Minister. I say to the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) that this part of *Hansard* will also be brought to the attention of others.

I am still in the position of having to ask if all other questions shall stand.

Mr. Gauthier: On division.

Mr. Speaker: I understand that, despite the concern, I do have agreement from the House although I did hear someone say "on division". Perhaps in spite of that we still have agreement.

Some Hon. Members: Agreed.

MOTION TO ADJOURN UNDER S. O. 29(1)

[*English*]

HEALTH

TOXIC MUSSELS—DISCHARGE OF MINISTERIAL RESPONSIBILITY

Mr. Speaker: I want to bring to the attention of the House the fact that I have received from the Hon. Member for Hamilton East (Ms. Copps) the appropriate notice in writing under Standing Order 29 of a motion to adjourn the House for the purpose of an emergency debate with respect to an issue the House has been hearing about for some days now, what you could call, I suppose, the toxic mussel situation.

I know the Hon. Member has some remarks to make and, in doing so, she will be constrained by the usual understanding that the Chair will hear enough from the Hon. Member so that the application is fully in front of the House.

Ms. Sheila Copps (Hamilton East): Mr. Speaker—

Mr. Lewis: On a point of order, Mr. Speaker. I appreciate your giving us notice of the motion which my hon. friend is about to move. I would draw the attention of the House to Standing Order 29(3) which says:

> When requesting leave to propose such a motion, the Member shall rise in his or her place and present without argument the statement referred to in section (2) of this Standing Order.

Mr. Gauthier: The Speaker will look to that.

Mr. Speaker: The Hon. Minister of State (Mr. Lewis) is reading the rule. I hope that from my preliminary comment, the Hon. Member will keep that in mind.

Ms. Copps: Mr. Speaker, I served notice this morning of my intention to ask the Speaker, who is certainly very knowledgeable in these areas, for the chance to give urgent consideration to the question of the Minister of National Health and Welfare's (Mr. Epp) handling of the toxic mussel situation.

I think the contradictions have been well outlined in the House. He has made statements which are at variance with the facts on a number of occasions, first, relating to the time the testing occurred; second, relating to the number of mice that were killed as a result of toxic injections; third, as a result of his—

Mr. Hawkes: On a point of order, Mr. Speaker. I believe Standing Order 29(3) anticipates that the Hon. Member will present the statement presented to the Speaker at least one hour ago. Surely there should be no latitude of the kind we are currently experiencing. We brought the rule to the Hon. Member's attention—

Ms. Copps: He is the Speaker.

Mr. Dick: You are the mouth.

Mr. Hawkes: —before she got the floor. We expected to hear the statement presented to you one hour ago rather than this free-lancing. By implication we are going to get ourselves in a difficult situation if the Standing Order is not adhered to.

Ms. Copps: Who are you, the Speaker?

Mr. Gauthier: Mr. Speaker, the Parliamentary Secretary has hoisted himself on his own petard. The rules are quite explicit. The Member must present a written statement to the Speaker one hour before raising it in the House. That has been done. The Member must also, and I will read the Standing Order:

> —present without argument the statement referred to—

I ask that she be allowed to continue presenting the facts without argument. That is what she is doing. I think the Government is being just a little bit too irritable.

Mr. Lewis: No, we are just fed up with the abuse of this Standing Order.

Mr. Speaker: The Hon. Parliamentary Secretary has again raised the practice and the rules with respect to a concise statement being made by the Hon. Member seeking an emergency debate. I was listening very carefully and watching the written text I had in front of me. I must say I did not feel, at least up until the point when the Hon. Member for Hamilton East (Ms. Copps) was interrupted, that she had strayed. She was perhaps setting out some additional facts, but they seemed to be consistent with the point made in writing. However, the Hon. Member for Hamilton East has the sense of the House and I know she would want to be brief. I can assure her that I think I understand the issue she is raising.

Ms. Copps: Mr. Speaker, I will be brief. I would just like to point out for the record that even since I served notice of this motion, the Government has gone from a position of doing nothing to a position of today issuing a health alert warning Canadians not to eat any oysters, clams or mussels. I understand that also includes lobsters. I have already had calls to my office from Atlantic Canada on the issue of an over-all alert against all shellfish from Atlantic Canada, whether they be domestically-cultivated or wild. Given that, the Speaker can certainly understand the gravity of the situation.

The Minister can also understand that we in the Opposition are a little confounded when, on the one hand, the Minister has done nothing for several weeks, and, on the other hand, he comes down with this over-all ruling.

I would like the Speaker to consider an emergency debate which would allow us to get the facts on the table. We know Canadians are in hospital. We know some are in comas. One has already died. We believe that it is critical enough that there should be an emergency debate.

• (1230)

Mr. Speaker: I thank the Hon. Member. As Hon. Members would expect, I have given this application very serious consideration earlier today and while representations were being made by the Hon. Member for Hamilton East. That it is a serious matter is, I think, accepted by all Hon. Members. I think all Members would accept the fact that it is being treated very seriously by the Minister of National Health and Welfare (Mr. Epp) himself.

I have considered extremely carefully the proper basis upon which an emergency debate ought to be allowed. It is not the intention of the Chair very often to give indications of the reasons for its rulings in such matters because, as Hon. Members know, the reform commission felt that it was perhaps not helpful for the Speaker always to give reasons. The thrust of the Hon. Member's complaint is the conduct of the Hon. Minister and also some concern about procedures within the Department.

Both of those matters may well be extremely important, but given that there have been a number of days of extensive exchange in Question Period in which the Chair gave Hon. Members every possible latitude in asking questions, and in view of the fact that, as the Hon. Member for Hamilton East points out, some action was taken some time ago and further actions have now been taken, I find that I cannot accept the application as one which contains those factors which ought to be shown before an emergency debate is ordered.

However, I say to the Hon. Member for Hamilton East that that does not mean that the Chair looks lightly upon the issue at all. It is just that under these circumstances it would not seem appropriate to the Chair to order an emergency debate.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Hockin that Bill C-87, an Act respecting the imposition of duties of customs and other charges, to give effect to the International Convention on the Harmonized Commodity Description and Coding System, to provide relief against the imposition of certain duties of customs or other charges, to provide for other related matters and to amend or repeal certain Acts in consequence thereof, be read the third time and passed.

Mr. Lewis: Mr. Speaker, there have been discussions among the Parties. I wish to advise the House that when the vote is taken on Bill C-87, the business presently before the House, the Government intends to call no further government business this day. I think you would find consent to move immediately to Private Members' Business at that time and proceed with the one hour's debate, or less, whatever it happens to be.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, when I had the floor before Question Period I was making the point that we believe this Bill has become much more important than it was in the past since the Government has decided to establish an economic union between ourselves and the United States. As a result of that it is much more important that Parliament have a say in how tariffs are established. Consequently, it is important that we ensure that our position on this Bill be well established.

Although the Government is establishing a new economic union, or as the President of the United States has called it, a new economic constitution, the Government does not have a mandate to establish free trade. It is important that Parliament controls the economy of the country, the exports from the country and imports into the country, more than it will be able to do under the economic union which is being suggested.

As I have pointed out, the Tories lack the mandate to do what they are doing. They do not have support in the polls to do this. They are changing their position. Traditionally they have opposed such an economic union, and that is the basis on which people thought they were electing them. Only five of the provinces have said that they would approve the free trade agreement and two of those provinces, Saskatchewan under Premier Devine and British Columbia under Premier Vander Zalm, do not have a clear mandate to take that position on behalf of the people of their provinces.

Rather than belabour this issue, I will sit down so that we can proceed to the next order of business.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I would like to speak on Bill C-87 with regard to the harmonized tariff system. Under ordinary circumstances the Bill would have been treated as a technical one which simply put in place the legal framework for many years of negotiations. It took on a different flavour, however, after an incredibly insensitive statement made by the Minister of State for Finance (Mr. Hockin) in the House. Less than an hour after debate had commenced he objected to opposition Members asking questions about the content of the Bill.

On December 1, as reported at page 11349 of *Hansard* the Minister said "—the free trade agreement we are putting together with the United States is designed to achieve—". He then went on to say that that would make motions produced by the Opposition unnecessary. The Minister continued:

> The rules of origin will be stated in detail in our trading agreement with the United States, and will completely rule out the possibility of the concerns . . . produced by the Hon. Member for Humber—Port-au-Port—St. Barbe.

In other words, in response to the very legitimate concerns raised by my colleague, the Member for Humber—Port-au-Port—St. Barbe (Mr. Tobin), the Minister of State was saying that we should not worry, that we should pass this Bill and we will find our answers in an agreement which we had not yet seen but which may be produced in the House in the next week.

• (1240)

Naturally, Mr. Speaker, that was not a statement that was very well received by parliamentarians. However, today the Prime Minister (Mr. Mulroney) has tabled in the House the agreement in question, the Canada-U.S. agreement, although Members of Parliament have not yet seen it, which is very interesting. It was tabled at 12 p.m., and an hour later, what we have in our lobbies are volumes of tariff descriptions but not the basic agreement. Apparently, that is still on its way to us.

Nevertheless, since the agreement has finally been made public, obviously the debate on the agreement will now proceed on that basis next week. Therefore, we are at liberty to return today to dealing with Bill C-87, as a technical Bill.

It is a Bill that has been negotiated over many years. At the present time, because of the enormous range of products Canada imports from around the world—everything from fruit and vegetables to television sets—Canada Customs now processes seven million separate import declarations every year in order to collect more than $6 billion in duties and taxes. Canada and its major trading partners, the United States, Japan and the European Economic Community, have after many years of negotiation agreed to implement a new way of coding imported goods which will be based on international standards known as the harmonized commodity description and coding system.

This involves for Canada a fundamental revision of the customs tariff, but theoretically, at the end of the day, we would have a very much faster and more efficient method of dealing with imports. So on January 1 Canada Customs and Excise will start a new system which is based on the most massive overhaul in the history of the custom's clearance process.

The harmonized system of coding goods is the product of 13 years' work by the 56 countries that are members of the Customs Co-operation Council. Also within Canada there has been considerable consultation with trade associations, importers, customs brokers and so on. The computerized network which will make this whole new system work is being called bravely by Customs and Excise RMD, release on minimum documentation. The aim, indeed, is to make the system simpler for the user.

The RMD program will allow importers or their brokers who have previously arranged account security with the Department to have their shipments quickly cleared through customs on presentation of minimal documentation, usually just a cargo control document and an unrated invoice. This change will separate clearly the release of goods from the presentation and review of detailed accounting data and so will reduce the paper work required in order to get release of goods.

Also a new system is being set up called the customs automated data exchange, which is a direct link between Customs and the offices of brokers and importers. Under this new system, data, which must be presented for accounting and statistical reasons five days following the release of goods can be transmitted directly from computer to computer. We are told the CADEX system, as it has been called, the customs automated data exchange, will be implemented as of January 1, 1988.

Implementing this system is expected to save the taxpayer $109 million in the next six years. It is also expected that the streamlining will result in savings of $2.5 million to $3 million annually in administrative costs incurred by Customs and Excise. Naturally, as the Chairman of the Public Accounts Committee, I am very happy to see the Governnment moving to reduce some of these administrative costs and I will watch with interest to see if indeed the system works as well as planned.

The proposed new system has been endorsed by the Canadian Manufacturers' Association and other interested groups. One of the main changes is that the Bill now classifies goods based on what they are rather than how they are used. The Bill itself is not very large but the schedules accompanying it are enormous. There are several columns in it. Brokers, and especially the small importer, are going to have some problems with new names. For instance, propane torches will become blow lamps, and hoods for automobiles will take on the British name "bonnets", so I hope we do not have the milliners looking through the wrong place in the schedules.

Revenue Canada has been conducting seminars. It has sent out, in addition to the great complex information, some small manageable general information. This information I hold in my hand is headed "New Customs Commercial Procedures to begin on January 1, 1988". The sub headings are: "What will they mean to importers?" "When does it happen?" "Who is involved?" "How can I get more information?" Thousands of these have been distributed. Nevertheless, I think we have to anticipate that with such a very radical changeover as this, there will be problems and the smaller companies, in particular, may have difficulties adapting.

One would hope that the Department of Customs and Excise will be prepared to continue to be helpful to users of the system. We are told that 75,000 brochures were sent out in 1986, that detailed information kits were sent to 10,000 importers, brokers and others, and that some seminars were conducted in all regions of the country. But even the Minister is not anticipating that this will be quite trouble-free as of January 1.

There is a clause in the Bill, Clause 131, which provides broad authority to amend the rates of duty for an 18 month period following implementation. We do not know exactly how this clause will be used, but there is a possibility under the clause to help companies which may be caught unaware by the legislation. Clause 62 provides compensation to another country, which is similar to Section 11 of the existing legislation which has been used to implement the results of GATT negotiations. However, this one is more worrying because of the broad powers it gives the Government, which is worrying in the context of the present Canada-U.S. trade agreement. It reads:

> The Governor in Council may by order, reduce or remove the duties on goods imported into Canada from any country or countries by way of compensation for concessions granted by any such country or countries; and extend the benefits of any order made pursuant to paragraph (a) to any other country or countries as may be required by Canada's international obligations.

• (1250)

In the past, that kind of authority was used simply to give effect to a grievance under GATT. It is worrying to think of that kind of broad authority remaining in this Bill in the context of the Canada-U.S. agreement.

We have seen the Government take the unprecedented step of imposing a duty on our own domestic industries in response to pressure from the United States. We will be watching very carefully to see that Clause 62 is not misused in that way. If it were to be misused to implement the Canada-U.S. trade agreement through the back door, this is something about which members of my Party would be very exercised and would quickly call the Government to account.

One should also mention that although Canada is proceeding with this legislation which takes effect on January 1, the United States has not yet passed similar legislation. It is expected to separate out the clauses responding to the harmonized system from its omnibus trade Bill and therefore pass it separately, but there is no guarantee.

The Government is proceeding on the assumption that the harmonization will occur on January 1, 1988, without a clear guarantee that our major trading partner, the United States, will have a comparable system in effect at the time. If that should be the case, instead of a more orderly and efficient system providing savings to the taxpayer, we will have utter and complete chaos.

The Government likes to get its legislation through first and worry about its effects afterward. For the sake of the country, I hope it knows what it is doing and can manage it.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I do not want to say many words on this because I think it is time to force a vote on third reading of this Bill. I see my friend from Calgary running out of the Chamber. I know that he was in a car accident in Switzerland. I would like to tell him not to hurry. I can speak for a few moments until he gets the members of his Party in the House. I am very co-operative.

I do not want to hold up the show because there is other business to deal with today.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of Mr. Hockin.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 13(5), the recorded division shall stand deferred until 6 o'clock on Monday, December 14.

It is my understanding that there is unanimous consent to call it 2 o'clock.

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSNESS--MOTIONS

[*English*]

NUCLEAR ARMAMENTS

ADVISABILITY OF DECLARING CANADA A NUCLEAR ARMS FREE ZONE

The House resumed from Thursday, October 29, consideration of the motion of Mr. Young:

That, in the opinion of this House, the Government should consider the advisability of declaring Canada a nuclear arms free zone by prohibiting the deployment, testing, construction and transportation of nuclear weapons and associated equipment through and within Canada, the export of goods and materials for use in the construction and deployment of nuclear arms and further, the Government should encourage cities, provinces and states throughout the world to take similar action.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of Mr. Young. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 13(5), the recorded division on the proposed motion stands deferred until 6 p.m. on Monday, December 14, 1987.

It being 12.56 p.m., this House stands adjourned until Monday at eleven a.m.

The House adjourned at 12.56 p.m.